

**CITY OF WEST SACRAMENTO CITY COUNCIL AND
WEST SACRAMENTO REDEVELOPMENT AGENCY AND
WEST SACRAMENTO FINANCING AUTHORITY**

**City Council Regular Meeting
JUNE 7, 2023 AGENDA**

Quirina Orozco, Mayor Pro Tem
Norma Alcalá, Council Member

Martha Guerrero, Mayor
Aaron Laurel, City Manager
Jeffrey Mitchell, City Attorney

Dawnté Early, Council Member
Verna Sulpizio Hull, Council Member

7:00 PM Regular Meeting Call to Order
 Pledge of Allegiance
 Land Acknowledgment

The meeting will be held at City Hall, City Council Chambers, 1110 West Capitol Avenue, West Sacramento

*Anyone wishing to address the Council, or any agenda item, may fill out the Request to Speak card and present it to the City Clerk **prior to the completion of staff presentation**. Items on the Consent Agenda will be considered in one motion and the Request to Speak card should be turned in prior to the first item on Consent.*

GENERAL ADMINISTRATION FUNCTION – PART I

- PRESENTATIONS BY THE PUBLIC ON MATTERS NOT ON THE AGENDA WITHIN THE JURISDICTION OF THE COUNCIL**
The Council is prohibited from discussing issues not on the agenda brought to them at this time. According to State Law (the Brown Act), items must first be noticed on the agenda before any discussion or action.

PRESENTATIONS

- City Manager's Office**
PRESENTATION OF PROCLAMATION RECOGNIZING JUNE 2023 AS PRIDE MONTH

CONSENT AGENDA

- Capital Projects**
CONSIDERATION OF RESOLUTION 23-53 AMENDING THE CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET FOR THE SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) SYSTEM UPGRADE PROJECT (CIP 22024)

Objective: The objective of this report is to provide the City Council with sufficient information to adopt Resolution 23-53 approving an amendment to the Capital Improvement Program (CIP) budget for the Supervisory Control and Data Acquisition (SCADA) System Upgrade project (CIP 22024)

Recommendation: Staff respectfully recommends that the City Council: (1) Find that the Supervisory Control and Data Acquisition (SCADA) project is exempt from CEQA analysis under California Code of Regulations, Title 14, Division 6, Chapter 3, Section 15301 and that the Class 1 Categorical Exemption (interior or exterior alterations involving such things as interior partitions, plumbing, and electrical conveyances) determination represents the independent judgment of the City; and (2) Adopt Resolution 23-53 approving an amendment to the Capital Improvement Program budget for the Supervisory Control and Data Acquisition (SCADA) System Upgrade project by transferring funds from a lower priority project.

4. **Capital Projects**

CONSIDERATION OF RESOLUTION 23-54 AMENDING THE CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET FOR THE RAW WATER INTAKE PROJECT (CIP 21034)

Objective: The objective of this report is to provide the City Council with sufficient information to adopt Resolution 23-54 approving an amendment to the Capital Improvement Program (CIP) budget for the Raw Water Intake Project (CIP 21034) for additional work at the City of West Sacramento George Kristoff Water Treatment Plant.

Recommendation: Staff respectfully recommends that the City Council: (1) Find that the Raw Water Intake Project (CIP 21034) is exempt from review under California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines § 15301(d) (Existing Facilities); and (2) Adopt Resolution 23-54 approving an amendment to the Capital Improvement Program budget for the Raw Water Intake Project (CIP 21034) by transferring funds from lower priority projects to the Raw Water Intake Project.

5. **Capital Projects**

CONSIDERATION OF APPROVAL OF CONTRACT AMENDMENT NO. 2 WITH TEICHERT CONSTRUCTION FOR THE 5TH STREET WATER MAIN REPLACEMENT PROJECT (CIP 21043)(CIP 21043) AND APPROVAL OF CONTRACT AMENDMENT NO. 2 WITH GHIRARDELLI ASSOCIATES FOR THE RIVERFRONT STREET EXTENSION (CIP 15032) AND 5TH STREET WATER MAIN REPLACEMENT PROJECT (CIP 21043)

Objective: The objective of this report is to provide the City Council with sufficient information to consider approval of Contract Amendment No. 2 for the construction contract with Teichert Construction for the 5th Street Water Main Replacement project (CIP 21043) and approval of Amendment No. 2 to the construction management contract with Ghirardelli Associates for the Riverfront Extension project (CIP 15032) & 5th Street Water Main Replacement project (CIP 21043).

Recommendation: Staff respectfully recommends that the City Council: (1) Approve and authorize the City Manager, or his designee, to execute Amendment No. 2 to the construction contract with Teichert Construction in the amount of \$460,960.00 for the 5th Street Water Main Replacement project (CIP 21043); (2) Authorize the City Manager, or his designee, to execute amendments or change orders up to 10% of the contract amendment amount (\$46,096.00); (3) Approve and authorize the City Manager, or his designee, to execute Amendment No. 2 to the construction management contract with Ghirardelli Associates in the amount of \$226,774.18 for the Riverfront Extension (CIP 15032) & 5th Street Water Main Replacement project (CIP 21043); and (4) Authorize the City Manager or his designee to execute amendments or change orders up to 10% of the contract amendment amount (\$12,679.97).

6. **Community Development**

CONSIDERATION OF APPROVAL OF A 1-YEAR CONTRACT RENEWAL WITH NOMAD TRANSIT LLC EXTENDING THE WEST SACRAMENTO ON-DEMAND RIDESHARE PROGRAM THROUGH FISCAL YEAR 2023-24 AND RESOLUTION 23-42 ALLOCATING UP TO \$3,102,730 TO SUPPORT OPERATIONS THROUGH FISCAL YEAR 2023-24

Objective: The purpose of this report is to request City Council approval of Amendment No. 5 to the amended and restated contract with NoMad Transit LLC to extend the On-Demand Rideshare service through June 30, 2024 and to establish the schedule of fees for fiscal year 2023-24 operations. Staff is requesting approval of Resolution 23-42 allocating up to \$3,102,730 in Transportation Development Act funding and authorizing use of \$150,000 in collected Fiscal Year 2022-23 rideshare revenues to support continued rideshare operations through FY 2023-24.

Recommendation: Staff respectfully recommends that the City Council: (1) Find approval of Amendment No. 5 to the Amended & Restated Contract with NoMad Transit LLC exempt from the California Environmental Quality Act (CEQA) under the General Rule exception provided for by Section §15061(b)(3); (2) Approve and authorize the City Manager, or designee, to execute Amendment No. 5 to the Amended & Restated Contract with NoMad Transit LLC, extending operations of the West Sacramento On-Demand Rideshare program through June 30, 2024 and establishing the schedule of fees for fiscal year 2023-24; and (3) Approve Resolution 23-42 allocating up to \$3,102,730 from the Transportation Development Act and authorizing the use of FY 2022-23 rideshare revenues estimated at \$150,000 towards the funding of the FY 2023-24 Via Rideshare program operations.

7. Community Development

CONSIDERATION OF CONTRACT AMENDMENT NO. 1 WITH ASCENT ENVIRONMENTAL, INC. FOR THE UPDATE TO THE WASHINGTON SPECIFIC PLAN

Objective: The objective of this report is to provide the City Council with sufficient information to approve Amendment No. 1 with Ascent Environmental, Inc. (Ascent) to include Walker Consultants (Walker) and Economic & Planning Systems (EPS) as subconsultants for the update to the Washington Specific Plan (WSP) and delegate authority to the City Manager to execute the contract amendment and any contract extensions.

Recommendation: Staff respectfully recommends that the City Council: 1) Approve contract amendment 1 with Ascent Environmental, Inc. (Ascent) to include Walker Consultants (Walker) and Economic & Planning Systems (EPS) as subconsultants for the update to the Washington Specific Plan (WSP); and 2) Delegate authority to the City Manager to execute the contract amendment and any contract extensions.

8. Community Development

CONSIDERATION OF SECOND READING AND ADOPTION OF ORDINANCE 23-7 PERTAINING TO AN AMENDMENT TO THE TERM OF THE RIVER PARK DEVELOPMENT AGREEMENT

Objective: The purpose of this item is for City Council to adopt Ordinance 23-7 to effectuate an amendment to the term of the existing Development Agreement between Sun M Capital, LLC and the City of West Sacramento for the River Park project to extend the term of the Agreement by one year.

Recommendation: Staff respectfully recommends that the City Council: (1) Find that the amendment to the term of the existing River Park Development Agreement between Sun M Capital, LLC and the City of West Sacramento does not require further environmental review pursuant to Sections 15162 and 15168 of the CEQA Guidelines; and (2) Waive second reading and adopt Ordinance 23-7 amending the term of the River Park Development Agreement between Sun M Capital, LLC and the City of West Sacramento.

9. Community Development

CONSIDERATION OF FLOOD PROTECTION IN-LIEU FEE INDEXING DATE ADJUSTMENT

Objective: This item requests the Council's consideration to modify the month of the Engineering News Record Construction Cost Index (ENR CCI) to which the Flood Protection In-lieu Fee is adjusted.

Recommendation: Staff respectfully recommends that the City Council: (1) Adopt Resolution 23-38 Adjusting the Flood Protection In-Lieu Fee Indexing Date; and (2) Direct staff to adjust Flood Protection In-Lieu Impact fees using July instead of December as the Engineering News Record Construction Cost Index.

10. **Parks & Recreation**

CONSIDERATION OF APPROVAL OF CONTRACT WITH STUDIO KLY LLC FOR THE FIRE STATION 41 BENCH PUBLIC ART INSTALLATION PROJECT

Objective: The objective of this report is to provide the Council with the necessary information to approve the contract with Studio KLY LLC, for the West Sacramento Fire Station 41 Bench Public Art Installation Project.

Recommendation: Staff respectfully recommends that the City Council authorize the City Manager or designee to execute a contract with Studio KLY LLC for the Fire Station 41 Bench Public Art Installation Project in an amount not to exceed \$42,000 in the form substantively attached.

11. **Police**

CONSIDERATION OF OBJECTION TO ABC LICENSE CONDITION REMOVAL OR MODIFICATION FOR KWIK MART LOCATED AT 1648 WEST CAPITOL AVENUE

Objective: The objective of this report is to obtain City Council approval of an objection to a petition for removal or modification of ABC license conditions for Kwik Mart located at 1648 West Capitol Avenue.

Recommendation: It is respectfully recommended that the City Council authorize the Mayor to sign a letter to the California Department of Alcoholic Beverage Control objecting to the Kwik Mart owner's petition for removal or modification of ABC license conditions based upon crime statistics surrounding Kwik Mart located at 1648 West Capitol Avenue.

12. **Public Works**

CONSIDERATION OF PURCHASE OF A VARIABLE FREQUENCY DRIVE AT BRIDGEWAY LAKES PUMP STATION USING CIP 21007 (MAJOR WATER SYSTEMS REPAIRS)

Objective: The objective of this report is to request Council approval to purchase a Variable Frequency Drive (VFD) for a High Service Pump (HSP) at the Bridgeway Lakes pump station.

Recommendation: Staff respectfully recommends that the City Council: (1) Find that the purchase, removal and replacement of a variable frequency drive is exempt from the California Environmental Quality Act (CEQA) under the General Rule exemption provided for in the CEQA Guidelines Section § 15061(b)(3); and (2) Authorize the use of CIP 21007 for Major Water System Repairs in the amount of \$70,000 for the removal and replacement of the variable frequency drive for a high service pump at the Bridgeway Lakes Pump Station.

13. **Finance**

CONSIDERATION OF THE TREASURER'S QUARTERLY FINANCIAL REPORT ON THE CITY'S INVESTMENT PORTFOLIO FOR THE PERIOD ENDING MARCH 31, 2023 AND ANNUAL UPDATES TO THE CITY'S INVESTMENT POLICY

Objective: The purpose of this report is to provide the City Council with the treasurer's quarterly report on the City's investment portfolio for the quarter ending March 31, 2023 as outlined by the Government Code 53646(b) (1) and to propose updates to the City's Investment Policy consistent with applicable Government Code.

Recommendation: Staff respectfully recommends that the City Council receive and file the Treasurer's Quarterly Financial Report on the City's investment portfolio for the period ending March 31, 2023, and approve the recommended changes to the City's investment policy.

14. **Finance**

CONSIDERATION OF RESOLUTION 23-19 AUTHORIZING THE COLLECTION OF SPECIAL TAX ON THE SECURED ROLL IN THE SAME MANNER AS THE ORDINARY AD VALOREM PROPERTY TAXES FOR EXISTING COMMUNITY FACILITY DISTRICTS FOR AUTHORIZED CAPITAL FACILITY CONSTRUCTION PURPOSES

Objective: The purpose of this action is to collect a special tax associated with Community Facility Districts (CFDs) previously established by the City to fund capital improvements and make debt service payments on outstanding bond debt, and to have these taxes placed on the Yolo County secured property tax bill.

Recommendation: Staff respectfully recommends that the City Council adopt Resolution 23-19 authorizing the collection of a special tax and the placing of these taxes on the secured tax roll to be collected in the same manner as the ordinary ad valorem property taxes. Furthermore, the actions recognize that the collection of taxes will be used to pay outstanding bond debt and other purposes previously authorized by the City.

15. **Finance**

CONSIDERATION OF RESOLUTION 23-46 AUTHORIZING THE COLLECTION OF SPECIAL TAX ON THE SECURED TAX ROLL IN THE SAME MANNER AS THE ORDINARY AD VALOREM PROPERTY TAXES IN ORDER TO PAY FOR CERTAIN MAINTENANCE SERVICES

Objective: The purpose of this action is to collect special tax to pay for certain existing Community Facility District (CFD) maintenance services and to have these taxes placed on the Yolo County secured property tax bill.

Recommendation: Staff respectfully recommends that the City Council adopt Resolution 23-46 authorizing the collection of special tax to pay for certain Community Facility District maintenance services on the secured tax roll in the same manner as the ordinary ad valorem property taxes.

16. **Finance**

CONSIDERATION OF RESOLUTION 23-47 INITIATING THE LEVY OF ANNUAL ASSESSMENTS FOR LANDSCAPING AND LIGHTING DISTRICT NO. 1

Objective: The objective of this report is to provide sufficient information to Council to adopt Resolution 23-47 initiating the levy of annual assessments for Landscaping and Lighting District #1.

Recommendation: Staff respectfully recommends that the City Council adopt Resolution 23-47, a Resolution of Intention initiating the levy of annual assessments for the Landscaping and Lighting District No. 1 and establish the date of July 19, 2023 for a public hearing under the Landscaping and Lighting Act of 1972.

17. **Finance**

CONSIDERATION OF RESOLUTION 23-48 INITIATING ANNUAL PROCEEDINGS UNDER THE STORM DRAIN MAINTENANCE ACT OF 1937 FOR STORM DRAIN MAINTENANCE DISTRICT NO. 1 (RALEY’S LANDING)

Objective: The objective of this report is to provide sufficient information to Council to adopt Resolution 23-48 initiating annual proceedings under the Storm Drain Maintenance Act of 1937 for Storm Drain Maintenance District # 1, Raley’s Landing.

Recommendation: Staff respectfully recommends that the City Council adopt Resolution 23-48 initiating annual proceedings and establishing the date of July 19, 2023 for a public hearing to be conducted under the Storm Drain Maintenance District Act of 1937 (the “1937 Act”) for Storm Drain Maintenance District No. 1 (Raley’s Landing).

PUBLIC HEARINGS

None

REGULAR AGENDA

None

GENERAL ADMINISTRATION FUNCTION – PART II

18. COUNCIL COMMUNICATIONS / ASSIGNMENTS

- Bikeshare Policy Steering Committee -----Guerrero, Alternate - Early
- City/County 2x2 -----Guerrero/Orozco, Alternate – Sulpizio Hull
- City/School 2x2 -----Guerrero/Sulpizio Hull, Alternate - Alcalá
- Executive Commission to Address Homelessness -----Sulpizio Hull, Alternate - Orozco
- EIFD Public Financing Authority-----Vacant, Alternate - Vacant
- League of California Cities ----- Alcalá, Alternate – Sulpizio Hull
- Local Agency Formation Commission ----- Alcalá
- Port District Commission -----Guerrero, Early, Sulpizio Hull
- Remote Access Network -----Guerrero
- River City Regional Stadium Financing Authority-----Guerrero, Orozco
- Sacramento Area Council of Governments (SACOG)-----Guerrero; Alternate - Early
- Sacramento Regional County Sanitation District Board -----Orozco; Alternate - Sulpizio Hull
- Water Resources Association -----Sulpizio Hull; Alternate - Early
- West Sacramento Area Flood Control Agency JPA -----Alcalá; Alternate - Orozco
- Yolo County Housing Authority-----Early, Alternate - Sulpizio Hull
- Yolo Transportation District -----Early, Alternate - Sulpizio Hull
- Yolo Habitat Conservancy -----Sulpizio Hull
- Yolo-Solano Air Quality Management District -----Alcalá; Alternate – Sulpizio Hull
- Yolo Subbasin Sustainable Groundwater Agency-----Sulpizio Hull

COUNCIL INTERMEDIARY REPRESENTATIVES

- Delta Protection Commission -----Vacant; Alternate - Vacant
- New Hope Community Development Corporation-----Early; Alternate - Alcalá
- Yolo County Consolidated Redevelopment Successor Agency Oversight Board -----Sulpizio Hull

19. COUNCIL APPOINTMENTS, REAPPOINTMENTS, REMOVALS TO/FROM CITY AND NON-CITY BOARDS AND COMMISSIONS

20. PART II

- A. Council Calendar
- B. City Manager Report
- C. City Attorney Report
- D. Staff Direction from City Council Members
- E. Future Agenda Item Requests by Council
- F. Adjourn

I, Jennifer Cusmir, City Clerk, declare under penalty of perjury that the foregoing agenda for the June 7, 2023 regular and closed session meetings of the West Sacramento City Council, Redevelopment Successor Agency and Financing Authority was posted June 2, 2023 at the rear entrance at City Hall, 1110 West Capitol Avenue, West Sacramento, CA and was available for public review.

NOTE: If you challenge the nature of a proposed action in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing.

The agenda and agenda reports are also available on the City's website at www.cityofwestsacramento.org

City Council meetings are broadcast live on Wave Cable Channel 20 and rerun the next day at 12:00 PM and the following Saturday at 6:00 PM.

All public materials related to an item on this agenda submitted to the City Council after distribution of the agenda packet are also made available for public inspection on the City's website at: www.cityofwestsacramento.org. Any document provided at the meeting by staff or by the public will be provided by the City Clerk upon request by phone at (916) 617-4500, or by email at: clerk@cityofwestsacramento.org.

If you need assistance to participate in this meeting, please contact the City Clerk's Office at 916-617-4500 or clerk@cityofwestsacramento.org. Notify the City Clerk's Office at least 48 hours prior to the meeting will assist staff in assuring reasonable arrangements can be made to provide accessibility to the meeting. Assisted listening devices are available at this meeting.

MEETING DATE: June 7, 2023

ITEM # 2

SUBJECT:



PRESENTATION OF PROCLAMATION RECOGNIZING JUNE 2023 AS PRIDE MONTH

INITIATED OR REQUESTED BY:

- [] Council [X] Staff [] Other

REPORT COORDINATED OR PREPARED BY:

Meaghan Stiles, Program Manager City Manager's Office

ATTACHMENT [X] Yes [] No [] Information [] Direction [X] Action

OBJECTIVE

The purpose of this is to formally support the principle of equal rights for all people which includes Lesbian, Gay, Bisexual, Transgender, Queer, Questioning, Intersexual, Asexual, Ally, and other sexual and gender minority (LGBTQIA+) members of our community in recognizing June 2023 as Pride Month.

RECOMMENDED ACTION

Staff respectfully recommends that the City Council adopt a proclamation recognizing June 2023 as Pride Month and approve the flying of the Rainbow Flag at City Hall for the month of June 2023.

BACKGROUND

Each year, the month of June is designated Pride Month to commemorate the Stonewall riots, which occurred in June of 1969 and are generally recognized as the catalyst of the LGBTQIA+ Rights Movement.

During Pride month, the LGBTQIA+ communities come together and celebrate the freedom to be themselves. Pride gatherings are rooted in the arduous history of minority groups who have struggled for decades to overcome prejudice and be accepted for who they are. Celebrations include pride parades, political marches, block parties, educational panels and memorials to those who have been lost to hate crimes or HIV/AIDS.

Cities throughout California including West Sacramento, have been leaders in advancing the civil rights of its LGBTQIA+ citizens. Many of the residents, students, employees, and business owners within the City of West Sacramento who contribute greatly to the enrichment of our City, are a part of the LGBTQIA+ community.

ANALYSIS

Members of City of West Sacramento leadership, elected officials and community members celebrate Pride Month through participation in a number of initiatives and events that have included the Sacramento Pride March and Pride Night at River Cats Stadium.

West Sacramento is strengthened by and thrives upon the rich diversity of ethnic, cultural, racial, gender and sexual identities of its residents; all of which contribute to the vibrant character of our City. West Sacramento has and is committed to being an inclusive and welcoming community for all, including the LGBTQIA+ community.

Environmental Considerations N/A

Commission Recommendation N/A

Strategic Plan Integration N/A

Alternatives N/A

Coordination and Review N/A

Budget/Cost Impact N/A

ATTACHMENT

1. Proclamation

**PROCLAMATION OF THE WEST SACRAMENTO CITY COUNCIL
DESIGNATING JUNE 2023 AS PRIDE MONTH**

WHEREAS, the City of West Sacramento and LGBTQIA+ community members support the rights of every citizen to experience equality and freedom from discrimination; and

WHEREAS, all people regardless of age, gender identity, race, color, religion, marital status, national origin, sexual orientation, or physical challenges have the right to be treated on the basis of their intrinsic value as human beings; and

WHEREAS, the City of West Sacramento accepts and welcomes people of diverse backgrounds and believes a diverse population leads to a more vibrant community; and

WHEREAS, the Lesbian, Gay, Bisexual, Transgender, Queer, Questioning, Intersexual, Asexual, Ally (LGBTQIA+) communities contribute to the cultural, civic, and economic successes of the City West Sacramento; and

WHEREAS, the City of West Sacramento envisions a world where every member of the LGBTQIA+ family has the freedom to live their truth without fear, and with equality under the law; and

WHEREAS, while we as a society at large are slowly embracing new definitions of sexuality and gender we must also acknowledge that the need for education and awareness remains vital to end discrimination and prejudice; and

WHEREAS, to acknowledge the efforts to bring awareness to the continuing evolution to the Pride movement, the City of West Sacramento will display the Rainbow Flag, representing light, healing, sun, calmness, art and spirit, in front of City Hall for the month of June.

NOW, THEREFORE, BE IT HEREBY PROCLAIMED by the West Sacramento City Council that June 2023 be designated as Pride Month in the City of West Sacramento and that our residents be encouraged to reflect on the ongoing struggle for equality members of the LGBTQ community face and celebrate their contributions that enhance our city.

PROCLAIMED THIS 7th day of June, 2023

ATTEST:

Martha Guerrero, Mayor

Jennifer Cusmir, City Clerk

MEETING DATE: June 7, 2023

ITEM # 3

SUBJECT:



CONSIDERATION OF RESOLUTION 23-53 AMENDING THE CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET FOR THE SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) SYSTEM UPGRADES PROJECT (CIP 22024)

INITIATED OR REQUESTED BY:

- Council Staff
- Other

REPORT COORDINATED OR PREPARED BY:

Inambao Lifanu, Project Manager
Capital Projects Department

Chris Kania, Water Treatment Superintendent
Public Works Operations & Maintenance Department

ATTACHMENT Yes No Information Direction Action

OBJECTIVE

The objective of this report is to provide the City Council with sufficient information to adopt Resolution 23-53 approving an amendment to the Capital Improvement Program (CIP) budget for the Supervisory Control and Data Acquisition (SCADA) System Upgrade project (CIP 22024).

RECOMMENDED ACTION

Staff respectfully recommends that the City Council:

- 1) Find that the Supervisory Control and Data Acquisition (SCADA) project is exempt from CEQA analysis under California Code of Regulations, Title 14, Division 6, Chapter 3, Section 15301 and that the Class 1 Categorical Exemption (interior or exterior alterations involving such things as interior partitions, plumbing, and electrical conveyances) determination represents the independent judgment of the City; and
- 2) Adopt Resolution 23-53 approving an amendment to the Capital Improvement Program (CIP) budget for the Supervisory Control and Data Acquisition (SCADA) System Upgrade project by transferring funds from a lower priority project.

BACKGROUND

The City owns, maintains, and operates the George Kristoff WTP, seven (7) reservoirs and pump stations, one (1) Booster station, fourteen (14) sewer stations and eight (8) storm stations. These sites contain various combinations of equipment, pumps, processes, water storage, chemical storage, control valves, monitoring and instrumentation. All sites are networked together using the City's existing Supervisory Control and Data Acquisition (SCADA) system to allow the City's Operations staff to continuously monitor and control water treatment and distribution, as well as sewer and storm facilities. The existing SCADA system has become obsolete and is no longer supported by its manufacturer, necessitating the City upgrade the existing SCADA system. Selection and purchase of a Human Machine Interface (HMI) software and integrator is necessary to develop user graphics, control logic, interfaces, and networking capabilities for the SCADA system. The development of this software will also provide City staff enhanced abilities to monitor and control automated water, sewer and storm facilities while allowing for increased system security, cyber security, and the use of modern communications and technological components.

In February 2018 an advertisement was issued to address the demands of the water utility operations and state of functionality of the existing system, including challenges in operations and maintenance, as well as upgrade of the existing SCADA system.

On March 7, 2018, an RFP was issued to solicit proposals from consultants that would qualify to meet the project need based on experience, proposed material and services, project approach and method.

On March 21, 2018, six (6) proposals were received and evaluated based on the set criteria and Wonderware California was deemed to be most qualified to provide the City the best quality equipment, integration, training, warranty and software solution.

On December 19, 2018, Wonderware California was awarded the contract by the City Council. At the start of the project, Wonderware California exhibited professionalism, and provided a project schedule that communicated progress.

On April 16, 2021, a Notice of Non-Performance was issued following a host of complaints and deficiencies involving the integration of the new SCADA system. The project encountered multiple delays, excessive use of City Staff time, delivery of graphics and interface equipment different from what was requested, failure to provide programming and logic consistent with current application, and lack of responsiveness to concerns that were communicated. It was determined that Wonderware California was incapable of meeting the needs of the City as specified in the proposal, and hence was issued a Notice of Non-Performance which they eventually accepted.

On November 10, 2021, City staff met with Wonderware California staff to resolve all differences and the parties agreed to terminate the contract. Wonderware California has since provided a summary of all accounting for outstanding work and equipment, and returned all equipment purchased under contract including passwords and warranty information per contract. The City and Wonderware California further proceeded to withdraw any and all obligations on account of the project. Per Public Works Code PWC 5106, the City found that Wonderware California failed to execute the contract of December 18, 2018, and therefore found it in the best interest of the City to award the contract to the second lowest bidder.

On January 5, 2022, TESCO Instruments, the second lowest bidder, performed a physical assessment of the SCADA Upgrade project, and evaluated the status of the project and what would be required to achieve the City expectations.

On January 19, 2022, TESCO Instruments submitted a proposal with the understanding the project would implement a new SCADA system in all City facilities noted in the RFP. The proposal included movement away from the existing iFIX software application to a new software which would modernize and replace the existing SCADA to align with the City's vision of system wide upgrades, and implement improvements that would highlight simplicity, standardization, modernization, enhanced functionality, increased reliability, redundancy of critical points, and improvement of the overall user experience. The scope of the project would maintain the original components of the SCADA upgrade to include new installations where not included in the original SCADA, optimize data communications by expanding network capabilities, add redundancy and account for the needed capacity and scalability to accommodate City growth and the addition of future facilities.

On March 8, 2022, TESCO Instruments was awarded a construction contract for \$1,400,000.

To date TESCO Instruments has completed Programming Logic Control (PLC) upgrades at the remote sites. Remaining work includes evaluation of the existing Radio & Video Surveillance system, including virtualization of the core SCADA system infrastructure to help improve overall system maintenance, disaster recovery techniques, seamless expansion capabilities for future growth, and comprehensive system documentation that will be centralized to all key stakeholders.

During the course of construction, it was found more feasible to address the upgrade of the PLC hardware on the filter system through its proprietor, Leopold Xylem Systems, who agreed to provide the software side of the upgrade with TESCO deploying the hardware. Xylem would also be part of the startup to ensure the proper filter functionality. Additionally, the upgrade of the PLC filters would be addressed by their proprietor US Filters Corp., who would guarantee their software programming, product quality and functionality, while TESCO provides the hardware, technical and instrumentational support on the connectivity to the SCADA System.

The above constitutes the additional work so far that TESCO Instruments has identified as critical to the integration of the City's equipment with the SCADA system. With this integration, operators can view activity at the various sites, control operations and collect data for more efficient servicing of equipment for the ultimate water quality and distribution.

ANALYSIS

TESCO Instruments Inc. was selected to upgrade the SCADA system, making them the integrator for the project which includes upgrading two systems at the Water Treatment Plant installed as package systems during the plant construction in 2002. TESCO is providing the hardware for the Leopold Filter System and the US Filter Actiflo System. During the course of the project, TESCO stated they were not comfortable handling the installation of the hardware and the programming of the software given that the original equipment is proprietary. Therefore, staff obtained a quote to complete the installation and the programming. A quote came in and it was less than the \$50,000 and therefore falls within the threshold of authority of the City Manager. However, additional funds are needed for this additional work and other miscellaneous items necessary to complete the project. Staff is recommending that \$100,000 be transferred to this project from CIP 22015, Seismic Analysis of Reservoirs and Pump Stations, a lower priority project in the Capital Improvement Program (CIP).

Environmental Considerations

The California Environmental Quality Act (CEQA) Title 14, Chapter 3, Article 19 is the section that defines what projects or categories are allowed to be considered Categorical Exempt. Under section 15301 Class 1, operations such as repair, maintenance or minor alteration of existing public structures, facilities, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination are considered exempt from CEQA. The SCADA Upgrades project falls within the following Class 1 Categorical Exemption: Interior or exterior alterations involving such things as interior partitions, plumbing, and electrical conveyances.

Commission Recommendation

The SCADA Upgrades was presented to the Environment and Utilities Commission at the December 10, 2018, meeting and the Commission voted unanimously to recommend that the City Council consider approval and award of a contract.

Strategic Plan Integration

N/A.

Alternatives

The City Council may decide to:

- 1) Approve the recommended actions as stated above; or
- 2) Modify the recommended action; or
- 3) Deny the recommended action or cancel the project.

Staff recommends Alternative 1 as the most efficient way to keep moving on this important project.

Coordination and Review

This report was prepared by the Capital Projects Department in coordination with review by the Public Works Operations and Maintenance Department and the Finance Department.

Budget/Cost Impact

As stated above, staff has identified one (1) lower priority projects whose funds can be used to complete this additional work for the SCADA System Upgrade. Staff is recommending that \$100,000 be transferred to the SCADA project, CIP 22024, from CIP 22015, Seismic Analysis of Reservoirs and Pump Stations.

ATTACHMENTS

- a) Resolution 23-53

RESOLUTION 23-53

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST SACRAMENTO
AMENDING THE CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET FOR THE SCADA
SYSTEM UPGRADE PROJECT (CIP 22024)**

WHEREAS, the City Council adopted the biennial Capital Improvement Program (CIP) budget for Fiscal Years 2018/19; and

WHEREAS, the Capital Improvement Program (CIP) budget for the Upgrade of the Supervisory Control and Data Acquisition (SCADA) (CIP 22024) was approved by Council on December 19, 2018; and

WHEREAS, the current CIP project for the upgrade of the existing SCADA System includes implementation of improvements that highlight simplicity, standardization, modernization, enhanced functionality, increased reliability, redundancy of critical points, and improvement of the overall user experience; and

WHEREAS, to date, project upgrades at 25 remote sites and stations have been completed, including existing sewage collection stations (14), existing stormwater stations (3), and existing water distribution stations (8); and

WHEREAS, the project continues to progress with remaining work still to be completed including radio and surveillance system evaluation, SCADA software system upgrades, startup and commissioning and training;

WHEREAS, additional work is required to complete the programming of preexisting Leopold and Actiflo Systems by the proprietary vendors while TESCO has agreed to supply the hardware; and

WHEREAS, based on additional TESCO scope plus contingencies, City staff is requesting and recommending an additional budget appropriation of \$100,000 for this project, comprised of \$100,000 of remaining funds from the Seismic Analysis of Reservoirs and Pump Stations (22015); and

WHEREAS, the City Council has considered all information related to this matter, as presented at the public meetings of the City Council identified herein, including any supporting reports by City staff, and any other information provided during public meetings.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of West Sacramento as follows:

1) The City Council hereby approves amendments to the Capital Improvement Program for Fiscal Year 2022/23 as listed below:

<u>SOURCES</u>		
\$100,000	507-9620-5530/507-22015-5800	Seismic Analysis of Reservoirs and Pump Station
\$100,000	TOTAL SOURCES	
<u>USES</u>		
\$100,000	507-9621-5530/507-22024-5800	SCADA System Upgrade project
\$100,000	TOTAL SOURCES	

**Note: Interfund Transfers are not included in total sources and uses to avoid duplication of total costs.*

2) The City Council hereby finds that the facts set forth in the recitals to this Resolution are true and correct and establish the factual basis for the City Council's adoption of this Resolution.

3) This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the West Sacramento City Council this 7th day of June 2023, by the following vote:

AYES:
NOES:
ABSENT:

Martha Guerrero, Mayor

ATTEST:

Jennifer Cusmir, City Clerk

MEETING DATE: June 7, 2023

ITEM # 4

SUBJECT:

CONSIDERATION OF RESOLUTION 23-54 AMENDING THE CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET FOR THE RAW WATER INTAKE PROJECT (CIP 21034)

INITIATED OR REQUESTED BY:
 Council Staff

 Other
REPORT COORDINATED OR PREPARED BY:
 Inambao Lifanu, Project Manager
Capital Projects Department

 Chris Kania, Water Treatment Superintendent
Public Works Operations and Maintenance Department
ATTACHMENT Yes No

 Information

 Direction

 Action
OBJECTIVE

The objective of this report is to provide the City Council with sufficient information to adopt Resolution 23-54 approving an amendment to the Capital Improvement Program (CIP) budget for the Raw Water Intake Project (CIP 21034) for additional work at the City of West Sacramento George Kristoff Water Treatment Plant.

RECOMMENDED ACTION

Staff respectfully recommends that the City Council:

- 1) Find that the Raw Water Intake Project (CIP 21034) is exempt from review under California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines § 15301(d) (Existing Facilities); and
- 2) Adopt Resolution 23-54 approving an amendment to the Capital Improvement Program budget for the Raw Water Intake Project (CIP 21034) transferring funds from lower priority projects to the Raw Water Intake Project.

BACKGROUND

The Capital Improvement Program (CIP) budget for the rehabilitation of the Raw Water Intake Pumps was approved by the City Council on September 18, 2019.

On December 8, 2021, City Council approved contract amendment 2 of the Raw Water Electrical system which addressed the electrical upgrades, purchase and installation of new soft start, fast start, VFDs, breakers, cabinets and other electrical equipment to complete the Raw Water Intake Project upgrades. As of March 2023, these upgrades were complete with all six (6) pumps and six (6) motors fully operational and efficient and easy to use electrical system per proposed intent.

Upon project completion and final testing it was discovered that of all the electrical components that were replaced, the main electric breaker was overlooked, despite being aged and of critical value to the entire operation. It was, therefore, recommended to replace the breaker to ensure all electrical units are compatible and in synchronization. The additional work will consist of the purchase and installation of the surge protector and all associated component upgrades and labor cost. This work will reduce the risk of failure and damage to the new electrical system.

ANALYSIS

Industrial Electrical Company Inc. (IEC) was selected to furnish and install new Allen Bradley electrical cabinets, materials, and wiring for the upgrade of Raw water Pump controllers. The scope included three (3) new VFD's cabinets for pumps 1, 3, and 5, three (3) new soft start cabinets for pumps 2, 4, and 6, and complete electrical assembly to the connection of 125HP 480-volt motor. As of March 2023, the electrical upgrade was complete and the entire Raw Water Intake System is fully functional with the required modifications and upgrades.

As is common with aged infrastructure, the breaker, surge protector and power quality meter were found to be items that should be addressed, as they are the capstone parts and pieces that will ensure reliability and ease of monitoring of the new system. The project is currently complete, and it will be more cost effective to add this work now rather than later, as it will save on the cost of mobilization and product pricing which may later increase. This project is currently delivering more efficient electrical capabilities of the Raw Water Infrastructure including the recent soft start and VFD configurations of independent silos making new equipment easier to maintain.

Price quotations were received for the breakers; however, Industrial Electric is unable to supply new equipment which led the staff to recommend purchasing the equipment and installing it. The City will purchase the parts and material and find a reasonable service agreement to install the parts within the project budget appropriation.

Environmental Considerations

The proposed extra work to complete the electrical work for the Raw Water Intake is exempt from review under California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines § 15301(d) (Existing Facilities), as it involves the replacement and addition of existing equipment with no expansion of existing equipment and with no expansion of existing use.

Commission Recommendation

Not applicable.

Strategic Plan Integration

n/a

Alternatives

The City Council may decide to:

- 1) Approve the recommended actions in this report;
- 2) Modify or delay the recommended actions; or
- 3) Reject the recommended actions and return to staff.

Staff recommends Alternative 1 as the best way to ensure equipment protection and give the City the maximum allowable water delivery option to the George Kristoff Water Treatment Plant for processing the City's water needs and save the City future dollars by completing work in this current CIP Project. The project is currently in progress and it will be more cost effective to the City to complete the updates now rather than later, as it will save on the cost of mobilization and product pricing which may later increase.

Coordination and Review

This report was prepared by the Capital Projects Department with extensive input from the Public Works Operations and Maintenance Department and the Finance Department.

Budget/Cost Impact

The budget/cost impact for purchase and installation plus contingencies of this extra work for the Raw Water Rehabilitation Project is funded by the amendment to the CIP transferring funds from a lower priority project to the Raw Water Intake CIP.

Staff has identified one (1) lower priority project whose funds can be used to complete this additional work at the Raw Water Intake Project. The Seismic Analysis of Reservoirs and Pump Stations Project (22015) has \$150,000 appropriated that may be used to complete the Raw Water Intake Rehabilitation Project.

The total proposed funds to be transferred into the project appropriation is \$50,000. This transfer is intended to cover the purchase and install cost of the breaker, surge suppression and digital meter and associated labor. This development came about during the course of work and the scope of the additional findings were not included in the previous contract and amendments.

ATTACHMENTS

- 1) Resolution 23-54

RESOLUTION 23-54**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST SACRAMENTO
AMENDING THE CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET FOR THE RAW
WATER INTAKE REHABILITATION PROJECT (CIP 21034)**

WHEREAS, the Capital Improvement Project (CIP) budget for the Rehabilitation of the Raw Water Intake Pumps was approved by Council on September 18, 2019; and

WHEREAS, the current Capital Improvement Project for the rehabilitation of the existing Intake structure included electrical upgrades and installation of line and load reactors; and

WHEREAS, to date, all mechanical rehabilitation work has been completed including, upgrades, rebuilding and installation of the five (5) pumps and motors, purchase and installation of a new vertical pump, flanges, gaskets and fasteners, repair of actuator and installation of knife vales; and

WHEREAS, remaining electrical work has also been completed including furnishing and installation of new Allen Bradley electrical cabinets, materials, and wiring for the Pump controllers as well as three (3) new VFD's cabinets for pumps 1, 3, and 5, three (3) new soft start cabinets for pumps 2, 4, and 6, plus installation of line and load reactors; and

WHEREAS, upon completion of the project it was brought to the City's attention that the current power breaker, surge protector and power quality meter needed to be replaced to ensure safe power distribution and compatibility with the newly upgraded equipment; and

WHEREAS, based on the recommended additional work plus contingencies, City staff is recommending and requesting an additional budget appropriation of \$50,000 for this project, to be transferred from a lower priority project, Seismic Analysis of Reservoirs and Pump Station Project (22015); and

WHEREAS, the City Council has considered all information related to this matter, as presented at the public meetings of the City Council identified herein, including any supporting reports by City staff, and any other information provided during public meetings.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of West Sacramento as follows:

1) The City Council hereby approves amendments to the Capital Improvement Program for Fiscal Year 2022/23 as listed below:

SOURCES

<u>\$50,000</u>	507-9620-5530/507-22015-5800	Seismic Analysis of Reservoirs & Pump Stns
\$50,000	TOTAL SOURCES	

USES

<u>\$50,000</u>	507-9621-5530/507-21034-5800	Raw Water Intake Rehab Project
\$50,000	TOTAL SOURCES	

**Note: Interfund Transfers are not included in total sources and uses to avoid duplication of total costs.*

2) The City Council hereby finds that the facts set forth in the recitals to this Resolution are true and correct and establish the factual basis for the City Council's adoption of this Resolution.

3) This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the West Sacramento City Council this 7th day of June 2023,
by the following vote:

AYES:
NOES:
ABSENT:

Martha Guerrero, Mayor

ATTEST:

Jennifer Cusmir, City Clerk

MEETING DATE: June 7, 2023

ITEM # 5

SUBJECT:



CONSIDERATION OF APPROVAL OF CONTRACT AMENDMENT NO. 2 WITH TEICHERT CONSTRUCTION FOR THE 5TH STREET WATER MAIN REPLACEMENT PROJECT (CIP 21043) AND APPROVAL OF CONTRACT AMENDMENT NO. 2 WITH GHIRARDELLI ASSOCIATES FOR THE RIVERFRONT STREET EXTENSION (CIP 15032) AND 5TH STREET WATER MAIN REPLACEMENT PROJECT (CIP 21043)

INITIATED OR REQUESTED BY:

- Council Staff
- Other

REPORT COORDINATED OR PREPARED BY:

Ryan Teves, Senior Civil Engineer
 Christian Asuncion, Associate Civil Engineer
Capital Projects Department

ATTACHMENT Yes No Information Direction Action

OBJECTIVE

The objective of this report is to provide the City Council with sufficient information to consider approval of Contract Amendment No. 2 for the construction contract with Teichert Construction for the 5th Street Water Main Replacement project (CIP 21043) and approval of Amendment No. 2 to the construction management contract with Ghirardelli Associates for the Riverfront Extension project (CIP 15032) & 5th Street Water Main Replacement project (CIP 21043).

RECOMMENDED ACTION

Staff respectfully recommends that the City Council:

- 1) Approve and authorize the City Manager, or his designee, to execute Amendment No. 2 to the construction contract with Teichert Construction in the amount of \$460,960.00 for the 5th Street Water Main Replacement project (CIP 21043);
- 2) Authorize the City Manager, or his designee, to execute amendments or change orders up to 10% of the contract amendment amount (\$46,096.00);
- 3) Approve and authorize the City Manager, or his designee, to execute Amendment No. 2 to the construction management contract with Ghirardelli Associates in the amount of \$226,774.18 for the Riverfront Extension (CIP 15032) & 5th Street Water Main Replacement project (CIP 21043); and
- 4) Authorize the City Manager or his designee to execute amendments or change orders up to 10% of the contract amendment amount (\$12,679.97).

BACKGROUND

In February 2017, the City Council approved a professional services contract with Wood Rodgers to prepare environmental documentation, engineering plans, specifications, estimates and necessary right-of-way services for the Riverfront Street Extension Project. During design, additional information was obtained from exploratory assessments of the site conditions and the project team determined it was necessary to revise the project scope to achieve the project goals. In November 2017, the City Council authorized staff to modify the footprint of the project to reduce the extension of Riverfront Street due to a variety of concerns including timeline, budget, structures demolished on the CEMEX site, and uncertainty with the location of the new Broadway Bridge landing. As part of the modification to the scope, the widening of 5th Street including the construction of bicycle and pedestrian improvements was added to the project. Subsequently, staff worked with SACOG to revise the project scope and secured additional Tier 2 grant funding of \$1,746,500 resulting in a total grant award of \$3,681,000.

As a result of the revised scope, the project extends Riverfront Street approximately 0.15 mile as a two-lane roadway with sidewalks, lighting, and landscaping, from its terminus just south of Mill Street, underneath the US-50 Pioneer Bridge, and terminates with a cul-de-sac. The project also widens 5th Street between Mill Street and 15th Street, constructs a two-way bike path with sidewalk, underground overhead utilities on the east side of 5th Street, installs water and sewer, lighting, and limited landscaping. 5th Street will be restriped between Bridge Street and Mill Street to include the two-way bike path. Traffic signals at the 5th Street/Bridge Street intersection and at the 5th Street/South River Road/15th Street intersection will be modified to accommodate new pedestrian crossings and the bikeway.

On August 18, 2021, a professional services contract for construction management services was awarded to Ghirardelli Associates. Pursuant to the Public Contract Code, the project was publicly advertised for construction on December 8, 2021. The bids were opened on January 6, 2022, in which staff determined Teichert Construction to be the lowest, responsive responsible bidder. On February 2, 2022, the City Council awarded

the construction contract to Teichert Construction in the amount of \$7,488,888. Construction for the project started on July 18, 2022.

On March 1, 2023, Resolution 23-17 was approved for an inter-project transfer of funds to replace an outdated and aging water line on 5th Street (CIP 21043) and approve Amendment No. 1 associated with the construction contract with Teichert Construction.

ANALYSIS

As stated in the background, on March 1, 2023, Resolution 23-17 was taken to City Council for approval of an inter-project transfer of funds to complete water main replacement work (CIP 21043). In the Resolution, Contract Amendment No. 1 for Teichert Construction was included, however, as a result of design revisions and field data later collected, a revised cost proposal was received from Teichert amending the previously approved Contract Amendment No. 1. Contract Amendment No. 2, included as Attachment 1, will revise the information originally included in Contract Amendment No. 1.

In addition to the revised Teichert Construction Amendment No. 2, City Staff is requesting approval of Contract Amendment No. 2 with Ghirardelli Associates for construction management services related to the water main replacement (CIP 21043) and construction improvements for Riverfront Street Extension and 5th Street Widening (CIP 15032). As construction progresses, there is a level of uncertainty associated with the underground utilities during excavation, installation of the water main, and documenting as-builts of the improvements. Due to ongoing construction, the schedule of the project has been extended from the previous completion date of June 2023 to October 2023. The extension of time for the project has resulted in additional costs for inspection, construction management, and federal grant compliance. The Ghirardelli Amendment No. 2, included as Attachment 2, will include the previously approved contingency from the original contract (\$99,974.46) and the additional funds requested (\$126,799.72), for a total of \$226,774.18.

With Contract Amendment No. 2 with Teichert Construction (CIP 21043) and Contract Amendment No. 2 with Ghirardelli Associates (CIP 15032 and 21043), the total amount appropriated for the Riverfront Street Extension and 5th Street Widening project will not change. The Teichert Construction revised cost proposal reduced construction costs by \$60,000. The contract amendment for Ghirardelli Associates does increase the total project costs; however, there is sufficient funding with the reduced construction costs and project funding previously allocated. The remaining project funding will be allocated to additional staff, inspection, design, oversight and contingency as needed. No additional funding for either project is required or requested at this time.

Table 1: Breakdown of Costs

Funds Needed	15032	21043
Teichert Construction		\$460,960.00
Contingency (10%)		\$46,096.00
Ghirardelli Associates	\$116,574.58	\$10,225.14
Contingency (10%)	\$11,657.46	\$1,022.51
Previously approved contingency from the original contract	\$99,974.46	
City Staff, Inspection, and Design		\$106,696.00
Total Funds	\$228,206.50	\$625,000.00

Environmental Considerations

On November 6, 2019, the City Council adopted an Addendum to the previously certified SEIR for the Bridge District Specific Plan, determining that the SEIR fully analyzed the environmental impacts of the proposed Riverfront Extension Project and 5th Street Widening project does not trigger a need for subsequent environmental review pursuant to Public Resources Code Section 21166 and State CEQA Guidelines Sections 15162 and 15164. As since that time, none of the conditions in Public Resources Code Section 21166 and State CEQA Guidelines Sections 15162 have occurred and no additional environmental review is required under CEQA. On January 16, 2020, Caltrans concluded that the Project qualified for a Categorical Exclusion (CE) in accordance with the Code of Federal Regulations Title 23, Section 771.117. Therefore, the requirement for conformance with the National Environmental Policy Act (NEPA) and other federally environmentally related processes has been met.

Commission Recommendation

Not applicable

Strategic Plan Integration

Not applicable

Alternatives

The Council's primary alternatives are summarized below:

- 1) Approve the recommended action as described above.
- 2) Delay or revise the recommended action.
- 3) Not approve the recommended action.

Alternative 1 is recommended to allow construction to move forward for the Project in compliance with grant milestone requirements.

Coordination and Review

This report was prepared by the Capital Projects Department in coordination with and review by the Finance Department.

Budget/Cost Impact

There is currently sufficient funding in the Capital Improvement Program (CIP) for the recommended action of this report and no additional funding is required or requested at this time.

ATTACHMENT(S)

- 1) Construction Contract Amendment No. 2 with Teichert Construction
- 2) Construction Management Contract Amendment No. 2 with Ghirardelli Associates

**AMENDMENT NO. 2
to the
CONSTRUCTION CONTRACT
between the
CITY OF WEST SACRAMENTO
And
TEICHERT CONSTRUCTION
Dated February 2, 2022**

This Amendment No. 2 to the Construction Contract between the City of West Sacramento ("City") and Teichert Construction ("Contractor") dated February 2, 2022 for the Riverfront Street Extension and 5th Street Widening Project, is made and entered into this 7th day of June 2023. Except as expressly amended herein, the February 2, 2022 Construction Contract is in full force and effect.

RECITALS

WHEREAS, in February 2022, the City awarded a construction contract to Teichert Construction for the Riverfront Street Extension and 5th Street Widening Project ("Project") in the amount of \$7,488,888; and

WHEREAS, the scope of work the project will widen 5th Street from 15th Street to Bridge Street, extend Riverfront Street south from Mill Street, and include sewer, water and storm drainage improvements; and underground overhead utilities on the east side of 5th Street between 15th Street and Business 80; and

WHEREAS, the City and Contractor desire to amend said contract;

NOW, THEREFORE, IT IS MUTUALLY AGREED by parties hereto to amend said agreement as follows:

- I. **SCOPE OF SERVICES:**
The scope of construction as set forth in the Construction Contract dated February 2, 2022, shall be revised to include the additional scope identified in the proposal dated April 6, 2023, attached hereto as **Exhibit A**.
- II. **COMPENSATION:**
The compensation as set forth in the Construction Contract dated February 2, 2022 shall be increased by \$460,960.00 to include the additional scope identified in the proposal dated April 6, 2023, attached hereto as **Exhibit A**.

IN WITNESS WHEREOF the parties hereto have executed this Amendment No. 2 as the date herein set forth.

CITY OF WEST SACRAMENTO

By: _____
Aaron Laurel, City Manager

TEICHERT CONSTRUCTION

By: _____
Bryan Ramirez, Regional Manager

APPROVED AS TO FORM

By: _____
Jeffrey Mitchell, City Attorney

ATTEST:

By: _____
Jennifer Cusmir, City Clerk

Riverfront Street Extension - 5th Street Water Main Replacement



Teichert Construction

24207 County Road 100A

Davis, CA 95616

Contact: Tim Robben

Phone: 530-979-1561

E-mail: TRobben@teichert.com

Quote To: City of West Sacramento

Job Name: Riverfront Street Extension

Date of Plans: March 2023

Phone:

Revision Date:

E-mail:

Estimate No:

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1	12" C900 PVC water main	1,005.00	LF	195.00	195,975.00
2	12" C900 PVC water main - fully restrained	255.00	LF	215.00	54,825.00
3	12" 45-degree bend w/thrust block per detail 519	12.00	EA	1,900.00	22,800.00
4	12" 11.25-degree bend w/thrust block per det. 510	2.00	EA	1,650.00	3,300.00
5	12" Gate Valve per detail 514	1.00	EA	5,850.00	5,850.00
6	Reconnect ex water service	3.00	EA	6,700.00	20,100.00
7	Reconnect ex water service per detail #502	1.00	EA	11,150.00	11,150.00
8	Reconnect ex fire hydrant per detail 515	4.00	EA	9,950.00	39,800.00
9	Hydrant bollards & marker at sta 17+71	1.00	EA	2,200.00	2,200.00
10	Connect to existing 12" water main	3.00	EA	10,500.00	31,500.00
11	ARV per detail 510	3.00	EA	8,950.00	26,850.00
12	4" BOV assembly per detail 512	2.00	EA	9,300.00	18,600.00
13	Cut and cap existing pipe, abandon in place	4.00	EA	1,640.00	6,560.00
14	Remove existing 12" water main	315.00	LF	30.00	9,450.00
15	Off-haul trench spoils	300.00	CY	40.00	12,000.00
GRAND TOTAL					460,960.00

NOTES:

Pricing reflects the work as shown on the revised plan sheets 56-58, dated March 2023, provided by the City of West Sacramento.

Pricing does not include AB backfill. It is assumed after the initial backfill material, native onsite material may be used. Should it be necessary, supplemental pricing can be provided.



LETTER OF TRANSMITTAL

TO: Tim Robben
Teichert Construction – Woodland Office
24207 County Road 100A
Davis, CA 95616

TRN-061.1
DATE: 4/6/2023

WE ARE SENDING YOU:	<input type="checkbox"/>	Shop Drawings	<input type="checkbox"/>	Written direction to proceed with extra work.
	<input checked="" type="checkbox"/>	Plans	<input type="checkbox"/>	Samples
	<input type="checkbox"/>	Specification	<input type="checkbox"/>	Copy of Letter
	<input type="checkbox"/>	Change Order	<input type="checkbox"/>	Weekly Statement of Working Days
	<input type="checkbox"/>	Submittal	<input type="checkbox"/>	Subcontractor Request

- FOR APPROVAL
- PER YOUR REQUEST
- FOR YOUR USE
- FOR REVIEW AND COMMENT

- NO EXCEPTIONS TAKEN
- MAKE CORRECTIONS NOTED
- REVISE AND RESUBMIT
- _____

PROJECT NAME: *Riverfront Street Extension*
Project No.: 15032 Fed No.: STPCML-5447(045)

REMARKS:

Attached are revised plans (sheets 56-58) for added water along Fifth Street.
Contractor to provide an itemized lump sum change order request for the added water per Section 2.04(b) of the Supplemental Conditions and credits for water items that have been eliminated by extension of agreed contract unit price.
Also include pricing for:

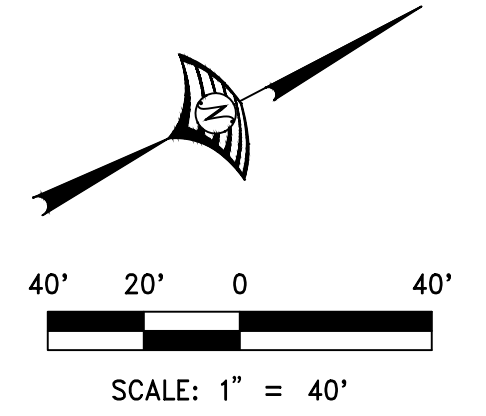
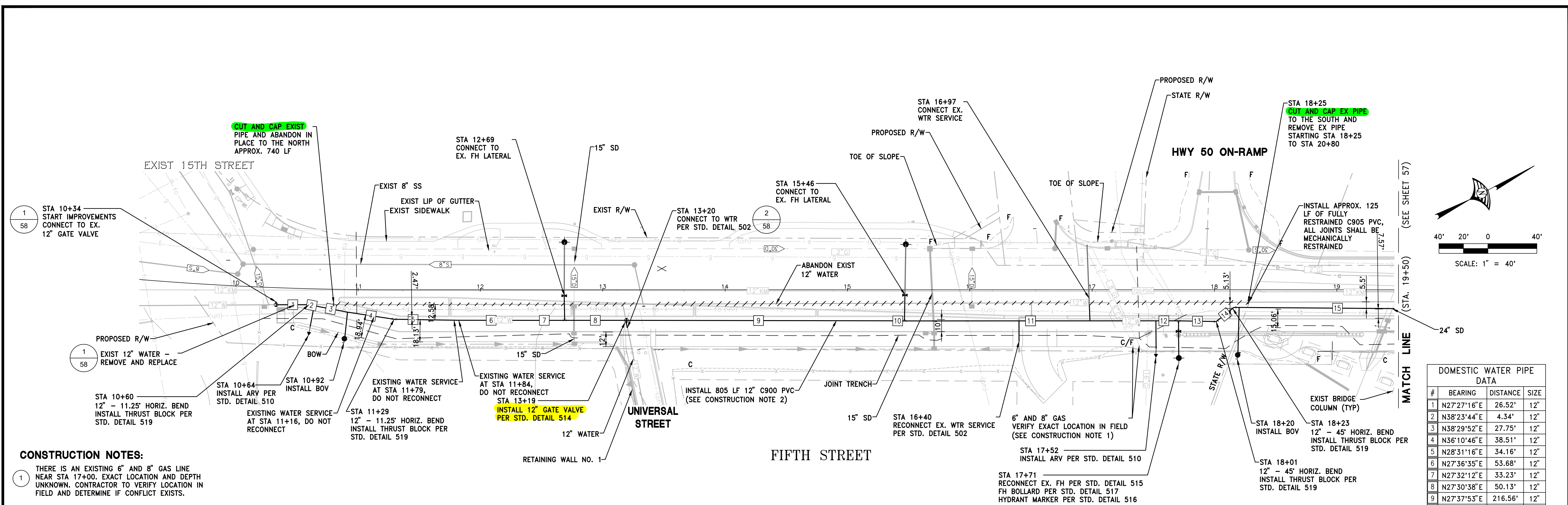
~~Add Alt #1: Install C900 with steel casing within the Caltrans right-of-way from Station 18+25 to Station 20+80 in lieu of C905 pipe with fully restrained joints as shown in TRN-060 drawing.~~

~~Add Alt #2: Abandon existing 12" water main and fill with 2 sack slurry within the Caltrans right-of-way from Station 18+25 to Station 20+80 in lieu of removal included in base pricing.~~

Options no longer needed per Scott Olson

Copy to: C. Spadorcio
G. Prchlik, R. Teves, C. Asuncion, H. Allison

Signed Scott Olson
Assistant Resident Engineer

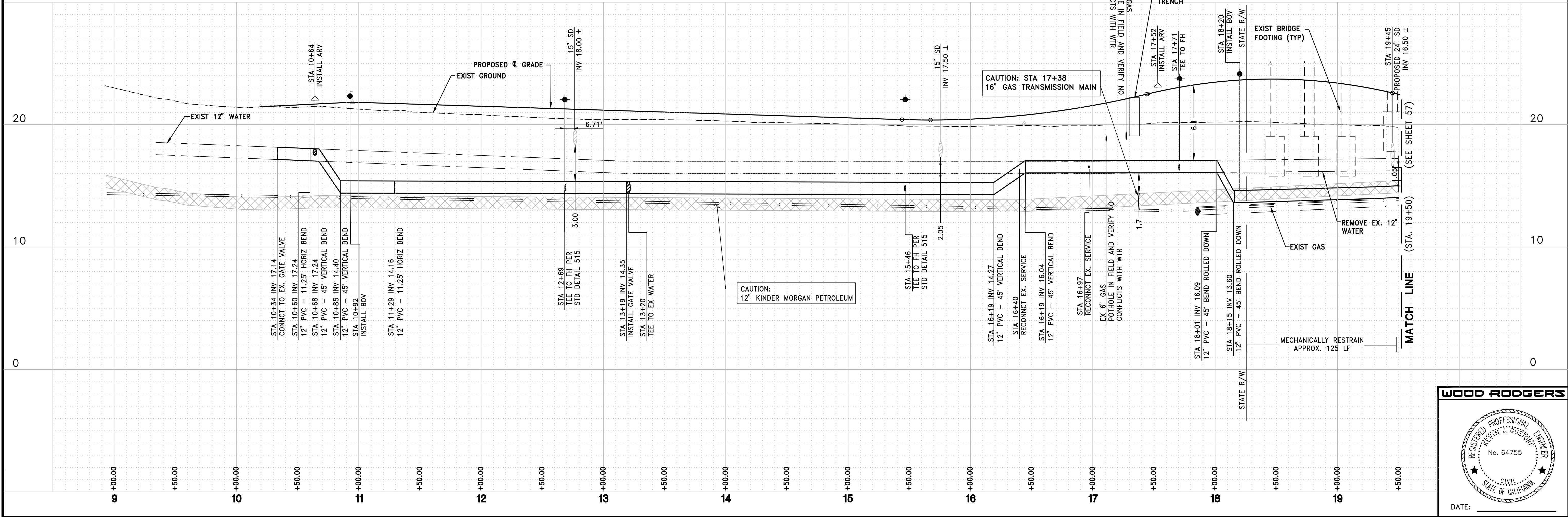


DOMESTIC WATER PIPE DATA

#	BEARING	DISTANCE	SIZE
1	N27°27'16\"/>		

- CONSTRUCTION NOTES:**
- THERE IS AN EXISTING 6\"/>

HORIZONTAL SCALE: 1\"/>



WOOD RODGERS
 REGISTERED PROFESSIONAL ENGINEER
 No. 64755
 CIVIL
 STATE OF CALIFORNIA

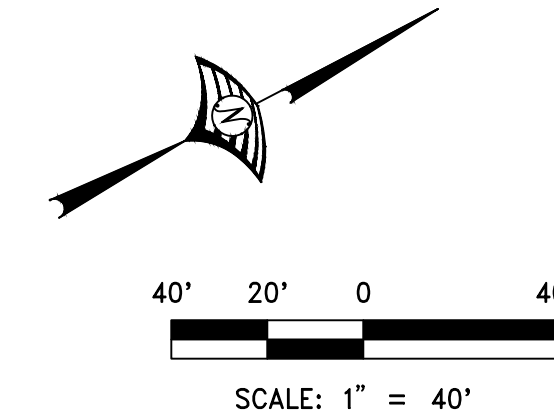
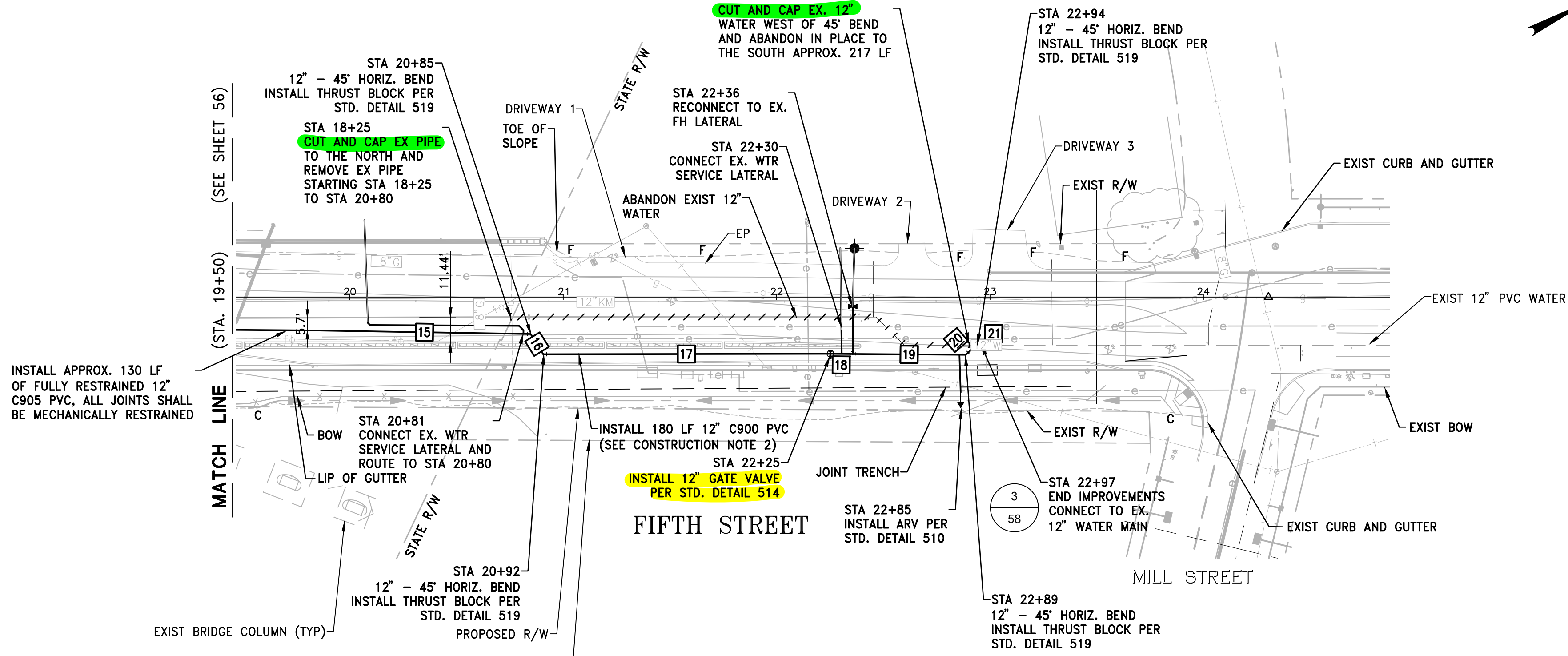
DATE:

IMPROVEMENT PLANS FOR
**RIVERFRONT STREET EXTENSION
 WATERLINE RELOCATION**

PROJECT NO. 8621.006
 SHEET 56 OF 58

DATE: MARCH 2023
 SCALE: DRAWN BY: M. Kurtz
 DESIGNED BY: M. Kurtz
 CHECKED BY: K. Gustafson

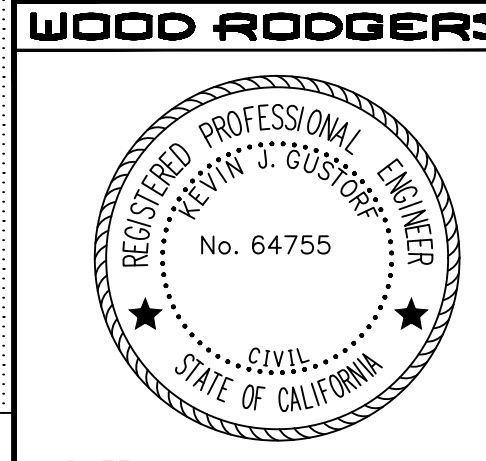
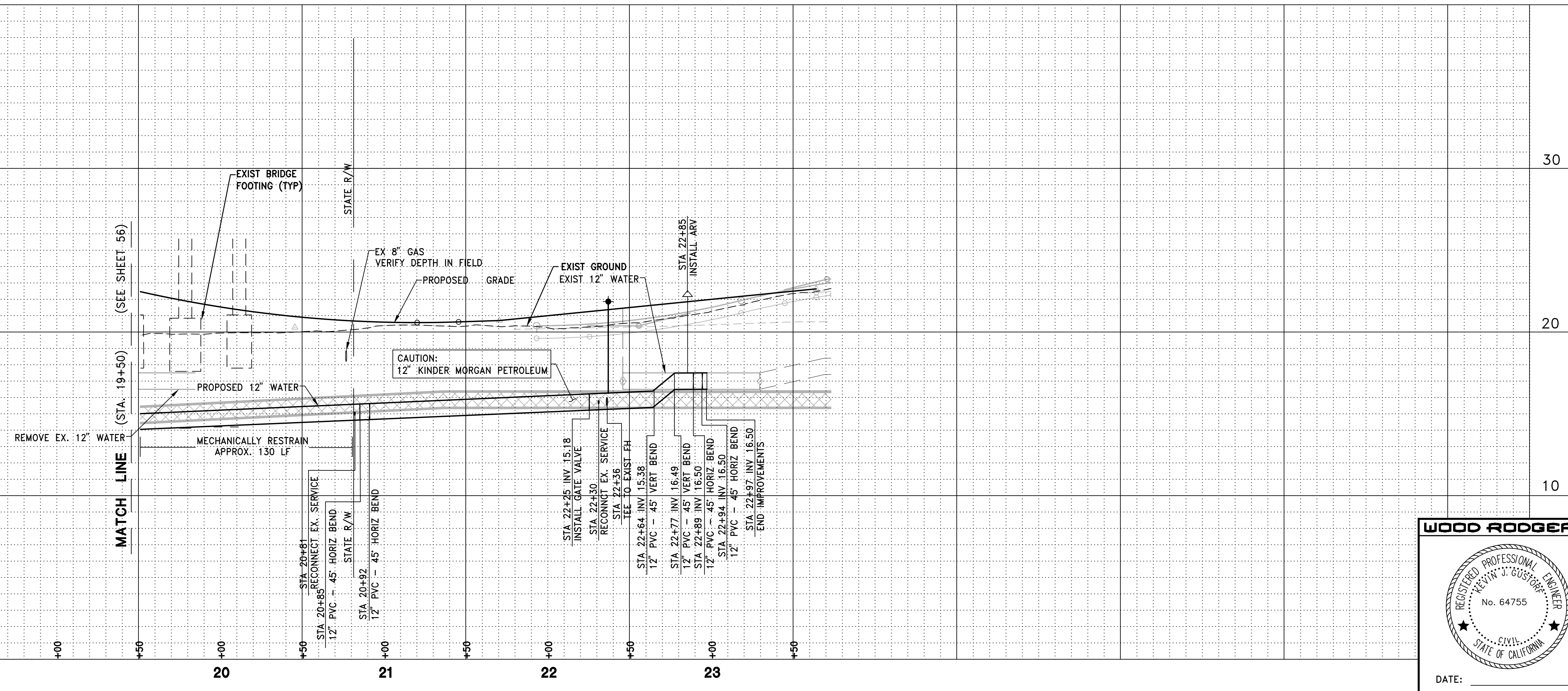
WOOD RODGERS
 BUILDING RELATIONS/PROJECTS
 3301 C ST., SUITE 100-B TEL: 916.341.7766
 SACRAMENTO, CA 95816 FAX: 916.341.7767
 CALIFORNIA



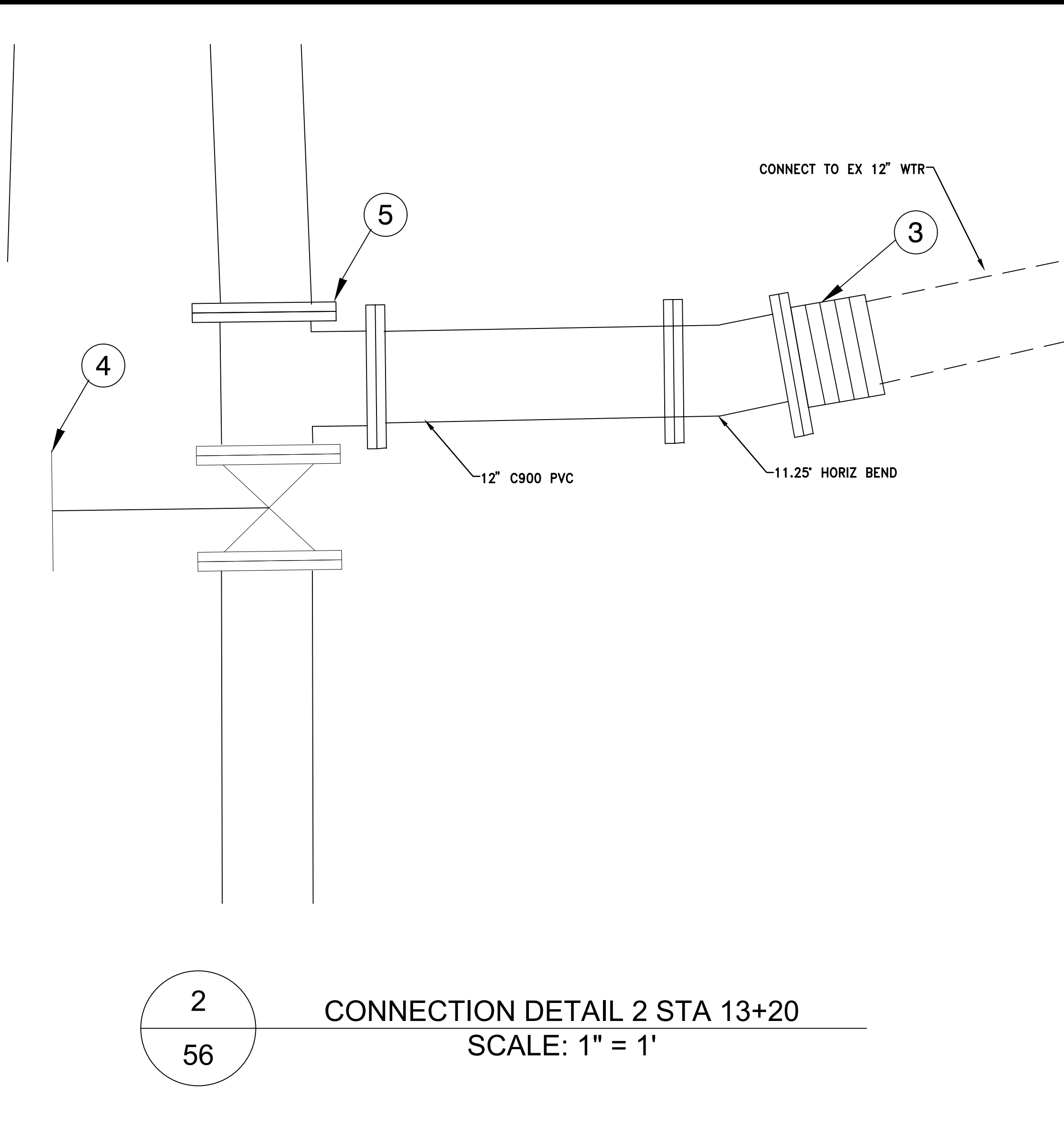
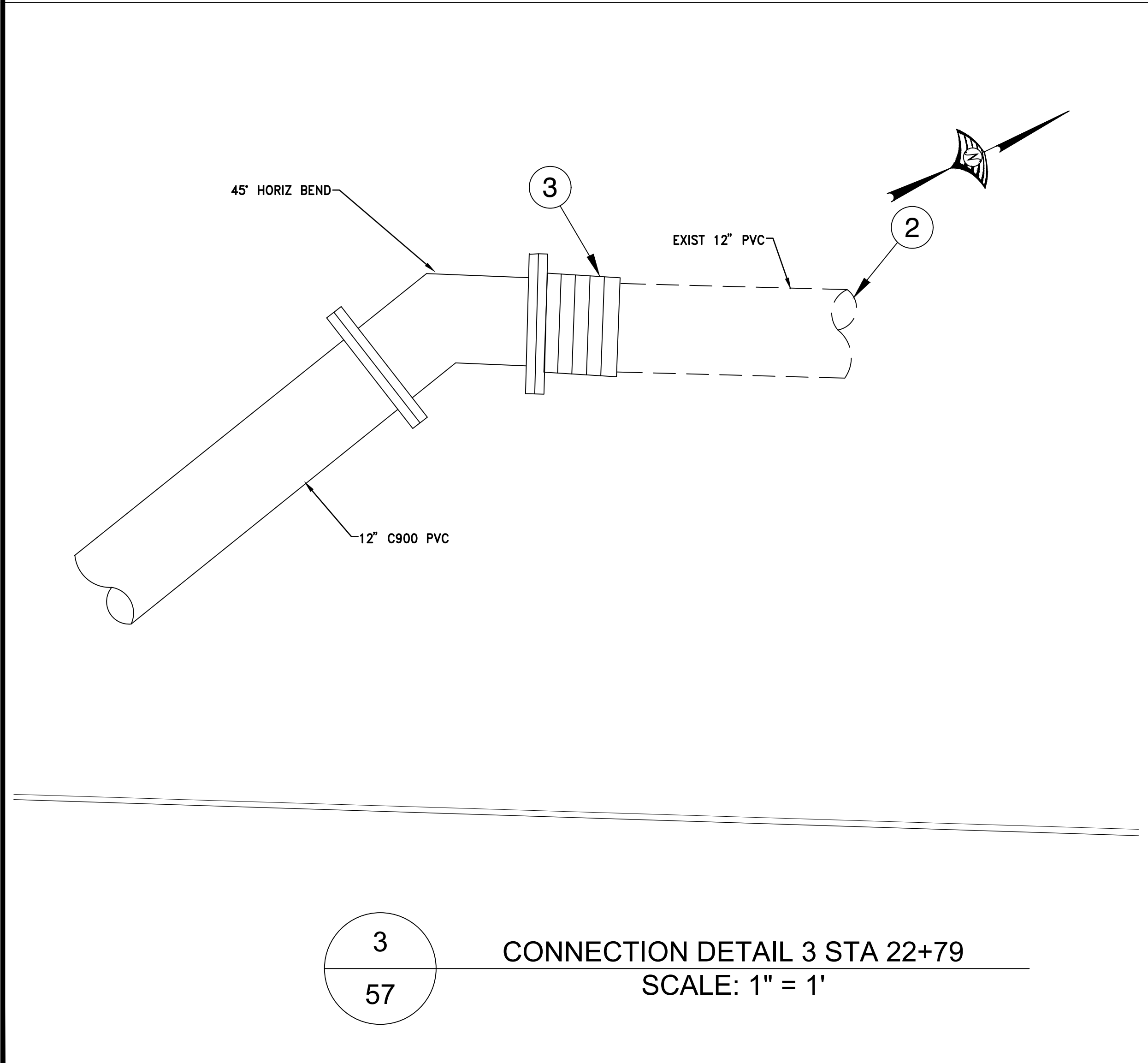
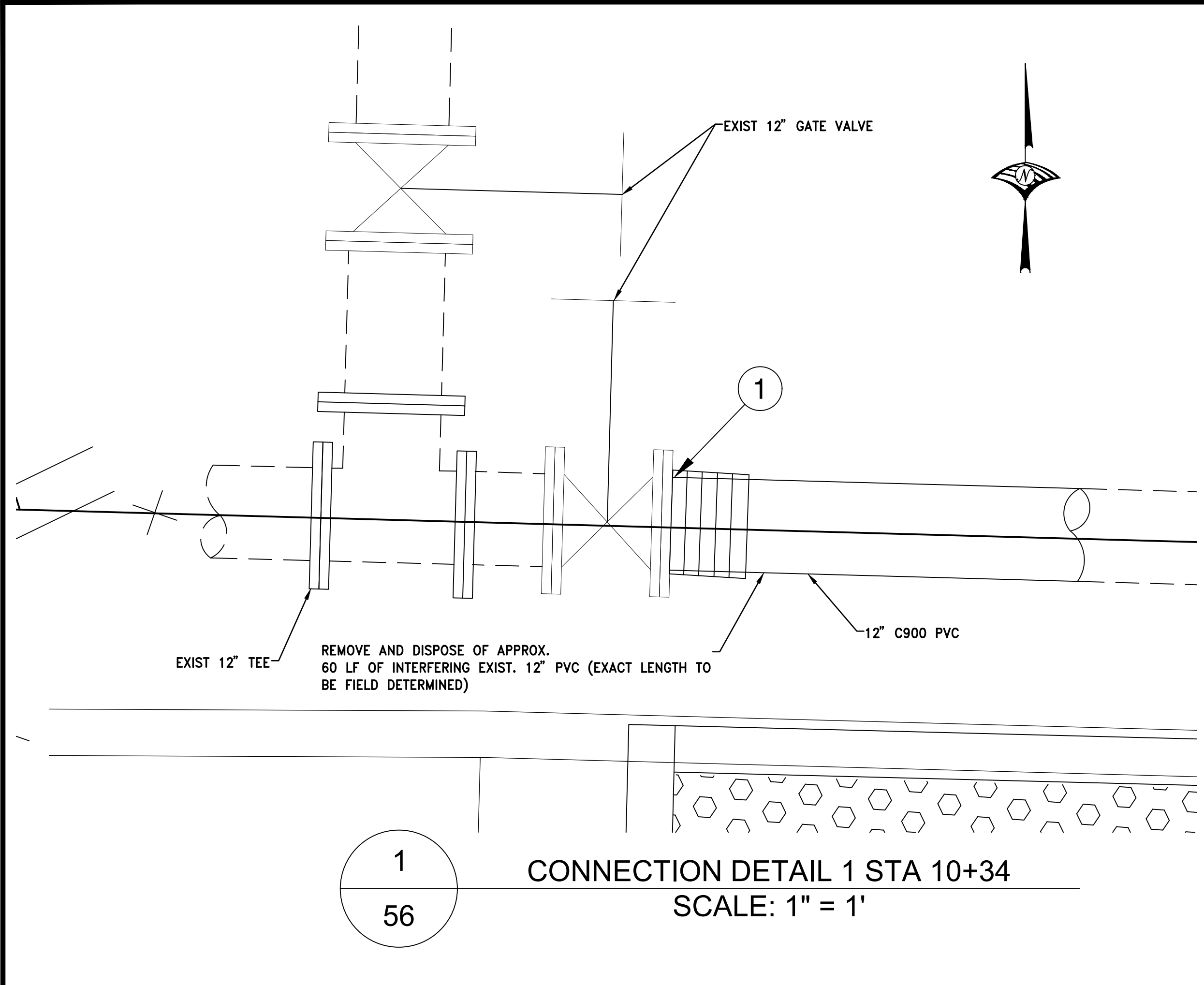
DOMESTIC WATER PIPE DATA			
#	BEARING	DISTANCE	SIZE
15	N27°58'02\"/>		
16	N28°28'58\"/>		
17	N85°36'40\"/>		
18	N27°26'51\"/>		
19	N28°02'49\"/>		
20	N27°55'47\"/>		
21	N12°34'35\"/>		

- CONSTRUCTION NOTES:**
- 1 VERIFY THE DEPTH OF ALL GAS MAINS CROSSED BY LATERAL BEFORE CONSTRUCTING LATERAL. ADJUST SLOPE IF NECESSARY TO MAINTAIN 18\"/>
 - 2 WATER MAIN SHALL BE CONSTRUCTED OF C900 DR18 PVC

HORIZONTAL SCALE: 1" = 40'
 VERTICAL SCALE: 1" = 4'

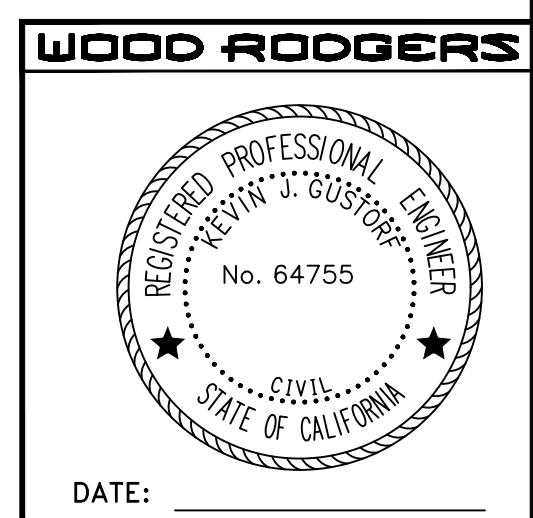


DATE: MARCH 2023 SCALE: DRAWN BY: M. Kurtz DESIGNED BY: M. Kurtz CHECKED BY: K. Gustorf	NO. ENGR. INT. BY CITY APPROVED	WOOD RODGERS BUILDING RELATIONSHIPS ONE PROJECT AT A TIME 3301 C ST. BLDB. 100-B TEL 916.341.7760 SACRAMENTO, CA 95816 FAX 916.341.7767 CALIFORNIA
IMPROVEMENT PLANS FOR RIVERFRONT STREET EXTENSION WATERLINE RELOCATION		
PROJECT NO. 8821.006	SHEET 57 OF 58	



CONSTRUCTION NOTES:

1. CONNECT TO EXISTING 12" GATE VALVE W/ FLG X PE COUPLING - ASSUMED GATE VALVE IS FLG X FLG. CONTRACTOR TO VERIFY IN FIELD AND NOTIFY ENGINEER IF DIFFERENT CONNECTION IS REQUIRED.
2. REMOVE SPOOL OF EX 12" PVC (LENGTH TO BE FIELD DETERMINED)
3. 12" PVC COUPLER - ROMAC 501 OR APPROVED EQUAL
4. INSTALL 12" FLG X FLG GATE VALVE
5. INSTALL 12" TEE



IMPROVEMENT PLANS FOR
**RIVERFRONT STREET EXTENSION
CONNECTION DETAILS**

WOOD RODGERS
BUILDING RELATIONSHIPS ONE PROJECT AT A TIME
3301 L. C. ST. BLDG 100-B TEL 916-341-7760
SACRAMENTO, CA 95816 FAX 916-341-7767

DATE: NOVEMBER, 2021
SCALE: AS SHOWN
DRAWN BY: M. KURTZ
DESIGNED BY: M. KURTZ
CHECKED BY: K. GUSTORF

PROJECT NO.
8621.006

SHEET 58 OF 58

WEST SACRAMENTO CALIFORNIA

ENGR. BY: DATE
CITY APPROVED

DESCRIPTION

NO.

DATE: _____

**AMENDMENT NO. 2
to the
CONTRACT FOR SERVICES
between the
CITY OF WEST SACRAMENTO
And
GHIRARDELLI ASSOCIATES
Dated August 18, 2021**

This Amendment No. 2 to the Contract for Services between the City of West Sacramento ("City") and Ghirardelli Associates ("Consultant") dated August 18, 2021, is made and entered into this 7th day of June. Except as expressly amended herein, the August 18, 2021 Contract for Services is in full force and effect.

RECITALS

WHEREAS, in August 2021, the City and Consultant entered into the Contract for Services for the Consultant to provide professional services for construction management; and

WHEREAS, the scope of work of the project included construction management, inspection, geotechnical testing, and resident engineering services for the Riverfront Street Extension and 5th Street Widening Project; and

WHEREAS, the City and Consultant desire to amend said contract;

NOW, THEREFORE, IT IS MUTUALLY AGREED by parties hereto to amend said agreement as follows:

I. **SCOPE OF SERVICES:**

The scope of construction management services as set forth in the Professional Services Contract dated August 18, 2021, shall be revised to include the additional scope identified in the proposal dated April 25, 2023, attached hereto as **Exhibit A**.

II. **COMPENSATION:**

III. The compensation as set forth in the Professional Services Contract dated August 18, 2021, shall be increased by \$99,974.46 to include the previously approved contingency and shall be increased by \$126,799.72 to include the additional scope identified in the proposal dated April 25, 2023, attached hereto as **Exhibit A**. Total contract compensation shall be increased by **\$226,774.18**.

IN WITNESS WHEREOF the parties hereto have executed this Amendment No. 2 as the date herein set forth.

CITY OF WEST SACRAMENTO

By: _____
Aaron Laurel, City Manager

GHIRARDELLI ASSOCIATES

By: _____
Randall Bruner, President

APPROVED AS TO FORM

By: _____
Jeffrey Mitchell, City Attorney

ATTEST:

By: _____
Jennifer Cusmir, City Clerk

April 25, 2023

Mr. Christian Asuncion
 Associate Civil Engineer
 1110 West Capitol Ave
 West Sacramento, CA 95691

Reference: City of West Sacramento – Riverfront Street Extension Project, Construction Management Amendment Request No. 1

Project No.: 15032, Federal Project Number: STPCML-5447(045)

Dear Mr. Asuncion,

Below you will find Ghirardelli Associates's a summary of hours and cost to complete Construction Management Services for the Riverfront Street Extension Project. The original cost estimate made in August 2021 anticipated a 250 WD contract with a construction start date of October 2021 and completion in October 2022. In actuality, the project was awarded for bid in February 2022, NTP issued in July 2022, and an anticipated completion in October 2023. Justification for additional costs are as follows:

- Approximately 5 month delay in issuing NTP, team continued administering the project through submittal and RFI review and utility coordination with AT&T, PG&E, and Kinder Morgan
- 21 working day delay due to cultural discovery, team continued administration of the project through change order request review and coordination efforts
- Added Source Inspection Scope beyond what was originally anticipated due to Caltrans direction
- Anticipated 5 week delay to the critical path due to 5th street waterline redesign, and additional construction management services for the redesign, negotiation, and field correspondence associated with the water line installation.
- Materials Testing / Geotech of Record, Sierra Geotech anticipates an additional \$20,840.00 of costs due to additional project call outs for Contractor's phasing of the project, additional geotechnical recommendations along Riverfront and the varying subsurface conditions along Universal and Riverfront (rice husk ash, soft sands)

The total amendment request is \$126,799.72.

The following table summarizes the hours estimated for the Water Main Replacement (WO #15032) which will take place in March 2023 – June 2023:

Name/Classification	Billable Rate (2023)	Total Hours	Cost
Gina Prchlik <i>Project Manager /Resident Engineer</i>	\$ 201.75	4	\$ 807.00
Scott Olson <i>Assistant Resident Engineer</i>	\$ 191.25	26	\$ 4,972.50
Jen Cutler <i>Office Engineer</i>	\$ 123.49	36	\$ 4,445.64
		Total	\$ 10,225.14

Current projections show the contract allotment plus 10% contingency will be expended by August 2023. This projection includes the option to include a full time inspector for the JPCP operations scheduled for April 2023. If the City does not pursue this option, the cost summarized below would be reduced by \$27,471.25. The table below summarizes the additional hours and associates costs to complete the project through closeout which is anticipated for October 2023:

Name/Classification	Billable Rate (2023)	Sep-23	Oct-23	Closeout	Total Hours	Cost
Gina Prchlik <i>Project Manager /Resident Engineer</i>	\$ 201.75		4	8	12	\$ 2,421.00
Scott Olson <i>Assistant Resident Engineer</i>	\$ 191.25	138	140	80	358	\$ 68,467.50
Jaimie Azvedo <i>SWPPP Coordinator</i>	\$ 172.88	4	6	8	18	\$ 3,111.84
Jen Cutler <i>Office Engineer</i>	\$ 123.49	56	80	40	176	\$ 21,734.24
Sierra Geotech (Materials Testing/Geotech of Record)						\$ 20,840.00
					Total	\$ 116,574.58

Please contact me if there are any questions or additional information needed.

Sincerely,



Gina Prchlik, PE

110 Blue Ravine Rd, Ste 150

Folsom, CA 95630

Email: gprchlik@ghirardelliassoc.com

Cell: 510-681-4275

MEETING DATE: June 7, 2023

ITEM # 6

SUBJECT:



CONSIDERATION OF APPROVAL OF A 1-YEAR CONTRACT RENEWAL WITH NOMAD TRANSIT LLC EXTENDING THE WEST SACRAMENTO ON-DEMAND RIDESHARE PROGRAM THROUGH FISCAL YEAR 2023-24 AND RESOLUTION 23-42 ALLOCATING UP TO \$3,102,730 TO SUPPORT OPERATIONS THROUGH FISCAL YEAR 2023-24

INITIATED OR REQUESTED BY:

- Council Staff
- Other

REPORT COORDINATED OR PREPARED BY:

Stephanie Chhan, Senior Transportation Planner
Community Development Department

ATTACHMENT Yes No Information Direction Action

OBJECTIVE

The purpose of this report is to request City Council approval of Amendment No. 5 to the amended and restated contract with NoMad Transit LLC to extend the On-Demand Rideshare service through June 30, 2024 and to establish the schedule of fees for fiscal year 2023-24 operations. Staff is requesting approval of Resolution 23-42 allocating up to \$3,102,730 in Transportation Development Act funding and authorizing use of \$150,000 in collected Fiscal Year 2022-23 rideshare revenues to support continued rideshare operations through FY 2023-24.

RECOMMENDED ACTION

Staff respectfully recommends that the City Council:

- 1) Find approval of Amendment No. 5 to the Amended & Restated Contract with NoMad Transit LLC exempt from the California Environmental Quality Act (CEQA) under the General Rule exception provided for by Section §15061(b)(3);
- 2) Approve and authorize the City Manager, or designee, to execute Amendment No. 5 to the Amended & Restated Contract with NoMad Transit LLC, extending operations of the West Sacramento On-Demand Rideshare program through June 30, 2024 and establishing the schedule of fees for fiscal year 2023-24; and
- 3) Approve Resolution 23-42 allocating up to \$3,102,730 from the Transportation Development Act and authorizing the use of FY 2022-23 rideshare revenues estimated at \$150,000 towards the funding of the FY 2023-24 Via Rideshare program operations.

BACKGROUND

The West Sacramento On-Demand Rideshare Program was launched as a 1-Year Pilot on May 14, 2018 following robust Transportation, Mobility, and Infrastructure (TMI) Commission and City Council engagement dating back to June 2016. The program was initially developed in response to Council direction to explore a more flexible, innovative public transit model that better served resident needs, as fixed route bus service continued to experience increased costs alongside declining ridership. Following the success of the Pilot program, on May 1, 2019, the City Council unanimously approved an Amended and Restated Contract continuing the rideshare program.

The purpose of this report is to provide updates on the program, findings from the Sacramento Area Council of Government’s Transportation Development Act triennial performance audit, and the proposed fee schedule for the fifth and final extension under the current contract with NoMad Transit LLC for City Council consideration.

ANALYSIS

Ridership in Review

On June 15, 2022, the City Council approved a contract of \$2,741,254 – comprised of \$2,395,191 of Transportation Development Act funds, \$69,014 Fiscal Year (FY) 2021-22 year fare revenues, and \$277,049 of anticipated FY 2022-23 fare revenue reinvestment – with NoMad Transit LLC to support the On-Demand Rideshare Program operations and allocated \$115,000 to fund staff time and materials for fiscal year 2022-23.

Since launch through April 2023, Via has provided a total of over 649,000 rides throughout West Sacramento for over 13,600 unique accounts. Of the 13,600+ accounts, more than 560, or approximately 5 percent, are senior or disabled account holders. On average, pick-up estimated time of arrival is approximately 12.8 minutes, deviation between estimated time of arrival and actual pick-up time is 0.9 minutes, and 86 percent of vehicles are within 5 minutes of estimated pick up time. Riders walk an average of 318.5 feet to be picked up and trips

are an average of 3.3 miles and 10.2 minutes per ride. Since the launch, top pick-up and drop-off destinations include River City High School, Riverpoint Marketplace, Southport Town Center, Raley's, the West Sacramento Recreation Center, and Savannah at Southpoint apartments.

Between July 2022 – April 2023, the service has completed over 157,000 rides - averaging of 3,622 weekly rides, 593 weekday daily rides, and 328 weekend daily rides. Currently, over 600 unique riders are using the service weekly. Senior/Disabled ridership comprises an average of approximately 379 weekly rides. Recent high ridership has led to 28.1 percent of requests in March 2023 and 25 percent of requests in April 2023 with 21+ minute estimated time of arrivals. Average pick-up time for FY 2022-23 is 14 minutes, deviation between estimated time of arrival and actual time of arrival is approximately 1.3 minutes, and 87 percent of vehicles are within 5 minutes of estimated pick up time. NoMad Transit LLC indicated the longest distance a customer would walk to meet a vehicle is 1/10 mile, or approximately 500 feet, although most walking distances will be shorter than the maximum and some may even be door-to-door if it is optimal for the network. For Fiscal Year 2022-23, the average pick up walking distance was 320.7 feet. For FY 2022-23, top pick-up and drop-off locations include: River City High School, Riverpoint Marketplace, Southport Town Center, Raley's, the West Sacramento Recreation Center, Savannah at Southpoint apartments, Tower Bridge Gateway, and Lighthouse Bar and Grill.

ViaPass is a discounted weekly frequent rider program that offers riders up to four rides a day, seven days a week for \$15. Seniors 62+ and individuals with eligible disabilities receive a 50 percent discount off the ViaPass price. This frequent rider program effectively provides a 50 percent discount on regular fares and 70 percent discount on top of already discounted fares. ViaPass users take 2.5 times more rides than non-pass riders. Approximately 26 percent of weekly active users hold a ViaPass and 48 percent of all weekly rides are taken using ViaPass.

Transportation Development Act Triennial Performance Audit

The Transportation Development Act (TDA) is administered by the California Department of Transportation (Caltrans) and provides two sources of public transportation funding for local governments; Local Transportation Funds (LTF) and State Transit Assistance (STA) funds. The funds are intended for the development and support of public transportation needs that exist in California and are allocated to counties based on population, taxable sales, and transit performance. TDA funds are primarily intended to support public transit services but can support a wide variety of transportation programs including planning activities, pedestrian and bicycle facilities, road rehabilitation or other community transit, bus and rail projects. However, STA funds have more restrictive criteria and regulations that must be met in order to fund eligible expenses. The Sacramento Area Council of Governments (SACOG) is the administrator of TDA funds for the City of West Sacramento, and the City must annually submit a claim for review and approval by the SACOG Board of Directors to claim its allocations of TDA funds.

Because the City of West Sacramento funds the On-Demand Rideshare Program with TDA funds, the City is subject to compliance with TDA requirements. The California Department of Transportation (Caltrans) Performance Audit Guidebook contains a checklist of 11 measures taken from the Public Utilities Code and California Code of Regulations. SACOG recently completed a TDA triennial performance audit on the City's On-Demand Rideshare Program. The goal of the audit is to provide a means of evaluating performance and to enhance performance by making recommendations for improvement. The audit measures performance against TDA's established criteria and focuses on management's planning and control system. It also evaluates an agency's degree of compliance with established policies and procedures as outlined in the TDA statutes.

The "Triennial Performance Audit of City of West Sacramento – Via Rideshare" is provided in Attachment 1. Four compliance requirements did not apply to West Sacramento (i.e., annual CHP terminal inspections, rural/urban farebox recovery ratios, and use of federal funding). Of the compliance requirements pertaining to West Sacramento, the City fully complied with five requirements. The City was found not in compliance with the submittal of the annual Transit Operators' Financial Transactions Reports to the State Controller and was partially compliant regarding reporting of performance measures (vehicle service hours and miles/full-time employee equivalents). As such, the City is making the required showing of progress in implementing the recommendations.

Staff has been in coordination with the State Controller's Office and will submit an annual report beginning in Fiscal Year (FY) 2022-23, which is due in January 2024. Additionally, staff has coordinated with Nomad Transit LLC to incorporate the TDA performance metrics as a requirement to be regularly reported to the City through the contract amendment with proposed FY 2023-24 fee schedule. The performance metric reports do not affect the contract value with Nomad Transit LLC.

Preliminary FY 2023-24 Budget and Operational Approach

The primary purpose of adopting Amendment No. 5 renewing the fee schedule for the upcoming operational year, is to ensure that the projected costs, levels of service (quantity of projected “Driver Hours”) and fare revenue are incorporated into the current and binding contract with NoMad Transit LLC, which is utilized for monthly billing purposes.

NoMad provided two fee schedule scenarios for staff consideration (Attachment 2). The operational model proposed for FY 2023-24 assumes few changes from FY 2022-23, but the scenarios provided options for two service demand scenarios. Scenario 1 assumes the same level of demand as FY 2022-23 with some natural growth, whereas Scenario 2 increases vehicle and driver hours to support a 10 percent increase in demand from FY 2022-23. Recent ridership has increased beyond pre-COVID highs, reaching 18,570 completed rides in March 2023 and 16,322 completed rides in April 2023 as compared to 15,975 completed rides in February 2020. Utilization (completed rides/net driver hours) is currently 3.9 for July 2022 through April 2023, as compared to a utilization of 2.0 for July 2019 through April 2020. With sustained growth on the On-Demand Rideshare Program, staff is proposing a fee schedule based on Scenario 2 with additional driver hours to maintain service standards.

The proposed FY 2023-24 fees are similar to previous years but have increased to accommodate a new regulatory fee and inflation. NoMad is passing onto the City the Public Utilities Commission Transportation Reimbursement Account (PUCTRA) regulatory fees enacted as of January 1, 2023. The fee schedule also proposes higher projected driver hours and an estimated 2.98 percent increase for vehicle hour rates and 3.01 percent increase in service hour rates to account for inflation.

Recent advancements in Via’s software and application platform allow for the integration of public transit data, providing riders with the option to select Via or another mode of transportation, such as Yolobus. Staff plans to pursue this advancement and integrate mobility-as-a-service features into the City’s Via application platform. This will provide benefits to riders, allowing easy route planning and the possibility to plan trips using multiple transport methods. This may allow the City to better handle demand for the rideshare program within the contract budget, while continuing to encourage people to use alternative transportation.

The following table summarizes the features of the On-Demand Rideshare Program and a comparison of the current program versus the proposed 2023-24 program:

	FY 2022-23 On-Demand Rideshare Program	Proposed: FY 2023-24 On-Demand Rideshare Program
Fleet Supply	No Proposed Changes	
Hours of Operation	No Proposed Changes	
Driver Hours	Term: 12 months Projected: 46,800 hrs Estimate: 46,800 hrs ¹	Term: 12 months Projected: 57,200 hrs
Customer Support Hours	Projected: 5,980 hrs Estimate: 5,980 hrs ¹	Projected: 5,980 hrs
Contract Rate	Operations: \$50.72 Customer Support (1.25 FTE): \$36.88	Operations: \$52.23 Customer Support (1.25 FTE): \$37.99
COVID Cleaning	\$63,816	\$0
Regulatory Fees	Access for All - \$0.10 cents per ride	Access for All - \$0.10 cents per ride PUCTRA Regulatory Fee – 0.3 percent of gross intrastate revenue plus quarterly/annual fees
Ridership	Projected: 192,000 Estimate: 190,000 ¹	Projected: 220,000
Cost per Ride²	Projected: \$14.87 Estimate: \$15.03 ¹	Projected: \$15.52

Contract Budget	<p style="text-align: center;">Projected: \$2,741,254 (\$2,395,191 of TDA funds, \$69,014 of FY 21-22 fare revenue, \$277,049.00 of FY 22-23 fare revenue)</p> <p style="text-align: center;">Estimate Spent: \$2,741,254¹</p>	<p style="text-align: center;">Projected: \$3,301,372 (\$150,000 of FY 22-23 fare revenue, \$313,642 of FY 23-24 fare revenue, and \$2,837,730 of TDA funds)</p>
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¹ Inclusive of estimates for May – June 2023.

² Inclusive of City staff time estimated costs.

Attachment 3 provides draft proposed contract Amendment No. 5 which includes administrative amendments to the contract and the proposed fee schedule for FY 2023-24. Via assumes a fare revenue reinvestment that supports the service. Should actual fare revenues collected exceed the estimated amount in the projected budget, the additional fare revenues will be reinvested toward the next fiscal year’s program operations. Fare revenue assumptions consider standard-price fares, discounts, and ViaPass. The projected fare revenue for FY 2023-24 is \$313,642 to support the program. Via’s projected average net fare per ride for FY 2023/24 is \$1.42, which is 1 percent less than the projected average net fare per ride of \$1.44 assumed in the FY 2022-23 budget. The program budget proposes \$2,987,730, inclusive of FY 2022-23 anticipated remaining fare revenues, from the City to support the FY 2023-24 program. This is an increase of \$560,118 as compared to the FY 2022-23 program budget of \$2,464,205.

In addition to fare revenue reinvestment, the On-Demand Rideshare program is supported by local TDA funds. The City must annually submit a claim for review and approval by the SACOG Board of Directors to claim its allocation of TDA funds. Upon SACOG approval of the TDA Claim, Yolo County disburses the allocation request to the City. Currently, the City has approximately a \$2.69 million unearned remaining balance of carryover TDA funds from previous fiscal years. For FY 2023-24, staff anticipates an apportionment of \$3,794,876 in Local Transportation Funds and \$630,458 in State Transit Assistance Funds per the Yolo County Estimated Findings of Apportionment released in March 2023 (Attachment 4). The Yolo County Transportation District (YoloTD) FY 2023-24 proposed budget, scheduled to be approved by the YoloTD Board of Directors in June 2023, includes the City’s share of expenditures for YoloTD administrative fee, fixed route operations, and paratransit service for the City, totaling \$3,030,803. At the end of the FY 2022-23 contract term, staff will determine the precise amount of remaining FY 2022-23 Via funds and fare revenue to apply toward the FY 2023-24 expenses. Staff will seek City Council authorization for staff to submit a claim for the Via program budget, less the total amount of FY 2022-23 fare revenue and contract rollover in the On-Demand Rideshare Program from FY 2022-23, and \$115,000 for City staff time and materials to support the program in the FY 2023-24 annual TDA claim. A resolution to allocate funding for FY 2023-24 is provided as Attachment 5.

Environmental Considerations

This project is exempt from CEQA as it can be seen with certainty that there is no possibility the activity in question may have a significant effect on the environment (State CEQA Guidelines Section 15061 (b)(3)). The fundamental definition of a "significant effect" under CEQA is "a substantial adverse change in physical conditions". Per this definition, it is clear that the operation of up to eleven (11) 6-passenger shared-ride vehicles utilizing existing infrastructure with the intent of encouraging pooling and reducing traffic impacts by shifting community members out of higher VMT (Vehicle Miles Travelled) generating modes (i.e. single occupancy driving or ride-hailing) does not constitute a significant impact.

Moreover, the project is within the scope of the EIR prepared for the General Plan 2035, and no new or substantially more adverse impacts would occur through the implementation of the proposed project. The project directly implements multiple Mobility Element Policies aimed at providing a multi-modal transportation system that supports various modes and benefits community and environmental health. As a result, no new environmental document is required, consistent with State CEQA Guidelines Section 15162 and 15168(c)(2).

Commission Recommendation

This report was presented to the Transportation, Mobility and Infrastructure Commission on June 5, 2023. Recommendations and feedback have been incorporated into the presentation for City Council’s consideration.

Strategic Plan Integration

This project advances the 2022 Strategic Plan goals of “Mobility & Connectivity” as part of the City’s “Mobility Action Plan Implementation” management agenda.

Alternatives

The Council's primary alternatives to staff's recommendations are:

1. Council may elect to approve Amendment No. 5 but redirect staff to utilize alternative funding sources toward the FY 2023-24 operations by amending Resolution 23-42. This alternative is not recommended as staff has developed this recommendation consistent with prior year procedures and requires timely authorization to prepare the FY 2023-24 TDA Claim. Delayed submittal of the FY 2023-24 TDA Claim, which funds the rideshare program and YoloBus operations, has the potential to cause cash-flow issues for the City.
2. Council may elect not to approve Amendment No. 5 and Resolution 23-42 at this time. This alternative is not recommended, as the current contract with NoMad Transit LLC expires on June 30, 2023 and requires accurate accounting, service planning and financial support to support operations to ensure no abrupt disruptions to service for community members reliant on the service for their transportation needs.

Coordination and Review

This report was prepared by the Transportation & Mobility Division of the Community Development Department and received review from the Finance Department, City Attorney's Office, and City Manager's Office.

Budget/Cost Impact

Approval of Amendment No. 5 to the Amended & Restated Contract with NoMad Transit LLC establishes the Fee Schedule for FY 2023-24 with an annual City obligation in an amount not to exceed \$2,987,730 toward operating costs, as shown. A total of \$115,000 in City staff costs is also included, consistent with the staff allocation included in the program budgets previous fiscal years.

Staff estimates an allocation request of up to \$3,102,730 in TDA funds [Budget Unit 202-9220-5259], offset by an estimated \$150,000 in projected FY 2022-23 fare revenues to support the 1-year renewal request. Approval of Resolution 23-42 would authorize the allocation of up to \$3,102,730 from the TDA and authorize the use of \$150,000 from rideshare revenues towards FY 2023-24 Via Rideshare program operations.

Expenses

Contract for Services with NoMad Transit LLC:	\$2,987,730
City Staff Time & Materials:	\$115,000

Total FY 2023-24 Program Expenses	\$3,102,730
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Funding Sources

FY 2022-23 Fare Revenues	\$150,000
FY 2023-24 TDA Allocation	\$2,952,730

Total	\$3,102,730
--------------	--------------------

Exclusive of the estimated FY 2023-24 TDA apportionment (Attachment 4), the City's current unrestricted TDA reserve balance is approximately \$2.70 million. Estimated FY 2023-24 allocation brings the TDA balance approximately to \$7.12 million. Staff is awaiting more concrete FY 2022-23 Via fare revenue & cost savings, as well as YoloTD's budget update for the City's share of fixed-route and paratransit costs to finalize the FY 2023-24 TDA Claim. Based on the LTF Findings of Apportionment, planning fees to be paid to SACOG by the City of West Sacramento is \$113,846. Based on YoloTD's preliminary budget, the City's contribution to YoloTD for fixed route, paratransit, and administrative costs is \$3,030,803. Staff anticipates that additional funding sources other than TDA may be needed to support the On-Demand Transportation Program should the program continue beyond FY 2023-24.

ATTACHMENTS

1. Fiscal Year 2019-2021 Triennial Performance Audit of City of West Sacramento – Via Rideshare
2. Via Proposed Fee Schedule Scenarios
3. Amendment No. 5 to the Amended and Restated Contract with NoMad Transit LLC
4. Fiscal Year 2023-24 Transportation Development Act Preliminary Findings of Apportionment
5. Resolution 23-42

FY 2019-2021 TRIENNIAL PERFORMANCE AUDIT OF CITY OF WEST SACRAMENTO – VIA RIDESHARE

SUBMITTED TO



SACRAMENTO AREA COUNCIL
OF GOVERNMENTS



SUBMITTED BY



Final

December 2022

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Executive Summary

The Sacramento Area Council of Governments (SACOG) engaged the Michael Baker International audit team (Michael Baker) to conduct the Transportation Development Act (TDA) triennial performance audit of the nine public transit operators under its jurisdiction. The performance audit serves to ensure accountability in the use of public transportation revenue. This performance audit is conducted for Via Rideshare in West Sacramento (City, West Sacramento, or Via), covering the most recent triennial period, fiscal years 2018–19 through 2020–21.

The audit includes a review of the following areas:

- Compliance with TDA requirements
- Status of prior audit recommendations
- Transit system performance trends
- Functional review

From the review, recommendations were developed to improve the operational efficiency and effectiveness of Via Rideshare.

Compliance with TDA Requirements

Of the nine compliance requirements pertaining to West Sacramento, the City fully complied with five requirements. The City was found not in compliance with regard to the submittal of the annual Transit Operators' Financial Transactions Reports to the State Controller and was partially compliant with regard to reporting of performance measures (vehicle service hours and miles/full-time employee equivalents). Four additional compliance requirements did not apply to West Sacramento (i.e., annual CHP terminal inspections, rural/urban farebox recovery ratios, and use of federal funding).

Status of Prior Audit Recommendations

There were no prior audit recommendations. This report constitutes the first triennial performance audit of the operator.

Transit System Performance Trends

1. Fare revenues for transit services provided by the Yolo County Transportation District (YCTD, District), to which the City contributes, are collected by the District. The fare revenue ratio for the YCTD is reported in the District's financial statements. The YCTD is subject to a 15 percent system-wide ratio that the system meets, and which has been formalized by SACOG. Based on audited and internal reporting data, the YCTD's system-wide farebox recovery ratio was 22.78

percent in FY 2019; 14.54 percent in FY 2020; and 13.20 percent in FY 2021.¹ The average system-wide farebox recovery ratio was 16.84 percent.

2. Operating costs increased by 156.9 percent from the first full year of operation in FY 2019 to FY 2021. On an average annual basis, costs increased 75.7 percent, with the highest increase of 147.7 percent occurring in FY 2020. This increase can be attributed to higher customer service costs as ridership increased as well as an increase of over 10,000 service hours from FY 2019 to FY 2020. Additionally, COVID-19 related costs (frequent cleanings/disinfectants, PPE supplies, applying and maintaining partitions, etc.) increased operating costs beginning in FY 2020. Operating costs only increased 3.7 percent from FY 2020 to FY 2021, while driver hours remained relatively constant.
3. Ridership increased 20.2 percent from 92,063 rides during FY 2019 to 110,661 rides during FY 2021. Ridership reached 139,340 in FY 2020 before the effects of the COVID-19 pandemic began impacting this indicator. On an average annual basis, ridership increased 15.4 percent with an increase of 51.4 percent occurring in FY 2020 and a decrease of 20.6 percent in FY 2021, a reflection of the effects of the pandemic on ridership.
4. The provision of vehicle service hours and miles both exhibited increases from FY 2019 to FY 2021 as the program expanded past its pilot year. Vehicle service hours increased 31.7 percent and vehicle service miles increased 20.8 percent. Both indicators saw their peak in FY 2020 before exhibiting decreases in FY 2021 due to the effects of the pandemic on service.
5. Operating cost per passenger, an indicator of cost effectiveness, increased 113.7 percent from \$6.81 during FY 2019 to \$14.56 during FY 2021. The trend is indicative of the outpacing of operating expenses compared to ridership, exacerbated by the effects of the pandemic on ridership as well as the pandemic's effect on operating costs as discussed above.
6. Operating cost per hour, an indicator of cost efficiency, increased 95 percent from \$24.49 during FY 2019 to \$47.75 during FY 2021. The trend in this indicator is reflective of the increase in operating costs outpacing the increase in vehicle service hours, exacerbated by the effects of the pandemic on service as well as the pandemic's effect on operating costs as discussed above.

Functional Review

1. Via Rideshare is a network-optimized, on-demand rideshare service operating within the city limits of West Sacramento. Through the initial pilot program, Via provided an on-demand rideshare service for a period of one year, with 10 Mercedes Metris vans rented at no cost to

¹ Assembly Bill 90, passed into law and signed by the governor in June 2020 in response to the COVID-19 pandemic impacts, prohibits the imposition of penalties on a transit operator that does not maintain the required ratio of fare revenues to operating cost during FY 2019–20 or FY 2020–21.

the City by Nomad Transit LLC, a subsidiary of Via Transportation, Inc. Riders are able to book a ride using a smart phone app and over the phone. The pilot service launched on May 14, 2018.

2. The City's rideshare program is administered by a senior transportation planner in the Community Development Department and by a team composed of a partner success manager, general manager, and local field manager. On January 17, 2018, the City Council approved a contract with NoMad Transit LLC, a wholly owned subsidiary of Via Transportation, Inc., in the amount of \$720,000 for a one-year pilot. This original contract was amended in February 2019 to utilize \$90,000 in fare revenues. The contract may be extended annually up to five additional years. The contract is reviewed annually.
3. Via Rideshare driver partners are classified as independent contractors. All driver partners undergo thorough criminal background checks before driving on the Via platform. Applicants may complete their applications, provide required documentation, and sign required agreements through Via's Driver Portal (<https://my.drivewithvia.com/>). Candidate screening consists of a four-step process. The number of driver partners available for West Sacramento Via Rideshare ranges between 20 and 40 drivers.
4. Vehicle maintenance is the responsibility of the driver partners. The driver partners conduct pre- and post-inspections on the vehicle at the Via Rideshare staging lot. The inspections involve drivers taking photos of the exterior and interior of the vehicle and uploading them to the Via Driver Portal. The Rideshare vans are parked along the northern perimeter of the lot composed of 16 spaces.
5. West Sacramento's Via Rideshare is marketed through several media, including a rider's guide, mobile app, and a dedicated web page on the City of West Sacramento website (<https://www.cityofwestsacramento.org/via>). Other fare media and promotions include the Via Pass and discounts to senior citizens and disabled people. The service is branded with the City's Tower Bridge logo.

Recommendations

Performance Audit Recommendation	Background	Timeline
1. Complete the annual Transit Operators' Financial Transactions Report for submittal to the State Controller.	Pursuant to Public Utilities Code Section 99243, transit operators are required to submit an annual report, called the Transit Operators' Financial Transactions Report, to the regional transportation planning agency (RTPA) based upon the Uniform System of Accounts and Records established by the State Controller. This report is due within seven months after the end of the fiscal year (on or before January 31). The report shall contain underlying data from audited financial statements	High Priority

Performance Audit Recommendation	Background	Timeline
	<p>prepared in accordance with generally accepted accounting principles, if this data is available.</p> <p>In lieu of submitting the Transit Operators' Financial Transactions Report, the City of West Sacramento completed and submitted the Cities' Financial Transactions Report to the State Controller during the audit period. The Cities' Financial Transactions Report does not include financial and operating data that pertain to the Via Rideshare service. It is recommended that commencing with FY 2022, the City use the Transit Operators' Financial Transactions Report for reporting transit financial and operational data. The City would need to set up an account through the Local Government Financial Reporting System as a transit operator. See link: https://lgrsonline.sco.ca.gov/Account/Login?RememberMe=False&Optentitytype=TRS. General instructions for reporting transit expenditures, revenues and operating data are found at the link: https://www.sco.ca.gov/Files-ARD-Local/LocRep/TO_FTR_Instructions_20-21.pdf.</p>	
<p>2. Ensure that performance measures are consistent with TDA statute definitions, in particular with regard to vehicle service hours and mileage as well as employee hours.</p>	<p>The auditor queried the Via Rideshare contractor about how vehicle service hours and miles are reported. It was revealed that vehicle service hours and miles are recorded when the vehicles leave the staging yard, which would include deadhead hours and mileage. According to the TDA statute, actual vehicle revenue hours are:</p> <p>The hours that vehicles travel while in revenue service. Vehicle revenue hours include layover/recovery time but exclude deadhead, training operators prior to revenue service and road tests, as well as school bus and charter services.</p> <p>Actual vehicle revenue miles are:</p> <p>The miles that vehicles travel while in revenue service. Vehicle revenue miles exclude deadhead, training</p>	<p>High Priority</p>

Performance Audit Recommendation	Background	Timeline
	<p>operators prior to revenue service and road as well as school bus and charter services.</p> <p>In addition, vehicle service hours per employee data were not calculated due to the unavailability of full-time equivalent (FTE) data, which would be reported in the Transit Operators' Financial Transactions Report. Proper calculation of this measure is based on the number of employee FTEs using employee pay hours from the State Controller Report and dividing by 2,000 hours. In lieu of submitting the Transit Operators' Financial Transactions Report, the City of West Sacramento completed and submitted the Cities' Financial Transactions Report to the State Controller.</p> <p>It is recommended that the contractor have the driver partners begin to record vehicle revenue hours and miles according to TDA definitions including starting at the first customer pickup and ending at the last customer drop-off, including layover/recovery. Layover and recovery are "out-of-service" time allowances allocated to a vehicle at a certain location or locations along the route, generally at a terminal location. Layover time is rest or "break" time allocated to the operator somewhere along the line, usually at a terminal location at the end of a trip. Recovery time can be thought of as "buffer" break time built into the schedule. It may or may not be used by the operator. In addition, it is suggested that the City work closely with Via Rideshare to ensure the accuracy of the operating data reported.</p>	
<p>3. Insert TDA and transit reporting standards in the Via Transportation contract.</p>	<p>Building upon the above recommendations for the City and contractor to follow TDA definitions in tracking and collecting key performance data, the requirements to properly report operations data should be added to the conditions in the service contract. While dashboard measures are listed in the contract of available information for City use, they do not specify or define how the data are to be presented. For example, the contract should include defining vehicle revenue hours and miles separately from total vehicle revenue hours</p>	<p>Medium Priority</p>

Performance Audit Recommendation	Background	Timeline
	<p>and miles according to TDA, which the City or contractor can then determine transit cost efficiency and effectiveness measures that comply with TDA and transit industry reporting standards.</p> <p>Of the available metrics complimenting those already being collected by the City and discussed with Via Transportation, the following are suggested measures that the City should require to be calculated and reported in regular intervals, such as monthly, quarterly, and annually.</p> <ul style="list-style-type: none"> • Passengers per revenue hour • Passengers per revenue mile • Operating cost per revenue hour • Operating cost per revenue mile • Operating cost per passenger • Accidents/Vehicle roadcalls/breakdowns • On-time performance • Passenger complaints and compliments <p>These key measures create additional dashboard indicators that mirror public transit operations from which service goals and standards could be formed to better measure productivity over time. For example, a goal standard for passengers per revenue hour and cost per revenue hour could be a rolling 6 to 12 month average under TDA definitions. The City should work with the contractor to develop productivity standards using these measures to build a log of operational efficiency and effectiveness tracking. Section IV of this audit provides the TDA required measures as a starting point.</p>	

Section I

Introduction

California’s Transportation Development Act (TDA) requires that a triennial performance audit be conducted of public transit entities and transit service claimants that receive TDA revenues. The performance audit serves to ensure accountability in the use of public transportation revenue.

The Sacramento Area Council of Governments (SACOG) engaged the Michael Baker International audit team (Michael Baker) to conduct the TDA triennial performance audit of the nine public transit operators and transit service claimants under its jurisdiction. This performance audit is conducted for Via Rideshare in West Sacramento (City, West Sacramento, or Via) covering the most recent triennial period, fiscal years 2018–19 through 2020–21.

The purpose of the performance audit is to evaluate Via Rideshare’s effectiveness and efficiency in its use of TDA funds to provide public transportation in its service area. This evaluation is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates Via Rideshare’s compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether Via Rideshare is meeting the PUC’s reporting requirements. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of the transit administrative functions. From the analysis that has been undertaken, a set of recommendations has been made which is intended to improve the performance of transit operations.

In summary, this TDA audit affords the opportunity for an independent, constructive, and objective evaluation of the organization and its operations that otherwise might not be available. The methodology for the audit included in-person and virtual interviews with management and the contract operator, collection and review of agency documents, data analysis, and on-site observations. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, published by the California Department of Transportation (Caltrans), was used to guide in the development and conduct of the audit.

Overview of the Transit System

Originally founded in 2012, Via Transportation is a transportation services technology provider primarily focused on delivering on-demand and pre-scheduled shared rides, optimizing fixed routes, and providing multimodal and intermodal transit technology. Via's algorithm matches multiple passengers heading in the same direction and books them into a single vehicle. Shared rides are usually from corner-to-corner to streamline vehicle routes, requiring passengers to walk to a nearby pickup point, indicated on the app. Via primarily operates in partnership with a local transit authority, government entity, university, school district, taxi fleet, or private organization. The operational partnerships use Via's technology, but allow organizations to use their own

vehicle fleets, supply their own drivers, and provide their own live service staff. Partners may also choose to have Via supply these resources, including full vehicle and operational management. Those who opt for a turnkey solution run by Via, this is in partnership with 3rd party vehicle partners and independent contractors.

In 2018, the City of West Sacramento launched the Via program as a one-year pilot, following robust Transportation, Mobility, and Infrastructure (TMI) Commission and City Council engagement dating back to June 2016. Following a competitive procurement, the City selected NoMad Transit LLC, a wholly owned subsidiary of Via Transportation Inc., to pilot a shared, on-demand transportation service with flexible stops, schedules, and fleet supply. While primary goals of the program included enhanced mobility, increased pooled rides, and improved quality of life, the concept of right-sizing vehicles and making the supply of service demand-responsive was also designed to capture cost efficiencies by regularly adapting the amount of service based on historical and projected ridership trends.

West Sacramento is the third largest city of the four incorporated cities in Yolo County. The city lies directly adjacent to the City of Sacramento, separated by the Sacramento River. The city has a total land area of 21.43 square miles. Originally a collection of various fishing and farming communities cumulatively known as “East Yolo,” the communities officially incorporated as the City of West Sacramento in 1987. Based on the 2020 US Census, the city’s population was 53,915. Based on the 2020 ACS 5-Year Estimate Data, 5,932 or 11.1 percent of the city’s population was age 65 or older. The 2022 population is estimated to be 52,837 as reported by the California Department of Finance.

System Characteristics

Via Rideshare is a rideshare service, allowing residents to catch a ride anywhere in the City of West Sacramento for an affordable, flat fare. Passengers can book a ride using the free Via app. Customers enter their pickup and drop-off locations and a vehicle will pick them up at their doorstep or within a block or two. Those who don't have a smartphone or tablet can book a ride by phone.

Customers are able to view estimated wait times when they enter their pickup and drop-off locations in the Via app (or over the phone) before approving any payments. Wait times will vary depending on nearby driver availability, but on average a Via van should arrive within 10-15 minutes. Riders typically don't wait longer than 30 minutes to be picked up.

Via Rideshare vehicles are wheelchair accessible in accordance with the Americans with Disabilities Act (ADA) of 1990. Customers requiring a wheelchair-accessible vehicle can go to the home page on the Via app and slide the wheelchair accessible button. Passengers making requests by phone should inform the customer service representative. Once the wheelchair accessible button is selected or a customer service representative is informed, an accessible vehicle will be sent each time the rider requests a ride. Via vans have ample space for walkers, canes, or other

mobility devices to be stored. Riders can simply inform their Via driver should they need assistance loading or unloading the vehicle.

Via Rideshare operates between 6:00 a.m. and 11:00 p.m. Monday through Friday; 9:00 a.m. and 11:00 p.m. on Saturdays; and 8:00 a.m. and 8:00 p.m. on Sundays. Service operates year-round including holidays.

Fares

Via Rideshare is a cashless service. Customers pay by a credit, debit, or prepaid credit card, which is entered when they set up an account on the Via app using a smartphone or tablet. Customers who wish to book rides over the phone can call Via at 916-318-5101 to have an account set up. The fare structure is shown in Table I-1.

**Table I-1
Via Rideshare Fare Schedule**

Fare Categories	Audit Period
Regular Fare (one-way trip)	\$3.50
Senior & Disabled Riders	\$1.75
Additional Riders	\$1.00
ViaPass Weekly Pass (up to 4 rides a day)	\$15.00
ViaPass Weekly Pass Senior & Disabled	\$7.50

Source: City of West Sacramento

People age 62+ or with a qualifying disability may receive a 50 percent discount. To obtain a senior or disabled rider discount, riders must verify their eligibility in person at one of the following City of West Sacramento facilities:

- City Hall Utility Billing (Monday-Friday, 9 a.m.-5 p.m.)
- Community Center (Monday-Friday, 9 a.m.-5 p.m.)
- Recreation Center (Monday/Wednesday/Friday 9 a.m.-11 a.m., or Tuesday/Thursday 6 p.m.-8 p.m., or by appointment 916-617-4770)

For a senior discount, riders must provide at least one of the following forms of documentation:

- Valid driver's license, US passport, military ID or DMV issued ID card
- Valid Yolobus or SacRT Discount Rider pass with photo ID on the card (Connect Card)
- Valid Medicare card
- Current senior membership on file at the West Sacramento Recreation Center

For a disabled rider discount, riders must provide at least one of the following forms of documentation:

- Current Medicare card or a Medicare, SSI, or SSDI award letter
- Current DMV issued Disabled Person or Disabled Veteran placard ID
- Valid Yolobus or SacRT Discount Rider pass with photo ID on the card (Connect Card)

- Proof of current ADA Paratransit eligibility through Yolobus or SacRT

If none of the above are available, riders must complete the Disabled Rider Account Application, which will require a healthcare professional to complete a verification form on their behalf. After staff verifies eligible disability, riders will receive a discount code.

Fleet

The City of West Sacramento is supplied with a fleet through the wholly owned subsidiary of Via Transportation Inc., NoMad Transit LLC, and are rented directly by the independent contracted driver partners. Services were initially contracted for a one-year pilot program on May 14, 2018. The original fleet for the one-year pilot program comprised solely Mercedes Metris vans, totaling seven vehicles, including one wheelchair accessible vehicle. On May 1, 2019, the City Council approved an amended and restated contract continuing the program through June 30, 2020, which included fleet and service hour expansion supported by a \$2.02 million allocation from the Transportation Development Act Fund. As of 2021, the fleet now includes 17 vehicles (14 Mercedes Metris and 3 Toyota Sienna), including 6 wheelchair accessible vehicles. The contract was later extended through 2022. Table I-2 shows the vehicle fleet information.

**Table I-2
Via Rideshare Fleet**

Year	Make & Model	Quantity	Seating Capacity
2018	Mercedes Metris	6	6
2019	Mercedes Metris	8	6
2020	Toyota Sienna	3	6
Total		17	

Source: Via Rideshare – NoMad Transit LLC

NoMad Transit LLC. Services transitioned away from the Mercedes Metris vehicles following the audit period and the fleet is now composed of Toyota Sienna vehicles. In August 2022, the City announced that the on-demand fleet will be undergoing a transition to hybrid vehicles. Introduction of the hybrid electric vehicles to the Via Rideshare fleet follows recent research from Via that found that the service has reduced travel emissions in West Sacramento by 22 percent when compared to the transit modes that were available before the service launched.

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of West Sacramento’s ability to comply with state requirements for continued receipt of TDA funds. The evaluation uses Caltrans’s *Performance Audit Guidebook* to assess transit operators. The guidebook contains a checklist of 11 measures taken from relevant sections of the PUC and the California Code of Regulations. Each requirement is discussed in the table below, including a description of the system’s efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due within seven (7) months after the end of the fiscal year (on or before January 31). The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available.	Public Utilities Code, Section 99243	<p>Completion/submittal dates:</p> <p>FY 2019: <i>SCO Report not submitted</i> FY 2020: <i>SCO Report not submitted</i> FY 2021: <i>SCO Report not submitted</i></p> <p>*In lieu of submitting the Transit Operators’ Financial Transactions Report, the City of West Sacramento completed and submitted the Cities’ Financial Transactions Report to the State Controller. The Cities’ Financial Transactions Report does not include financial and operating data that pertain to Via Rideshare. It is recommended that commencing with FY 2022, the City use the Transit Operators’ Financial Transactions Report.</p> <p>Conclusion: Not in Compliance.</p>
The operator has submitted annual fiscal and compliance audits to the RTPA and to the State	Public Utilities Code, Section 99245	<p>Completion/submittal dates:</p> <p>FY 2019: December 23, 2019 FY 2020: December 17, 2020</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
<p>Controller within 180 days following the end of the fiscal year (Dec. 27) or has received the appropriate 90-day extension by the RTPA allowed by law.</p>		<p>FY 2021: February 8, 2022</p> <p>The FY 2021 annual fiscal and compliance audit was submitted within the 90-day extension period granted by SACOG as allowed by law.</p> <p>Conclusion: Complied.</p>
<p>The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator’s compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator’s terminal.</p>	<p>Public Utilities Code, Section 99251 B</p>	<p>Due to the size of the vehicles operated, the City is exempt from the CHP Transit Operator Compliance Program, in which the CHP conducts inspections within the 13 months prior to each TDA claim.</p> <p>Since the vehicles accommodate six seated passengers, one wheelchair passenger, and the driver, they do not meet the definition of a transit bus as defined in Section 642 of the California Vehicle Code (CVC).</p> <p>Routine maintenance and inspections of vehicles are arranged through Via Rideshare driver partners as a condition of the Via Transportation contract.</p> <p>Conclusion: Not applicable.</p>
<p>The operator’s claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.</p>	<p>Public Utilities Code, Section 99261</p>	<p>Each Yolo County Transportation District (YCTD, District) member jurisdiction submits their own separate Local Transportation Fund claim to SACOG.</p> <p>As a condition of approval, the City of West Sacramento’s annual claims for Local Transportation Funds are</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>submitted in compliance with the rules and regulations adopted by SACOG. The YCTD as the transit operator submits claims for State Transit Assistance in compliance with the rules and regulations adopted by SACOG.</p> <p>Conclusion: Complied.</p>
<p>If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.</p>	<p>Public Utilities Code, Section 99270.1</p>	<p>Transit operators are required to maintain a fare revenue to operating expenses ratio in order to be eligible for TDA funding. Fare revenues for transit services provided by the YCTD, to which the City contributes, are collected by the District. The fare revenue ratio for the YCTD is reported in the District’s financial statements. During the audit period, the YCTD was subject to a formalized 15 percent system-wide farebox ratio as per SACOG TDA Guidelines.</p> <p>However, the City’s audited financial statements and compliance reports do not provide a breakdown of the rideshare service’s farebox ratio. The system-wide farebox ratios based on audited and internal data are as follows:</p> <p>FY 2019: 22.78% FY 2020: 14.54% FY 2021: 13.20%</p> <p><i>Source: FY 2019-2021 City of West Sacramento Transportation Development Act Fund - Audited Financial Statements and</i></p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p><i>Compliance Reports and FY 2019–2021 Yolo County Transportation District - Audited Financial Statements and Compliance Reports</i></p> <p>Conclusion: Complied.</p>
<p>The operator’s operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).</p>	<p>Public Utilities Code, Section 99266</p>	<p>Percentage change in the City’s Via Rideshare’s operating budget:</p> <p>FY 2019: <i>Service inception</i> FY 2020: +218.0% FY 2021: -35.6%</p> <p>The increase in the FY 2020 operating budget is attributed to the pilot’s service expansion as stipulated in the amended and restated contract for service dated May 1, 2019. The decrease in the FY 2021 operating budget is attributed to reductions in the total number of Via Rideshare service hours to meet lower demand due to the COVID-19 pandemic, resulting in cost savings through the fiscal year.</p> <p><i>Source: City of West Sacramento TDA Claims – Annual Project and Expenditure Plan</i></p> <p>Conclusion: Complied.</p>
<p>The operator’s definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per</p>	<p>Public Utilities Code, Section 99247</p>	<p>A review of internal performance data reports and interviews with the Via Rideshare field manager revealed that vehicle service hours and miles are recorded when the vehicles leave the staging yard,</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
<p>passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.</p>		<p>which would include deadhead hours and mileage.</p> <p>In addition, vehicle service hours per employee data were not calculated due to the unavailability of full-time equivalent (FTE) data, which would be reported in the Transit Operators’ Financial Transactions Report. Proper calculation of this measure is based on the number of employee FTEs using employee pay hours from the State Controller Report and dividing by 2,000.</p> <p>In lieu of submitting the Transit Operators’ Financial Transactions Report, the City of West Sacramento completed and submitted the Cities’ Financial Transactions Report to the State Controller. The Cities’ Financial Transactions Report does not include financial and operating data that pertain to Via Rideshare.</p> <p>Conclusion: Partial Compliance.</p>
<p>If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths</p>	<p>Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1</p>	<p>Transit operators are required to maintain a fare revenue to operating expenses ratio in order to be eligible for TDA funding. Fare revenues for transit services provided by the YCTD, to which the City contributes, are collected by the District. The fare revenue ratio for the YCTD is reported in the District’s financial statements. This requirement is not applicable, as West Sacramento falls under the YCTD, which serves both</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
(15 percent), if so determined by the RTPA.		urban and rural areas subject to SACOG’s farebox policy. Conclusion: Not Applicable.
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	Via Rideshare does not serve a rural area. Fare revenues for transit services provided by the YCTD, to which the City contributes, are collected by the YCTD. The fare revenue ratio for the YCTD is reported in the District’s financial statements. <i>Source: FY 2019-2021 City of West Sacramento Transportation Development Act Fund - Audited Financial Statements and Compliance Reports</i> Conclusion: Not Applicable.
The current cost of the operator’s retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.	Public Utilities Code, Section 99271	The City of West Sacramento contributes to its employees’ retirement through the California Public Employees Retirement System (CalPERS). To be eligible for TDA funds, the annual TDA claims form requires a sign-off from the transit claimant to comply with standard assurances, one of which is that the agency’s retirement system is funded. The passage of Proposition 22 requires that all licensed transportation network companies (TNCs) in the State of California provide new benefits and protections for drivers.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		Conclusion: Complied.
If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	California Code of Regulations, Section 6754(a)(3)	The City of West Sacramento is a recipient of State Transit Assistance funds which are provided to another transit provider of service within the city limits (YCTD). West Sacramento does not utilize Federal Transit Administration funds. Conclusion: Not Applicable.

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the nine compliance requirements pertaining to West Sacramento, the City fully complied with five requirements. The City was found not in compliance with regard to the submittal of the annual Transit Operators Financial Transactions Reports to the State Controller and was partially compliant with regard to reporting of performance measures (vehicle service hours and miles/full-time employee equivalents). Four additional compliance requirements did not apply to West Sacramento (i.e., annual CHP terminal inspections, rural/urban farebox recovery ratios, and use of federal funding).
2. Fare revenues for transit services provided by the YCTD, to which the City contributes, are collected by the District. The fare revenue ratio for the YCTD is reported in the District's financial statements. The YCTD is subject to a 15 percent system-wide ratio that the system meets, and which has been formalized by SACOG. The *City of West Sacramento Transportation Development Act Fund - Audited Financial Statements and Compliance Reports* do not provide a breakdown of the rideshare service's farebox ratio. Based on audited and internal reporting data, the YCTD's system-wide farebox recovery ratio was 22.78 percent in FY 2019; 14.54 percent in FY 2020; and 13.20 percent in FY 2021.² The average system-wide farebox recovery ratio was 16.84 percent.
3. Due to the size of the vehicles operated, the City's rideshare program is exempt from the CHP Transit Operator Compliance Program, in which the CHP conducts inspections within the 13 months prior to each TDA claim. Vehicle maintenance is the responsibility of Via Rideshare's driver partners as a condition in Via Transportation's contract.
4. The operating budget exhibited notable fluctuations during the audit period. There was an increase of 218 percent in FY 2020 followed by a decrease of 35.6 percent in FY 2021. The increase in the FY 2020 operating budget is attributed to the pilot's service expansion as stipulated in the amended and restated contract for service dated May 1, 2019. The decrease in the FY 2021 operating budget is attributed to reductions in the total number of Via Rideshare service hours to meet lower demand due to the COVID-19 pandemic, resulting in cost savings through the fiscal year.

² Assembly Bill 90, passed into law and signed by the governor in June 2020 in response to the COVID-19 pandemic impacts, prohibits the imposition of penalties on a transit operator that does not maintain the required ratio of fare revenues to operating cost during FY 2019–20 or FY 2020–21.

Section III

Prior Triennial Performance Recommendations

There were no prior audit recommendations. This report constitutes the first triennial performance audit of the operator.

Section IV

TDA Performance Indicators

This section reviews Via Rideshare’s performance in providing transit service to the community in an efficient and effective manner. The TDA requires that at least five specific performance indicators be reported, which are contained in the following table. Farebox recovery ratio is not one of the five specific indicators but is a requirement for continued TDA funding. Therefore, farebox calculation is also included. Two additional performance indicators, operating cost per mile and average fare per passenger, are included as well. Findings from the analysis are contained in the section following the tables.

Table IV-1 provides the performance indicators for Via Rideshare. Operating costs and passenger fares, which determine the farebox recovery ratio calculation, are derived from financial data provided by the City and Via Rideshare. Graphs are also provided to depict the trends in the indicators.

It is noted that the vehicle service (revenue) hours and miles data is based on collection methods by Via which start at the vehicle staging lot. These data are not consistent with TDA definitions but are still used to calculate the performance indicators in this section. A recommendation is provided to adjust the recording of revenue hours and miles according to TDA.

**Table IV-1
West Sacramento – Via Rideshare TDA Performance Indicators**

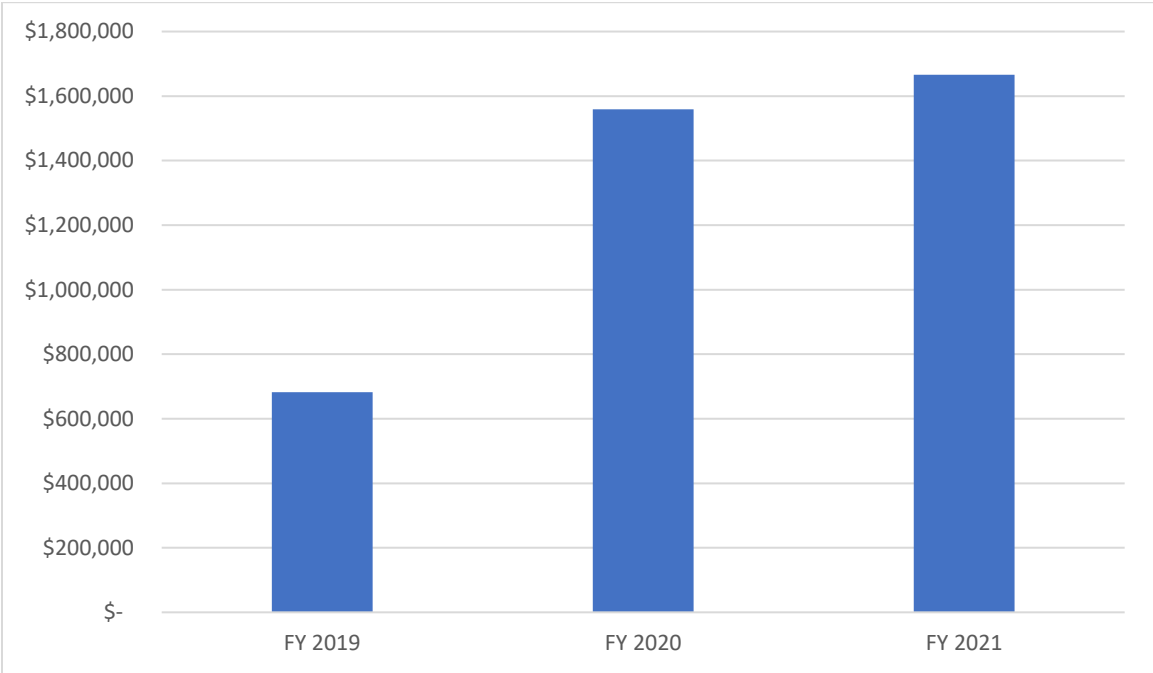
Performance Data and Indicators	Audit Period			% Change FY 2019- 2021
	FY 2019	FY 2020	FY 2021	
Fully Loaded Cost	\$682,123	\$1,558,540	\$1,666,140	144.3%
Operating Cost ¹	\$627,123	\$1,553,406	\$1,611,140	156.9%
Total Passengers	92,063	139,340	110,661	20.2%
Vehicle Service Hours	25,611	36,254	33,740	31.7%
Vehicle Service Miles	411,934	559,346	497,482	20.8%
Passenger Fares ²	\$142,844	\$225,872	\$212,634	48.9%
Operating Cost per Passenger	\$6.81	\$11.15	\$14.56	113.7%
Operating Cost per Vehicle Service Hour	\$24.49	\$42.85	\$47.75	95.0%
Operating Cost per Vehicle Service Mile	\$1.52	\$2.78	\$3.24	112.7%
Passengers per Vehicle Service Hour	3.6	3.8	3.3	-8.8%
Passengers per Vehicle Service Mile	0.22	0.25	0.22	-0.5%
Average Fare per Passenger	\$1.55	\$1.62	\$1.92	23.8%
Fare Recovery Ratio	22.78%	14.54%	13.20%	-42.1%
Consumer Price Index - (CPI-CA)	3.0%	1.7%	4.2%	9.1%

Source: Via Rideshare West Sacramento Internal Audit; Via Rideshare West Sacramento Budget FY 2018-2021

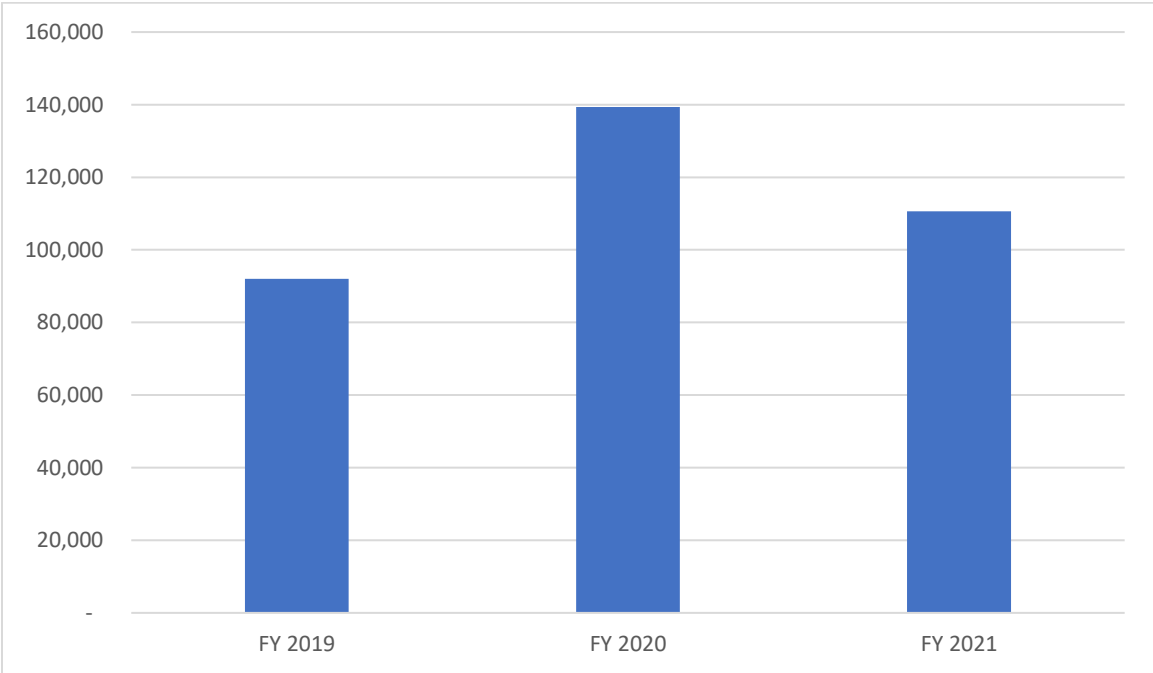
¹Excludes food bank delivery hours & one-time service and supply planning fees

²Excludes tips

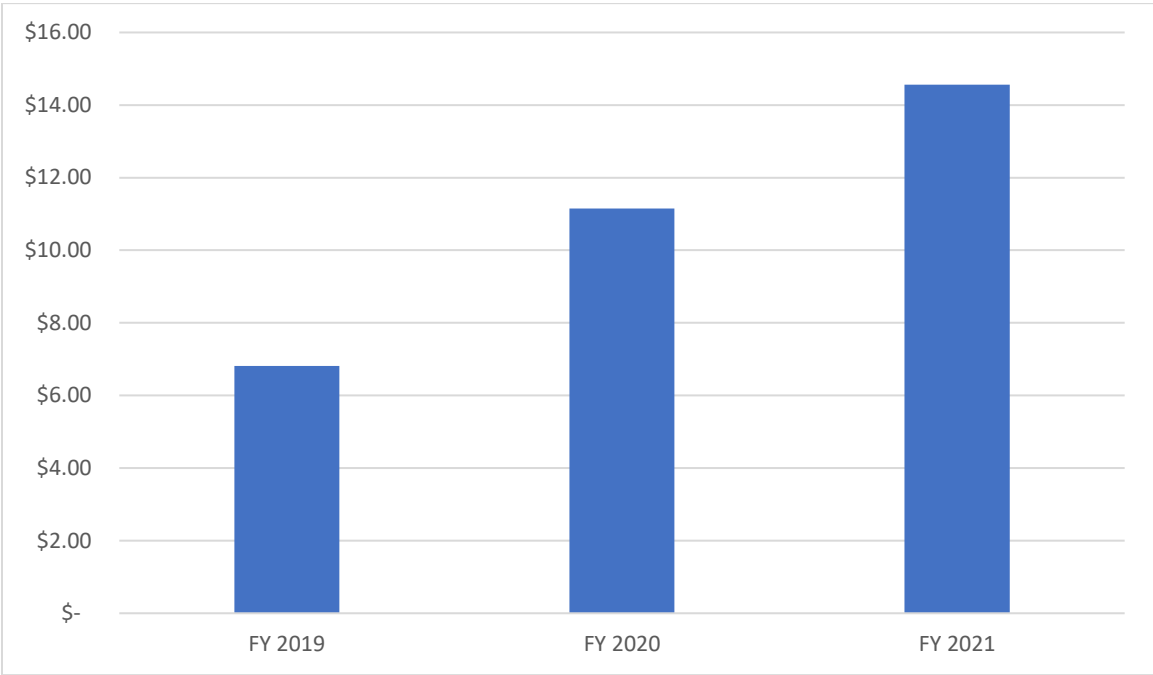
**Graph IV-1
Operating Costs**



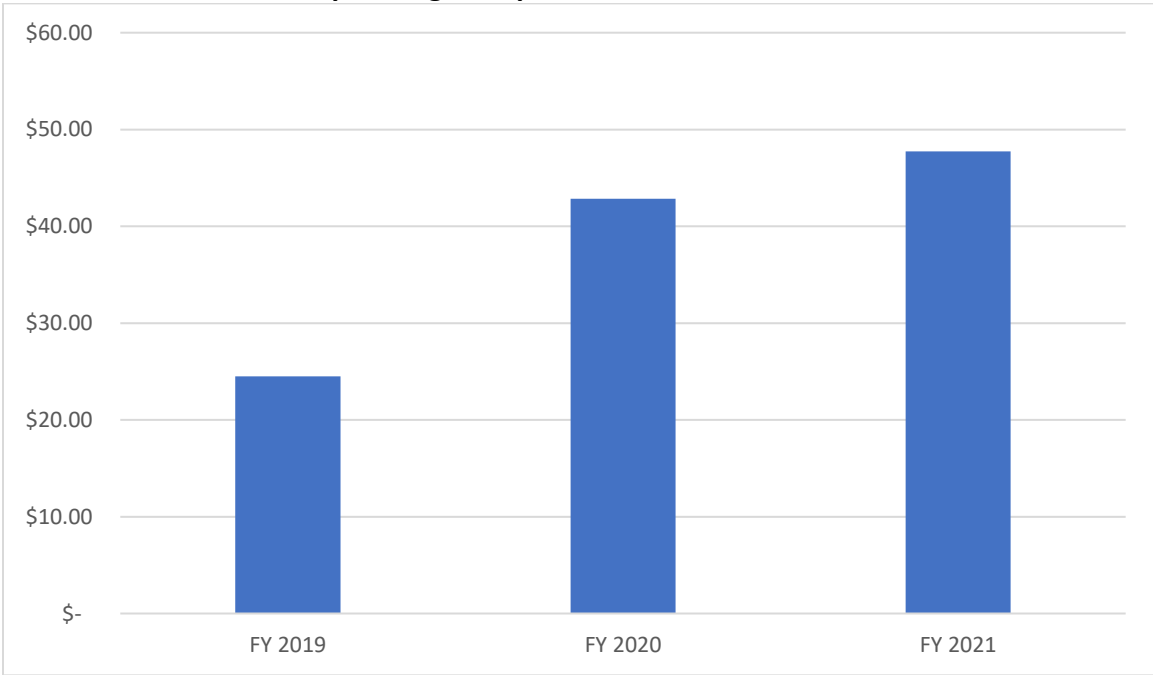
**Graph IV-2
Ridership**



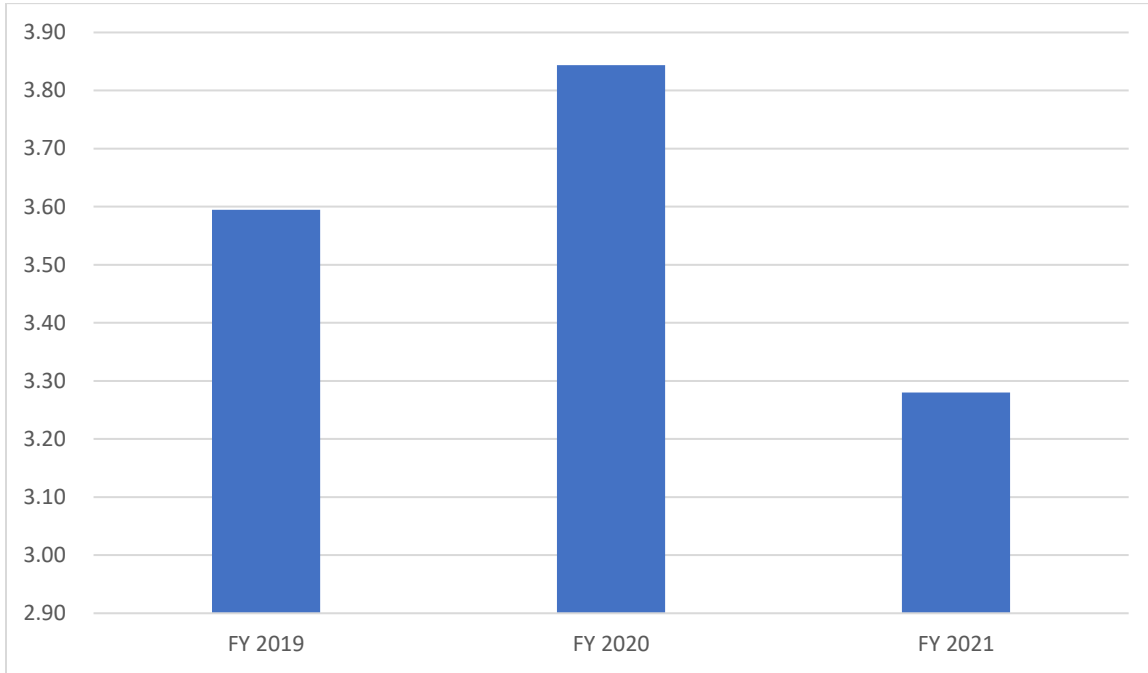
**Graph IV-3
Operating Cost per Passenger**



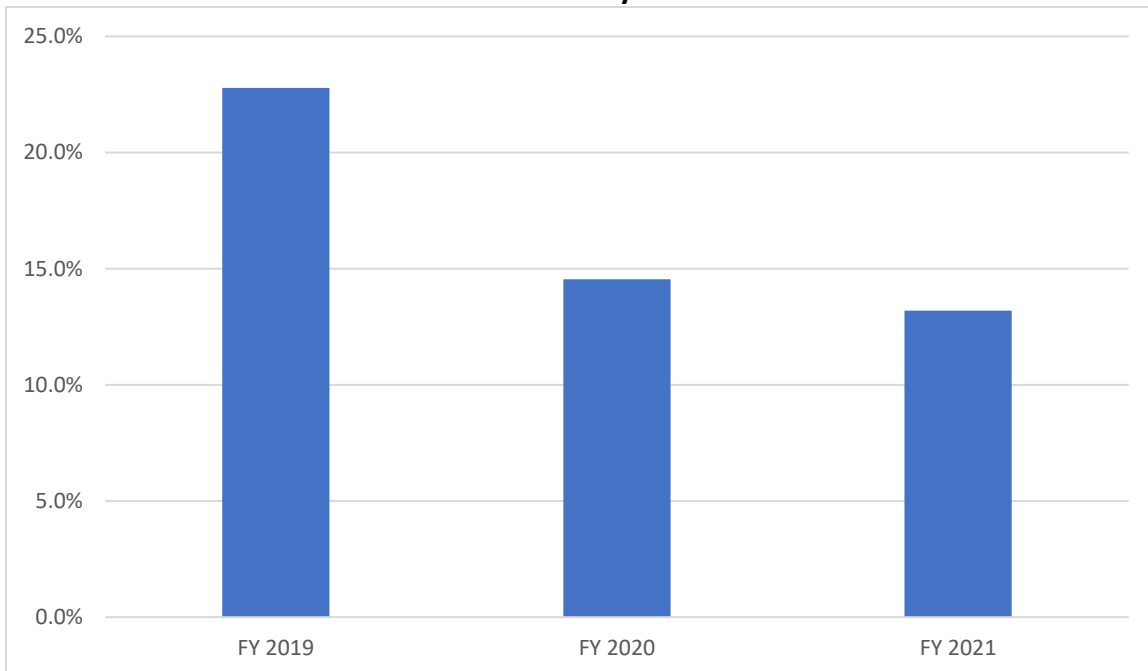
**Graph IV-4
Operating Cost per Vehicle Service Hour**



Graph IV-5
Passengers per Vehicle Service Hour



Graph IV-6
Fare Recovery Ratio



Findings from Verification of TDA Performance Indicators

1. Operating costs increased by 156.9 percent from the first full year of operation in FY 2019 to FY 2021. On an average annual basis, costs increased 75.7 percent, with the highest increase of 147.7 percent occurring in FY 2020. This increase can be attributed to higher customer service costs as ridership increased as well as an increase of over 10,000 service hours from FY 2019 to FY 2020. Additionally, COVID-19 related costs (frequent cleanings/disinfectants, PPE supplies, applying and maintaining partitions, etc.) increased operating costs beginning in FY 2020. Operating costs only increased 3.7 percent from FY 2020 to FY 2021, while driver hours remained relatively constant.
2. Ridership increased 20.2 percent from 92,063 rides during FY 2019 to 110,661 rides during FY 2021. Ridership reached 139,340 in FY 2020 before the effects of the COVID-19 pandemic began impacting this indicator. On an average annual basis, ridership increased 15.4 percent with an increase of 51.4 percent occurring in FY 2020 and a decrease of 20.6 percent in FY 2021, a reflection of the effects of the pandemic on ridership.
3. The provision of vehicle service hours and miles both exhibited increases from FY 2019 to FY 2021 as the program expanded past its pilot year. Vehicle service hours increased 31.7 percent and vehicle service miles increased 20.8 percent. Both indicators saw their peak in FY 2020 before exhibiting decreases in FY 2021 due to the effects of the pandemic on service.
4. Operating cost per passenger, an indicator of cost effectiveness, increased 113.7 percent from \$6.81 during FY 2019 to \$14.56 during FY 2021. The trend is indicative of the outpacing of operating expenses compared to ridership, exacerbated by the effects of the pandemic on ridership as well as the pandemic's effect on operating costs as discussed above.
5. Operating cost per hour, an indicator of cost efficiency, increased 95 percent from \$24.49 during FY 2019 to \$47.75 during FY 2021. The trend in this indicator is reflective of the increase in operating costs outpacing the increase in vehicle service hours, exacerbated by the effects of the pandemic on service as well as the pandemic's effect on operating costs as discussed above.
6. Passengers per hour, which measures the effectiveness of the service delivered, decreased by 8.8 percent from 3.6 passengers during FY 2019 to 3.3 passengers per hour during FY 2021. Passengers per hour increased to 3.8 passengers per hour in FY 2020 before the effects of the pandemic on ridership can be seen in FY 2021.
7. Fare revenues for transit services provided by the YCTD, to which the City contributes, are collected by the District. The fare revenue ratio for the YCTD is reported in the District's financial statements. The YCTD is subject to a 15 percent system-wide ratio that the system meets, and which has been formalized by SACOG. There was a 42.1 percent decrease in

the farebox recovery ratio from 22.78 percent in FY 2019 to 13.2 percent in FY 2021. The increases seen in operating costs outpaced the increases seen in fare revenue, which explains the decreases seen in the farebox recovery during the audit period.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within Via Rideshare. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed at the City of West Sacramento City Hall and the Via Rideshare staging yard in West Sacramento:

- Operations
- Maintenance
- Planning
- Marketing
- General Administration and Management

Within some departments are sub-functions that require review as well, such as Grants Administration that falls under General Administration.

Operations

Via Rideshare is a network-optimized, on-demand rideshare service operating within the city limits of West Sacramento. Through the initial pilot program, Via provided an on-demand rideshare service for a period of one year, with 10 Mercedes Metris vans rented at no cost to the City by Nomad Transit LLC, a subsidiary of Via Transportation, Inc. The vans are driven by independently contracted TNC drivers. Riders are able to book a ride using a smartphone app or by phone. The pilot service launched on May 14, 2018.

Rides are tendered through the Via Rideshare app, which can be downloaded on an Apple or Android smartphone or a mobile tablet. Once the app is downloaded and an account is created, the device's location services is activated so the app can identify the pickup location. The user enters their destination and requests a ride. After the ride is scheduled, the user goes to the pickup location at the scheduled time. Without a smartphone, one can sign up for an account and book rides through a phone call.

The Via service is managed by a team composed of a partner success manager, general manager, and local field manager. The role of the partner success manager is to collaborate with the City in the use of Via's proprietary software (SaaS). The general manager's role is to manage Via's operation in West Sacramento and interface with City staff. The field manager's role is to oversee and provide support to the driver partners in the field and at the Via staging lot. Onboarding and support of the driver partners is done by the Driver Ops team in combination with the field manager.

The pilot was implemented in three phases. The first phase involved the preliminary service design, planning, and preparation wherein the acquisition and customization of all labor, equipment, technology, and materials necessary to launch the service took place (over a two- to four-week period). The second phase involved the initial launch period during the first four to six weeks, wherein service parameters were subject to slight adjustments and scaled up over time in concert with initial market analysis and service promotions. Phase three involved the full launch over an 11-month period, wherein changes to the service parameters were limited and performance was continually monitored and reported quarterly.

Throughout the life of the pilot, staff received ridership reports and held weekly to biweekly calls with the Via general manager to stay abreast of the performance of the pilot and facilitate the deployment and expansion of the service. Starting with the initial launch, three quarterly performance reports are provided by Via to staff no later than one month following each consecutive three months of service.

Initial ridership for July 2018 was 3,480, which grew to approximately 16,000 rides by February 2020. With the onset of the COVID-19 pandemic, ridership reached its lowest point during the audit period with only 450 riders requesting the service. Although total riders was low, the service has an active ViaPass ridership base and completed over 5,000 rides in April 2020.

Fares are processed through Braintree, an online payment processor that is integrated into the Via Rideshare app. Braintree provides merchant account, payment gateway, and credit card storage services for online merchants.

COVID-19 Pandemic Impacts

As impacts from the novel coronavirus started to be realized in California, a state of emergency was declared on March 4, 2020. Subsequently, a mandatory statewide shelter-in-place order was implemented on March 19. In response, Via Rideshare implemented measures and protocols to mitigate the spread of the virus for its West Sacramento operation. In addition, the contract operator had extensive COVID-19 protocols in accordance with the Federal Transit Administration and the Centers for Disease Control and Prevention. Personal protective equipment has been made readily available.

During the pandemic, there were no changes in service hours; however, capacity constraints were implemented on the vehicles to just three passengers as well as masking requirements. Via Rideshare increased its fleet size in order to maintain a high level of service. Food delivery and local food bank support services were implemented to maintain driver and vehicle utilization. Additional safety measures included daily vehicle cleaning and the installation of driver barriers.

Personnel

Via Rideshare driver partners are classified as independent contractors. All driver partners undergo thorough criminal background checks before driving on the Via platform. Applicants may complete their applications, provide required documentation, and sign required agreements through Via's Driver Portal (<https://my.drivewithvia.com/>). Candidate screening consists of a four-step process:

1. Create a profile.
2. Upload documents (driver's license, insurance, etc.).
3. Attend virtual on-boarding session.
4. Download Via Driver App to accept rides.

On average, drivers can earn up to \$17.50 an hour. Driver partners can earn an extra \$300 after completing on-boarding and driving 10 hours. The number of driver partners available for West Sacramento Via Rideshare ranges between 20 and 40 drivers. Drivers are free to choose their work hours and Via has not experienced any issue with driver availability not meeting ridership demands. Independent contractor driver partners do not receive performance evaluations or performance management, and NoMad does not monitor or evaluate driver partners' performance. Negative feedback may result in adverse action only in the event that a driver partner has violated their independent contractor agreement or a regulatory standard maintained by law. Pay & promos are subject to change, however, the team ensures that pay meets the requirements of Proposition 22.

Maintenance

Vehicle maintenance is the responsibility of the driver partners. The driver partners conduct pre- and post-inspections on the vehicle at the Via Rideshare staging lot. The inspections involve drivers taking photos of the exterior and interior of the vehicle and uploading them to the Via Driver Portal.

The entrance to the staging lot is located across from 1800 South River Road in West Sacramento with only one point of ingress and egress. The 5-acre lot is City-owned and situated along the Sacramento River just north of the City Corporation Yard. There are no buildings or driver facilities on the site, although the City may consider providing a portable restroom for the drivers. The entrance to the lot has a gate with a lock combination and drivers are given information from the app to unlock the vehicles. The Rideshare vans are parked along the northern perimeter of the lot composed of 16 spaces. Via Rideshare recently received delivery of five new Toyota Sienna accessibility vans equipped with wheelchair ramps. In addition, Via Rideshare has been in the process of replacing its fleet with hybrid vehicles. As of August 2022, 8 of the City's 16 Via vans had been switched to hybrid models.

Due to the size of the vehicles operated for the Via Rideshare service, the City is exempt from the CHP Transit Operator Compliance Program, in which the CHP conducts inspections within the 13

months prior to each TDA claim. Since the vehicles accommodate six seated passengers, one wheelchair passenger, and the driver, they do not meet the definition of a transit bus as defined in Section 642 of the California Vehicle Code. Routine maintenance and inspections of vehicles are arranged through Via Rideshare driver partners and subject to contract stipulations with the City.

Planning

The impetus for the rideshare pilot was due to declines in fixed-route service in the City over a five-year period while operating costs per passenger grew. Though transit has been seen as a viable option for many and most residents live within 0.25-0.50 of a mile of a transit stop, ridership has continued to decline. Low-density suburban routes have seen poor ridership because of long travel times and small transit catchment areas. In addition, transit stops lacked complementary multimodal options to help transit riders complete the first and last few miles to and from destinations.

City staff developed a strategy that initiated development of the West Sacramento Mobility Action Plan (MAP), a prioritized set of near- to long-term investments to guide the implementation of a robust multimodal mobility network. The MAP sought to optimize transit network efficiency, define a role for alternative and emerging mobility services (both public and private), and support West Sacramento's preparedness in integrating future transportation technologies.

Two near-term pilot projects were proposed to feed into the West Sacramento MAP strategy. The first pilot project identified was a downtown shuttle that would modify an existing YCTD route to provide peak hour service to the Bridge District and downtown Sacramento. The second pilot project identified involved a flexible transportation or micro-transit service that integrates emerging on-demand technologies utilized by TNCs.

On June 23, 2017, the City released a Request for Proposals (RFP) per Council authorization to implement the second pilot, soliciting innovative transit solutions from a broad pool of qualified private and public mobility service providers, including TNCs, to assist with the design, launch, operations, maintenance, marketing, and evaluation of an on-demand micro-transit service.

Staff received ten proposals in response to the RFP. An evaluation panel was assembled to identify a shortlist to interview in August 2017 and select a successful proposal by early September. Staff returned to Council in October to request an award of contract. Based on the selection criteria, the panel unanimously determined Via Transportation, Inc. to be the top-ranking proposal. This selection was confirmed in concept by the City Council at its November 1, 2017, meeting when staff presented an overview of the services set forth by Via in their response to the June 2017 RFP.

Marketing

West Sacramento's Via Rideshare is marketed through several media. When the rideshare pilot was first launched, a flyer was produced and distributed to promote the service and the associated app that offered two free rides with a promotional code. The City and Via also produced a rider's

guide that provided guidance on how to utilize the service and the app. The service is branded with the City’s Tower Bridge logo.

Via Rideshare has a dedicated web page on the City of West Sacramento website (<https://www.cityofwestsacramento.org/via>), which features information about fares, hours of operation, links to download the Via iOS (Apple) and Android apps, frequently asked questions, customer service inquiries, and accommodations for disabled persons. The web page also has a link to the Via website (<https://ridewithvia.com/>) that provides more information about the transportation technology company. In addition to the apps, there is a call-in number that allows users to book trips.

Other fare media and promotions include the Via Pass and discounts to senior citizens and persons with disabilities. Senior and disabled riders can get a discount code by calling or emailing the designated contact at the City’s Community Development Department. The City conducted a customer satisfaction survey six months after the launch of the pilot. The service has been well received since inception and even received a Helen Putnam Award for Excellence from the California League of Cities in 2019.

In October 2018, the City staff held a training session on how to utilize Via Rideshare. The training was held at the Bryte Memorial VFW Post and covered various aspects on how the service worked. The presentation covered:

- Signing up for a Via account;
- Requesting a senior (62+) or disabled rider discount;
- Booking rides by phone or smartphone; and
- Requesting a wheelchair-accessible vehicle.

The City has been in discussions on how to utilize Via to transport residents to the community pool in the Recreation Center at 2801 Jefferson Boulevard.

General Administration and Management

West Sacramento is a general law city incorporated on January 1, 1987, from the unincorporated Yolo County communities of Bryte, Broderick, and West Sacramento and functions under a council-manager form of government. The West Sacramento City Council serves as the City’s main legislative body with five elected representatives including a directly elected mayor. City Council members are elected at large and serve a four-year term and the mayor serves a two-year term. The City Council generally convenes on the first and third Wednesday of every month beginning at 7:00 p.m. at West Sacramento Civic Center located at 1110 West Capitol Avenue.

The City's rideshare program is administered by a senior transportation planner in the Community Development Department. On January 17, 2018, the City Council approved a contract with NoMad Transit LLC, a wholly owned subsidiary of Via Transportation, Inc., in the amount of \$720,000 for a one-year pilot. There was an amendment entered on Feb 20, 2019 to utilize \$90,000 in fare revenues. The contract may be extended annually up to five additional years. The service contract was amended and restated on May 1, 2019, to reflect changes and extend the term for one year from May 14, 2019, through June 30, 2020. The contract is reviewed annually.

There were two subsequent contract amendments executed during the audit period. On June 17, 2020, the City Council approved Amendment No. 1, extending the term of the contract through June 30, 2022. The passage of Proposition 22, the App-Based Drivers as Contractors and Labor Policies Initiative, by voters in November 2020 required that all licensed TNCs in the State of California provide new benefits and protections for drivers. The contract was amended on January 20, 2021, to demonstrate compliance with Proposition 22 as well as the marginal increase to the rate the City paid to the contractor for operating the rideshare service on behalf of the City, effective retroactively from December 16, 2020, through the term of the most recent contract.

The primary source of transit funding support is derived from the Local Transportation Fund (LTF) and State Transit Assistance (STA) fund. The City submits the annual TDA claim for funds to SACOG. TDA claims are based on the City's annual budget projections and are prepared by the Transportation and Mobility Division of the Capital Projects and Transportation Department, in conjunction with the YCTD budget process. A portion of LTF revenues is used to support the Via Rideshare service under Article 8. Based on the data contained in the City of West Sacramento TDA claim packets and the City's finance department, LTF revenues allocated during the audit period were \$2,377,223 in FY 2019; \$2,888,398 in FY 2020; and \$2,971,944 in FY 2021. STA revenues allocated were \$372,608 in FY 2019; \$525,540 in FY 2020; and \$282,114 in FY 2021.

Based on the annual project and expenditure plan contained in the TDA claims, the City allocated the following amounts towards the operation of Via Rideshare: \$599,001 in FY 2019; \$1,905,000 in FY 2020; and \$1,227,395 in FY 2021. In lieu of the Transit Operators' Financial Transactions Reports sent to the State Controller, the City has been preparing and submitting the Cities' Financial Transactions Report. The Cities' Financial Transactions Report does not include financial and operating data that pertain to the Via Rideshare service. It is recommended that commencing with FY 2022, the City use the Transit Operators' Financial Transactions Report for reporting transit financial and operational data.

Grants Administration

Grant management for the Via Rideshare is administered by the City's Finance Department. The Via Rideshare pilot does not receive federal funding and has relied primarily on TDA funding. Other than the TDA, the pilot was initially funded through local Measure E, which is a 0.25-cent general sales tax approved by City voters in November 2016 and a \$149,000 SACOG Transportation Demand Management Innovative Mobility Program grant. The City can reinvest surplus revenues and cost savings, which have ranged from \$200,000 to \$300,000. According to the service

contract, all unspent fare revenues generated and remaining with the contractor, which would have already been remitted to the City, are reinvested toward next year's operations.

Section VI

Findings

The following summarizes the findings obtained from this triennial audit covering fiscal years 2019 through 2021. A set of recommendations is then provided.

1. Of the nine compliance requirements pertaining to West Sacramento, the City fully complied with five requirements. The City was found not in compliance with regard to the submittal of the annual Transit Operators' Financial Transactions Reports to the State Controller and was partially compliant with regard to reporting of performance measures (vehicle service hours and miles/full-time employee equivalents). Four additional compliance requirements did not apply to West Sacramento (i.e., annual CHP terminal inspections, rural/urban farebox recovery ratios, and use of federal funding).
2. Fare revenues for transit services provided by the YCTD, to which the City contributes, are collected by the District. The fare revenue ratio for the YCTD is reported in the District's financial statements. The YCTD is subject to a 15 percent system-wide ratio that the system meets, and which has been formalized by SACOG. The *City of West Sacramento Transportation Development Act Fund - Audited Financial Statements and Compliance Reports* do not provide a breakdown of the rideshare service's farebox ratio. Based on audited and internal reporting data, the YCTD's system-wide farebox recovery ratio was 22.78 percent in FY 2019; 14.54 percent in FY 2020; and 13.20 percent in FY 2021.³ The average system-wide farebox recovery ratio was 16.84 percent.
3. Due to the size of the vehicles operated, the City's rideshare program is exempt from the CHP Transit Operator Compliance Program, in which the CHP conducts inspections within the 13 months prior to each TDA claim. Vehicle maintenance is the responsibility of Via Rideshare's driver partners as a condition in Via Transportation's contract.
4. The operating budget exhibited notable fluctuations during the audit period. There was an increase of 218 percent increase in FY 2020 followed by a decrease of 35.6 percent in FY 2021. The increase in the FY 2020 operating budget is attributed to the pilot's service expansion as stipulated in the amended and restated contract for service dated May 1, 2019. The decrease in the FY 2021 operating budget is attributed to reductions in the total number of Via Rideshare service hours to meet lower demand due to the COVID-19 pandemic, resulting in cost savings through the fiscal year.

³ Assembly Bill 90, passed into law and signed by the governor in June 2020 in response to the COVID-19 pandemic impacts, prohibits the imposition of penalties on a transit operator that does not maintain the required ratio of fare revenues to operating cost during FY 2019–20 or FY 2020–21.

5. There were no prior audit recommendations. This report constitutes the first triennial performance audit of the operator.
6. Operating costs increased by 156.9 percent from the first full year of operation in FY 2019 to FY 2021. On an average annual basis, costs increased 75.7 percent, with the highest increase of 147.7 percent occurring in FY 2020. This increase can be attributed to higher customer service costs as ridership increased as well as an increase of over 10,000 service hours from FY 2019 to FY 2020. Additionally, COVID-19 related costs (frequent cleanings/disinfectants, PPE supplies, applying and maintaining partitions, etc.) increased operating costs beginning in FY 2020. Operating costs only increased 3.7 percent from FY 2020 to FY 2021, while driver hours remained relatively constant.
7. Ridership increased 20.2 percent from 92,063 trips during FY 2019 to 110,661 trips during FY 2021. Ridership reached 139,340 in FY 2020 before the effects of the COVID-19 pandemic began impacting this indicator. On an average annual basis, ridership increased 15.4 percent with an increase of 51.4 percent occurring in FY 2020 and a decrease of 20.6 percent in FY 2021, a reflection of the effects of the pandemic on ridership.
8. The provision of vehicle service hours and miles both exhibited increases from FY 2019 to FY 2021 as the program expanded past its pilot year. Vehicle service hours increased 31.7 percent and vehicle service miles increased 20.8 percent. Both indicators saw their peak in FY 2020 before exhibiting decreases in FY 2021 due to the effects of the pandemic on service.
9. Operating cost per passenger, an indicator of cost effectiveness, increased 113.7 percent from \$6.81 during FY 2019 to \$14.56 during FY 2021. The trend is indicative of the outpacing of operating expenses compared to ridership, exacerbated by the effects of the pandemic on ridership as well as the pandemic's effect on operating costs as discussed above.
10. Operating cost per hour, an indicator of cost efficiency, increased 95 percent from \$24.49 during FY 2019 to \$47.75 during FY 2021. The trend in this indicator is reflective of the increase in operating costs outpacing the increase in vehicle service hours, exacerbated by the effects of the pandemic on service as well as the pandemic's effect on operating costs as discussed above.
11. Via Rideshare is a network-optimized, on-demand rideshare service operating within the city limits of West Sacramento. Through the initial pilot program, Via provided an on-demand rideshare service for a period of one year, with 10 Mercedes Metris vans rented at no cost to the City by Nomad Transit LLC, a subsidiary of Via Transportation, Inc. Riders are able to book a ride using a smart phone app and over the phone. The pilot service launched on May 14, 2018.
12. The City's rideshare program is administered by a senior transportation planner in the Community Development Department and by a team composed of a partner success manager, general manager, and local field manager. On January 17, 2018, the City Council approved a

contract with NoMad Transit LLC, a wholly owned subsidiary of Via Transportation, Inc., in the amount of \$720,000 for a one-year pilot. There was an amendment entered on Feb 20, 2019 to utilize \$90,000 in fare revenues. The contract may be extended annually up to five additional years. The contract is reviewed annually.

13. Via Rideshare driver partners are classified as independent contractors. All driver partners undergo thorough criminal background checks before driving on the Via platform. Applicants may complete their applications, provide required documentation, and sign required agreements through Via's Driver Portal (<https://my.drivewithvia.com/>). Candidate screening consists of a four-step process. The number of driver partners available for West Sacramento Via Rideshare ranges between 20 and 40 drivers.
14. Vehicle maintenance is the responsibility of the driver partners. The driver partners conduct pre- and post-inspections on the vehicle at the Via Rideshare staging lot. The inspections involve drivers taking photos of the exterior and interior of the vehicle and uploading them to the Via Driver Portal. The Rideshare vans are parked along the northern perimeter of the lot composed of 16 spaces.
15. West Sacramento's Via Rideshare is marketed through several media, including a rider's guide, mobile app, and a dedicated web page on the City of West Sacramento website (<https://www.cityofwestsacramento.org/via>). Other fare media and promotions include the Via Pass and discounts to senior citizens and disabled people. The service is branded with the City's Tower Bridge logo.

Recommendations

1. Complete the annual Transit Operators' Financial Transactions Report for submittal to the State Controller. (High Priority - Compliance Requirement)

Pursuant to Public Utilities Code, Section 99243 (a), transit operators are required to submit an annual report, called the Transit Operators' Financial Transactions Report, to the regional transportation planning agency (RTPA) based upon the Uniform System of Accounts and Records established by the State Controller. This report is due within seven months after the end of the fiscal year (on or before January 31). The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available.

In lieu of submitting the Transit Operators' Financial Transactions Report, the City of West Sacramento completed and submitted the Cities' Financial Transactions Report to the State Controller during the audit period. The Cities' Financial Transactions Report does not include financial and operating data that pertain to the Via Rideshare service. It is recommended that commencing with FY 2022, the City use the Transit Operators' Financial Transactions Report for reporting transit financial and operational data. The City would need to set up an account through the Local Government Financial Reporting System as a transit operator. See link: <https://lgrsonline.sco.ca.gov/Account/Login?RememberMe=False&Optentitytype=TRS>. General instructions for reporting transit expenditures, revenues and operating data are found at the link: https://www.sco.ca.gov/Files-ARD-Local/LocRep/TO_FTR_Instructions_20-21.pdf.

2. Ensure that performance measures are consistent with TDA statute definitions, in particular with regard to vehicle service hours and mileage as well as employee hours. (High Priority)

The auditor queried the Via Rideshare contractor about how vehicle service hours and miles are reported. It was revealed that vehicle service hours and miles are recorded when the vehicles leave the staging yard, which would include deadhead hours and mileage. According to the TDA statute, actual vehicle revenue hours are:

The hours that vehicles travel while in revenue service. Vehicle revenue hours include layover/recovery time but exclude deadhead, training operators prior to revenue service and road tests, as well as school bus and charter services.

Actual vehicle revenue miles are:

The miles that vehicles travel while in revenue service. Vehicle revenue miles exclude deadhead, training operators prior to revenue service and road as well as school bus and charter services.

In addition, vehicle service hours per employee data were not calculated due to the unavailability of full-time equivalent (FTE) data, which would be reported in the Transit Operators' Financial Transactions Report. Proper calculation of this measure is based on the number of employee FTEs using employee pay hours from the State Controller Report and dividing by 2,000 hours. In lieu of submitting the Transit Operators' Financial Transactions Report, the City of West Sacramento completed and submitted the Cities' Financial Transactions Report to the State Controller.

It is recommended that the contractor have the driver partners begin to record vehicle revenue hours and miles according to TDA definitions including starting at the first customer pickup and ending at the last customer drop-off, including layover/recovery. Layover and recovery are "out-of-service" time allowances allocated to a vehicle at a certain location or locations along the route, generally at a terminal location. Layover time is rest or "break" time allocated to the operator somewhere along the line, usually at a terminal location at the end of a trip. Recovery time can be thought of as "buffer" break time built into the schedule. It may or may not be used by the operator. In addition, it is suggested that the City work closely with Via Rideshare to ensure the accuracy of the operating data reported.

3. Insert TDA and transit reporting standards in the Via Transportation contract. (Medium priority)

Building upon the above recommendations for the City and contractor to follow TDA definitions in tracking and collecting key performance data, the requirements to properly report operations data should be added to the conditions in the service contract. While dashboard measures are listed in the contract of available information for City use, they do not specify or define how the data are to be presented. For example, the contract should include defining vehicle revenue hours and miles separately from total vehicle revenue hours and miles according to TDA, which the City or contractor can then determine transit cost efficiency and effectiveness measures that comply with TDA and transit industry reporting standards.

Of the available metrics complimenting those already being collected by the City and discussed with Via Transportation, the following are suggested measures that the City should require to be calculated and reported in regular intervals, such as monthly, quarterly, and annually.

- Passengers per revenue hour
- Passengers per revenue mile
- Operating cost per revenue hour
- Operating cost per revenue mile
- Operating cost per passenger
- Accidents/Vehicle roadcalls/breakdowns
- On-time performance
- Passenger complaints and compliments

These key measures create additional dashboard indicators that mirror public transit operations from which service goals and standards could be formed to better measure productivity over time. For example, a goal standard for passengers per revenue hour and cost per revenue hour could be a rolling 6 to 12 month average under TDA definitions. The City should work with the contractor to develop productivity standards using these measures to build a log of operational efficiency and effectiveness tracking. Section IV of this audit provides the TDA required measures as a starting point.

Scenario 1

	WSC Via Year 6 Contract Value			Total Not-to-Exceed Price (12 Months)
	Price per Driver Hour	Price per Service Hour	Price per Ride	
Year 6 Service Planning*	N/A	N/A	N/A	\$55,000
Supply Planning*	N/A	N/A	N/A	\$0
Total Upfront Costs				\$55,000
Project Management	\$3.55	N/A	N/A	\$177,500
Performance Monitoring and Reporting	\$0.72	N/A	N/A	\$36,000
Marketing & Promotions Plan and Implementation	\$0.14	N/A	N/A	\$7,000
Program Operations**	\$47.82	N/A	N/A	\$2,391,000
Total Cost per Driver Hour	\$52.23			\$2,611,500
Customer Service (1.25 FTE X \$30.39 per hour)	N/A	\$37.99	N/A	\$227,180
Total Cost per Service Hour		\$37.99		\$227,180
Estimated Access for All Regulatory Fee***			\$0.10	\$17,254
Total Cost to West Sacramento (Incl. Fare Revenue), Before PUCTRA Fees				\$2,910,934
Estimated PUCTRA Regulatory Fee****				\$8,758
Total Cost to West Sacramento (Incl. Fare Revenue), Incl. PUCTRA Fees				\$2,919,692
Sources of Funding:				
Fare Revenue				\$248,972
Funding from City of West Sacramento (Excl. Fare Revenue)				\$2,670,720
Total				\$2,919,692
Driver Hours Summary:				
Total Implied Driver Hours				50,000
Implied Driver Hours (Weekly)				962
Service Hours Summary:				
Total Implied Service Hours				5,980
Total Implied Service Hours (Weekly)				115

* Items to be invoiced in full upon the start of Year 6.

** Includes driver pay, vehicle cost (incl. WAV retrofits and spares where applicable), insurance, dedicated IT operations and supply admin, technology access, local & central operations support, T&E, rent, and office expenses.

*** TNC Access for All Fees to be invoiced to West Sacramento on a pass through basis.

**** PUCTRA Fees to be invoiced to West Sacramento on a pass through basis.

Scenario 2

	WSC Via Year 6 Contract Value			Total Not-to-Exceed Price (12 Months)
	Price per Driver Hour	Price per Service Hour	Price per Ride	
Year 6 Service Planning*	N/A	N/A	N/A	\$55,000
Supply Planning*	N/A	N/A	N/A	\$0
Total Upfront Costs				\$55,000
Project Management	\$3.55	N/A	N/A	\$203,060
Performance Monitoring and Reporting	\$0.72	N/A	N/A	\$41,184
Marketing & Promotions Plan and Implementation	\$0.14	N/A	N/A	\$8,008
Program Operations**	\$47.82	N/A	N/A	\$2,735,304
Total Cost per Driver Hour	\$52.23			\$2,987,556
Customer Service (1.25 FTE X \$30.39 per hour)	N/A	\$37.99	N/A	\$227,180
Total Cost per Service Hour		\$37.99		\$227,180
Estimated Access for All Regulatory Fee***			\$0.10	\$21,736
Total Cost to West Sacramento (Incl. Fare Revenue), Before PUCTRA Fees				\$3,291,472
Estimated PUCTRA Regulatory Fee****				\$9,899
Total Cost to West Sacramento (Incl. Fare Revenue), Incl. PUCTRA Fees				\$3,301,372
Sources of Funding:				
Fare Revenue				\$313,642
Funding from City of West Sacramento (Excl. Fare Revenue)				\$2,987,730
Total				\$3,301,372
Driver Hours Summary:				
Total Implied Driver Hours				57,200
Implied Driver Hours (Weekly)				1,100
Service Hours Summary:				
Total Implied Service Hours				5,980
Total Implied Service Hours (Weekly)				115

* Items to be invoiced in full upon the start of Year 6.

** Includes driver pay, vehicle cost (incl. WAV retrofits and spares where applicable), insurance, dedicated IT operations and supply admin, technology access, local & central operations support, T&E, rent, and office expenses.

*** TNC Access for All Fees to be invoiced to West Sacramento on a pass through basis.

**** PUCTRA Fees to be invoiced to West Sacramento on a pass through basis.

AMENDMENT NO. 5
to the
AMENDED AND RESTATED CONTRACT FOR
SERVICES
between the
CITY OF WEST SACRAMENTO
and
NOMAD TRANSIT LLC
Dated May 1, 2019

This Amendment No. 5 (the “Amendment”) to the Amended and Restated Contract for Services dated May 1, 2019 (the “Existing Contract”) by and between the City of West Sacramento (“the City”) and NoMad Transit LLC (“the Contractor”) is made and entered into this July 1, 2023. Except as expressly amended herein, the Existing Contract is in full force and effect.

RECITALS

WHEREAS, on January 17, 2018, the City awarded a contract to NoMad Transit LLC, a wholly owned subsidiary of Via Transportation, Inc., for a one (1) year Pilot operation based on the Contractor’s proposal submitted in response to the City’s Request for Proposals dated May 26, 2017; and

WHEREAS, the January 17, 2018 executed agreement provided that, by mutual agreement, the Contract may be extended annually for a total of up to five (5) additional years; and

WHEREAS, the City Council approved an Amended and Restated Contract on May 1, 2019 to NoMad Transit LLC, a wholly owned subsidiary of Via Transportation Inc., to continue operations of the West Sacramento On-Demand Rideshare program, launched on May 14, 2018; and

WHEREAS, whereas the May 1, 2019, awarded contract has an expiration date of June 30, 2020, after which operations would otherwise cease and provided that, by mutual agreement, the Contract may be extended annually for a total of up to four (4) additional years; and

WHEREAS, on June 17, 2020, the City Council approved a 2-year contract renewal with NoMad Transit LLC to continue operations of the West Sacramento On-Demand Rideshare program from July 1, 2020 through June 30, 2022; and

WHEREAS, on July 14, 2021, the City Council approved an amendment to the contract with NoMad Transit LLC establishing the schedule of fees for fiscal year 2021/22; and

WHEREAS, on June 15, 2022, the City Council approved a 1-year contract renewal with NoMad Transit LLC to continue operations of the West Sacramento On-Demand Rideshare program from July 1, 2022 through June 30, 2023; and

WHEREAS, on June 7, 2023, the City Council approved an amendment on a 1-year contract renewal with NoMad Transit LLC to continue operations of the West Sacramento On-Demand Rideshare program from July 1, 2023 through June 30, 2024; and

WHEREAS, the City and Contractor desire to modify the Existing Contract as provided

herein.

NOW, THEREFORE, IT IS MUTUALLY AGREED by the parties hereto to amend said agreement as set forth below. Stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) is to be deleted and bold and underlined text (indicated textually in the same manner as the following example: **Bold and underlined text**) is to be added as follows:

Part I: Amendments

A. Amendments to Existing Contract Provisions

1. Section 2.A is revised as follows: “The services of Contractor are to commence on May 14, 2019 and terminate on June 30, 2024 and shall be undertaken and completed in accordance with the service parameters set forth by Exhibit "A"...”
2. **Section 4.A** is revised as follows: “The Contractor shall be paid monthly in arrears for the actual fees, costs and expenses, including but not limited to purchased transportation services, and otherwise as set forth in the Schedule of Fees, which in no event shall total compensation exceed the Funding from City of West Sacramento (Excl. Fare Revenue) as identified in Exhibit “B”, without City’s prior written approval...”
3. **Section 4.B** is revised as follows: “Said amounts shall be paid by City upon submittal of Contractor’s monthly invoices provided in accordance with Task 1.3, and in no event later than 30 days from its receipt thereof.”
4. **Section 4.H.** is revised as follows: “At the expiration or earlier termination of the Contract, all unspent service revenue remaining with the Contractor shall be remitted to the City within sixty (60) days. In the event that actual fare revenues collected exceed the estimated amount stated in Exhibit “B”, all additional fare revenues will be reinvested toward the FY 2023/24 Program operations such that the total amount payable by the City (Section 4A) is reduced by an equivalent amount, unless otherwise directed by the City. Should the actual 2023/24 fare revenues collected be less than the estimated amount stated in Exhibit “B”, the City shall not be billed in excess of the total amount payable by the City (Section 4A) and the Parties shall discuss in good faith how to adapt the services in light of the lower budget and shall mutually agree upon any resulting changes to the services.
5. **Section 4.I.** is revised as follows: All unspent fare revenues generated by the Program between July 1, 2022 and June 30, 2023 remaining with the Contractor, and which would have otherwise been remitted directly to the City, shall be reinvested toward the FY 2023/24 Program operations and such amount shall be credited towards the invoice(s) payable by the City during FY 2023/24 until all such unspent fare revenues have been credited.

6. **Section 4.J.** is revised as follows: Exclusive of fare referenced in Section I above, the total amount of fare revenue reinvested during the FY 2023/24 Program shall not exceed **three hundred thirteen thousand six hundred forty two (\$313,642)** dollars as stated in Exhibit ~~C~~ **B**. **The estimated fare revenues from FY 2022-23 to be reinvested in FY 2023-24 shall be one hundred fifty thousand (\$150,000) dollars and additional funding from the City shall not exceed two million, eight hundred thirty-seven thousand, seven hundred thirty (\$2,837,730) dollars.** In no event shall the total combined compensation of reinvested fare revenues and payments made by the City for **FY 2023/24** exceed **three million, three hundred, and one thousand and three hundred seventy-two dollars (\$3,301,372)** without City's prior written approval.

B. Amendments to Contract Exhibits

1. Exhibit A to the Existing Contract is hereby renamed "FY 2023/24 Scope of Work" and is amended as follows:

Task 4.1 Ridership Data Reports is revised as follows: The following shall be added at the end:

The Contractor shall assist the City in tracking and collecting key performance data such that City can review performance metrics consistent with the Transportation Development Act (TDA). This data shall be provided to the City quarterly and shall include the following metrics:

- **Vehicle revenue hours - The hours that vehicles are scheduled to or actually travel while in revenue service. Vehicle revenue hours include: layover/recovery time. Vehicle revenue hours exclude: deadhead, operator training, vehicle maintenance testing; and other non-revenue uses of vehicles.**
- **Vehicle revenue miles - The miles that vehicles are scheduled to or actually travel while in revenue service. Vehicle revenue miles include: layover/recovery time. Vehicle revenue hours exclude: deadhead, operator training, vehicle maintenance testing; and other non-revenue uses of vehicles.**
- **Passengers per Revenue Hour**
- **Passengers per Revenue Mile**
- **Accidents**
- **On-time performance**
- **Passenger complaints and compliments**

2. Exhibit B to the Existing Contract – FY 2022/23 SCHEDULE OF FEES is hereby replaced by the attached "FY 2023/24 SCHEDULE OF FEES"

Part II: Remaining Terms Unchanged.

Except as expressly revised herein, the Existing Contract remains in full force and effect. In the event of a conflict between the Existing Contract and the terms of this Amendment No. 5, the terms set forth herein shall control.

IN WITNESS WHEREOF the parties hereto have executed this Agreement to be effective as of June 7, 2023.

CITY OF WEST SACRAMENTO

By: _____
Aaron Laurel, City Manager

NoMad Transit LLC

By: _____
Erin Abrams, Manager

APPROVED AS TO FORM

By: _____
Jeffrey Mitchell, City Attorney

ATTEST:

By: _____
Jennifer Cusmir, City Clerk

Exhibit B: FY 2023/24 Schedule of Fees

	WSC Via Year 6 Contract Value			Total Not-to-Exceed Price (12 Months)
	Price per Driver Hour	Price per Service Hour	Price per Ride	
Year 6 Service Planning*	N/A	N/A	N/A	\$55,000
Supply Planning*	N/A	N/A	N/A	\$0
Total Upfront Costs				\$55,000
Project Management	\$3.55	N/A	N/A	\$203,060
Performance Monitoring and Reporting	\$0.72	N/A	N/A	\$41,184
Marketing & Promotions Plan and Implementation	\$0.14	N/A	N/A	\$8,008
Program Operations**	\$47.82	N/A	N/A	\$2,735,304
Total Cost per Driver Hour	\$52.23			\$2,987,556
Customer Service (1.25 FTE X \$30.39 per hour)	N/A	\$37.99	N/A	\$227,180
Total Cost per Service Hour		\$37.99		\$227,180
Estimated Access for All Regulatory Fee***			\$0.10	\$21,736
Total Cost to West Sacramento (Incl. Fare Revenue), Before PUCTRA Fees				\$3,291,472
Estimated PUCTRA Regulatory Fee****				\$9,899
Total Cost to West Sacramento (Incl. Fare Revenue), Incl. PUCTRA Fees				\$3,301,372
Sources of Funding:				
Fare Revenue from FY 22 23				\$150,000
Fare Revenue from FY 23 24				\$313,642
Funding from City of West Sacramento (Excl. Fare Revenue)				\$2,837,730
Total				\$3,301,372
Driver Hours Summary:				
Total Implied Driver Hours				57,200
Implied Driver Hours (Weekly)				1,100
Service Hours Summary:				
Total Implied Service Hours				5,980

Total Implied Service Hours (Weekly)		115
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*** Items to be invoiced in full upon the start of Year 6.**

**** Includes driver pay, vehicle cost (incl. WAV retrofits and spares where applicable), insurance, dedicated IT operations and supply admin, technology access, local & central operations support, T&E, rent, and office expenses.**

***** TNC Access for All Fees to be invoiced to West Sacramento on a pass through basis.**

****** PUCTRA Fees to be invoiced to West Sacramento on a pass through basis.**

COUNTY OF SACRAMENTO
March 2023
FINDINGS OF APPORTIONMENT
LOCAL TRANSPORTATION FUNDS (LTF)
Fiscal Year 2023-2024

County's Estimated June 30, 2023 Balance	\$0
Local Transportation Fund Income 2023-2024	\$109,000,000
Less: County Administrative Costs	-\$22,000
Less: SACOG Administrative Costs	-\$1,217,284

Balance for Allocation **\$107,760,716**

DRAFT

Jurisdiction	Population ^{1/}	% of Total Population County	Finding of Apportionment	SACOG Planning	Available to Jurisdiction	Pedestrians & Bicycles ^{2/}	Available to Jurisdiction for Article 4 and Article 8
Sacramento County (Unincorporated)	604,272	38.33%	\$41,301,560	\$64,430	\$41,237,130	\$826,031	\$2,040,297
Citrus Heights	86,367	5.48%	\$5,903,123	\$0	\$5,903,123	\$118,062	\$0
Elk Grove	176,972	11.22%	\$12,095,910	\$0	\$12,095,910	\$241,918	\$0
Folsom	84,592	5.37%	\$5,781,803	\$0	\$5,781,803	\$115,636	\$0
Galt	25,239	1.60%	\$1,725,068	\$51,752	\$1,673,316	\$34,501	\$1,638,814
Isleton	780	0.05%	\$53,312	\$1,599	\$51,713	\$1,066	\$50,647
Rancho Cordova	80,359	5.10%	\$5,492,480	\$0	\$5,492,480	\$109,850	\$0
City of Sacramento	518,037	32.86%	\$35,407,459	\$0	\$35,407,459	\$708,149	\$0
TOTALS	1,576,618	100.00%	\$107,760,716	\$117,782	\$107,642,934	\$2,155,214	\$3,729,758

SACRAMENTO REGIONAL TRANSIT DISTRICT and PARATRANSIT

Jurisdiction	Finding of Apportionment	Finding of Apportionment Less Ped & Bicycle	% of Population Within SRTD District	Allocation of Finding of Apportionment	SACOG Planning	Amount Available for To Paratransit, Inc.	Amount Available To SRTD
Sacramento County (Unincorporated)	\$41,301,560	\$40,475,529	94.8%	\$38,370,801	\$1,174,616	\$1,918,540	\$35,277,645
Rancho Cordova	\$5,492,480	\$5,382,631	100%	\$5,382,631	\$164,774	\$269,132	\$4,948,725
City of Sacramento	\$35,407,459	\$34,699,310	100%	\$34,699,310	\$1,062,224	\$1,734,966	\$31,902,121
City of Citrus Heights	\$5,903,123	\$5,785,060	100%	\$5,785,060	\$177,094	\$289,253	\$5,318,714
City of Folsom	\$5,781,803	\$5,666,167	100%	\$5,666,167	\$173,454	\$283,308	\$5,209,404
City of Elk Grove	\$12,095,910	\$11,853,992	100%	\$11,853,992	\$362,877	\$592,700	\$10,898,415
TOTALS	\$105,982,336	\$103,862,689		\$101,757,961	\$3,115,040	\$5,087,898	\$93,555,024
PI-30%		\$1,526,369					
SacRT=70%		\$3,561,529	\$97,116,552				

Regional Transit	\$97,116,552
Paratransit	\$1,526,369
SACOG	\$3,232,821
Ped/Bike	\$2,155,214
Other Jurisdictions	\$3,729,758
Total	\$107,760,716

1. Sources: Report E-5, Department of Finance, Demographic Research Unit, 2022

2. Amount available to jurisdictions for pedestrian and bicycle purposes (Article 3, Section 99233.3)

Attachment A

COUNTY OF SUTTER
March 2023
FINDINGS OF APPORTIONMENT
LOCAL TRANSPORTATION FUNDS (LTF)
Fiscal Year 2022-2023

County's Estimated June 30, 2023 Balance	\$270,819
Local Transportation Fund Income 2023-2024	5,899,559
Less: County Administrative Costs	-2,500
Less: SACOG Administrative Costs	-68,895
	\$6,098,983
Balance for Allocation	\$6,098,983

DRAFT

Jurisdiction	Population ^{1/}	% of Total Population County	Finding of Apportionment	SACOG Planning	Available to Jurisdiction for Article 4 and Article 8 ^{2/}
Sutter County (Unincorporated)	20,088	20.26%	\$1,235,729	\$37,072	\$1,198,657
Live Oak	9,394	9.48%	\$577,879	\$17,336	\$560,543
Yuba City	69,663	70.26%	\$4,285,374	\$128,561	\$4,156,813
TOTALS	99,145	100.00%	\$6,098,983	\$182,969	\$5,916,013

1. Sources: Report E-5, Department of Finance, Demographic Research Unit, 2022

2. Funds available for projects and programs under Article 4 and Article 8.
 All or a portion may be available to the Sutter County depending on outcome of unmet needs finding.

Attachment A

COUNTY OF YOLO
March 2023
FINDINGS OF APPORTIONMENT
LOCAL TRANSPORTATION FUNDS (LTF)
Fiscal Year 2022-2023

County's Estimated June 30, 2023 Balance	\$2,791,516	\$16,074,020
Local Transportation Fund Income 2023-2024	13,282,504	
Less: County Administrative Costs	-10,000	
Less: SACOG Administrative Costs	-179,435	

Balance for Allocation **\$15,884,585**

DRAFT

Jurisdiction	Population ^{1/}	% of Total Population County	Finding of Apportionment	SACOG Planning	Available to Jurisdiction for Article 4 and Article 8 ^{2/}
Yolo County (Unincorporated)	35,900	16.23%	\$2,578,422	\$77,353	\$2,501,069
Davis	64,869	29.33%	\$4,659,043	\$139,771	\$4,519,271
West Sacramento	52,837	23.89%	\$3,794,876	\$113,846	\$3,681,030
Winters	7,422	3.36%	\$533,065	\$15,992	\$517,073
Woodland	60,137	27.19%	\$4,319,179	\$129,575	\$4,189,604
TOTALS	221,165	100.00%	\$15,884,585	\$476,538	\$15,408,047

1. Sources: Report E-5, Department of Finance, Demographic Research Unit, 2022

2. Funds available for projects and programs under Article 4 and Article 8.
 All or a portion may be available to the Yolo County depending on outcome of unmet needs finding.

Attachment A

COUNTY OF YUBA
March 2023
FINDINGS OF APPORTIONMENT
LOCAL TRANSPORTATION FUNDS (LTF)
Fiscal Year 2023-2024

County's Estimated June 30, 2023 Balance	\$262,662	2,813,676
Local Transportation Fund Income 2023-2024	2,551,014	
Less: County Administrative Costs	-750	
Less: SACOG Administrative Costs	-31,420	
	\$2,781,506	
Balance for Allocation	\$2,781,506	

DRAFT

Jurisdiction	Population ^{1/}	% of Total Population County	Finding of Apportionment	SACOG Planning	Available to Jurisdiction for Article 4 and Article 8 ^{2/}
Yuba County (Unincorporated)	65,787	79.96%	\$2,224,089	\$66,723	\$2,157,366
Marysville	12,824	15.59%	\$433,546	\$13,006	\$420,540
Wheatland	3,664	4.45%	\$123,870	\$3,716	\$120,154
TOTALS	82,275	100.00%	\$2,781,506	\$83,445	\$2,698,060

1. Sources: Report E-5, Department of Finance, Demographic Research Unit, 2022

2. Funds available for projects and programs under Article 4 and Article 8.
 All or a portion may be available to the Yuba County depending on outcome of unmet needs finding.

Fiscal Year 2023-2024-March

County	Administration Fees	Planning Fees	Total Fees
Sacramento	\$1,217,284	\$3,232,822	\$4,450,106
Sutter	\$68,895	\$182,969	\$251,864
Yolo	\$179,435	\$476,537	\$655,972
Yuba	\$31,420	\$83,445	\$114,865
Total	\$1,497,034	\$3,975,773	\$5,472,807

FY22-23-Includes Sac. County revisions	\$5,187,707
difference	\$285,100
Change in revenue estimates	5.50%

March 2023
SACRAMENTO AREA COUNCIL OF GOVERNMENTS
Regional Share of Statewide PUC Allocation: \$31,719,397
ALLOCATION OF STATE TRANSIT ASSISTANCE FUNDS (STA)
Fiscal Year 2023-2024
PUBLIC UTILITY CODE SECTION 99313 & 99314

JURISDICTION	POPULATION ^{1/}	POPULATION AS A % OF TOTAL	ALLOCATION PUC 99313 ^{2/}	ALLOCATION PUC 99314 ^{2/}	STA Total
SACRAMENTO COUNTY					
Unincorporated	604,272	30.53%	\$7,210,256	\$97,600	\$7,307,856
Citrus Heights-SacRT	86,367	4.36%	\$1,030,543		\$1,030,543
Elk Grove-SacRT	176,972	8.94%	\$2,111,654	\$0	\$2,111,654
Folsom-SacRT	84,592	4.27%	\$1,009,363	\$0	\$1,009,363
Galt	25,239	1.28%	\$301,155		\$301,155
Isleton	780	0.04%	\$9,307		\$9,307
Rancho Cordova-SacRT	80,359	4.06%	\$958,855		\$958,855
Sacramento-SacRT	518,037	26.17%	\$6,181,288		\$6,181,288
Sacramento Regional Transit District	NA	NA	NA	\$7,267,691	\$7,267,691
YOLO COUNTY					
Unincorporated	35,900	1.81%	\$428,364		\$428,364
Davis	64,869	3.28%	\$774,026	\$242,764	\$1,016,790
West Sacramento	52,837	2.67%	\$630,458		\$630,458
Winters	7,422	0.37%	\$88,560		\$88,560
Woodland	60,137	3.04%	\$717,563		\$717,563
Yolo County Transportation District	NA	NA	NA	\$384,950	\$384,950
SUTTER COUNTY					
Unincorporated	20,088	1.01%	\$239,693		\$239,693
Live Oak	9,394	0.47%	\$112,090		\$112,090
Yuba City	69,663	3.52%	\$831,228		\$831,228
YUBA COUNTY					
Unincorporated	65,787	3.32%	\$784,979		\$784,979
Marysville	12,824	0.65%	\$153,018		\$153,018
Wheatland	3,664	0.19%	\$43,719		\$43,719
Yuba-Sutter Transit Authority	NA	NA	NA	\$110,271	\$110,271
TOTAL	1,979,203	100.00%	\$23,616,121	\$8,103,276	\$31,719,397

		% in RT District	Transfer to SRTD	Sacramento County
County of Sacramento Total	\$7,210,256	96.4%	\$6,950,687	\$259,569
Rancho Cordova City Total	\$958,855	100.0%	\$958,855	
Sacramento City Total	\$6,181,288	100.0%	\$6,181,288	
Citrus Heights City Total	\$1,030,543	100.0%	\$1,030,543	
Folsom City Total	\$1,009,363	100.0%	\$1,009,363	
Elk Grove City total	\$2,111,654	100.0%	\$2,111,654	
Available to SRTD	\$18,242,390		\$18,242,390	
Available to County of Sacramento	\$259,569		\$7,267,691	
Available to Yuba-Sutter Transit Authority	\$2,274,998			
		Total Allocation	25,510,081	

1. Sources: Report E-5, Department of Finance, Demographic Research Unit, 2022

2. Entire amount must be used for transportation planning and mass transportation purposes.

3. 96.4% is reserved for Sacramento Regional Transit District.

5. 100% is reserved for Yuba-Sutter Transit Authority.

4. 100% is reserved for Sacramento Regional Transit District.

6. This is the total PUC Section 99313 Allocation to SACOG for the fiscal year

RESOLUTION 23-42

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST SACRAMENTO
APPROVING AN ALLOCATION OF UP TO \$3,102,730 FROM THE TRANSPORTATION
DEVELOPMENT ACT (TDA) FUND (FUND 202) AND AUTHORIZING USE OF \$150,000 IN
FISCAL YEAR 2022/23 FARE REVENUES TOWARD FISCAL YEAR 2023/24 ON-DEMAND
RIDESHARE PROGRAM**

WHEREAS, on January 17, 2018, the City awarded a contract to NoMad Transit LLC, a wholly owned subsidiary of Via Transportation, Inc., for a one (1) year Pilot operation based on the Contractor's proposal submitted in response to the City's Request for Proposals dated May 26, 2017; and,

WHEREAS, the January 17, 2018 executed agreement provided that, by mutual agreement, the Contract may be extended annually for a total of up to five (5) additional years; and

WHEREAS, the City Council approved an Amended and Restated Contract on May 1, 2019 with NoMad Transit LLC, a wholly owned subsidiary of Via Transportation Inc., to continue operations of the West Sacramento On-Demand Rideshare program, launched on May 14, 2018; and

WHEREAS, whereas the May 1, 2019, awarded contract has an expiration date of June 30, 2020, after which operations would otherwise cease and provided that, by mutual agreement, the Contract may be extended annually for a total of up to four (4) additional years; and

WHEREAS, on June 17, 2020, the City Council approved a 2-year contract renewal with NoMad Transit LLC to continue operations of the West Sacramento On-Demand Rideshare program from July 1, 2020 through June 30, 2022; and

WHEREAS, on July 14, 2021, the City Council approved an amendment to the contract with NoMad Transit LLC establishing the schedule of fees for fiscal year 2021/22; and

WHEREAS, on June 15, 2022, the City Council approved a 1-year contract renewal with NoMad Transit LLC to continue operations of the West Sacramento On-Demand Rideshare program from July 1, 2022 through June 30, 2023; and

WHEREAS, on June 7, 2023, the City Council approved an amendment on a 1-year contract renewal with NoMad Transit LLC to continue operations of the West Sacramento On-Demand Rideshare program from July 1, 2023 through June 30, 2024; and

WHEREAS, the City Council desires to authorize the use of excess fare revenues collected from the Program in FY 2022/23, estimated at roughly \$150,000, to be utilized to offset costs of FY 2023/24 operations; and

WHEREAS, the primary goal of the Transportation Development Act (TDA) Fund (Fund 202) is to support the provision of local transit services; and

WHEREAS, the City's current unrestricted TDA Fund reserve balance is approximately \$2.70M and the total FY 2023/24 TDA Allocation is currently projected at approximately \$4.42M, for a total of \$7.12M in available TDA funds; and

WHEREAS, up to \$3,102,730 in TDA funds are needed to support the FY 2023/24 operations of the West Sacramento On-Demand Rideshare Program, including up to \$115,000 in City staff time; and

WHEREAS, the City Council desires to authorize staff to include in the FY 2023/24 TDA claim up to \$3,102,730 toward the FY 2023/24 West Sacramento On-Demand Rideshare program operations; and

WHEREAS, the City Council has considered all information related to this matter, as presented at the public meetings of the City Council identified herein, including any supporting reports by City staff, and any other information provided during public meetings.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of West Sacramento as follows:

1. The City Council hereby approves amendments to the Capital Improvement Program (CIP) budget for the 2023-24 fiscal year as provided below:

SOURCES		
<u>\$3,102,730</u>	202-0000-3110	TDA Funds
\$3,102,730	Total Sources	
USES		
<u>\$3,102,730</u>	202-9222-5261	WS On Demand Rideshare
\$3,102,730	Total Uses	

2. The City Council hereby finds that the facts set forth in the recitals to this Resolution are true and correct and establishes the factual basis for the City Council's adoption of this Resolution.

3. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the West Sacramento City Council this 7th day of June, 2023 by the following vote:

AYES:
NOES:
ABSENT:

Martha Guerrero, Mayor

ATTEST:

Jennifer Cusmir, City Clerk

MEETING DATE: June 7, 2023

ITEM # 7

SUBJECT:



CONSIDERATION OF CONTRACT AMENDMENT NO. 1 WITH ASCENT ENVIRONMENTAL, INC. FOR THE UPDATE TO THE WASHINGTON SPECIFIC PLAN

INITIATED OR REQUESTED BY:

- Council Staff
- Other

REPORT COORDINATED OR PREPARED BY:

David Tilley, Principal Planner
 Daniel Berumen, AICP, Senior Planner
Community Development

ATTACHMENT Yes No Information Direction Action

OBJECTIVE

The objective of this report is to provide the City Council with sufficient information to approve Amendment No. 1 with Ascent Environmental, Inc. (Ascent) to include Walker Consultants (Walker) and Economic & Planning Systems (EPS) as subconsultants for the update to the Washington Specific Plan (WSP).

RECOMMENDED ACTION

Staff respectfully recommends that the City Council:

- 1) Approve Contract Amendment 1 in the amount of \$103,908 with Ascent Environmental, Inc. (Ascent) to include Walker Consultants (Walker) and Economic & Planning Systems (EPS) as subconsultants for the update to the Washington Specific Plan (WSP); and
- 2) Delegate authority to the City Manager to execute the contract amendment and any contract extensions.

BACKGROUND

The Washington District is comprised of the area bounded by the Sacramento River on the East, Tower Bridge Gateway on the South, and A Street on the North. The western boundary is more variable and follows a portion of 6th Street, Sacramento Avenue, and 8th Street. It is the oldest part of the City and has had a vibrant history. The neighborhood is generally defined by its mature tree canopy, grid street network, historic and cultural resources, and eclectic building forms. Although there has been much investment in the neighborhood, it also contains some of the City’s most vulnerable residents.

The Washington Specific Plan (WSP) was adopted by the City on May 15, 1996. It has been implemented without major revisions since that date. In the intervening years, the City has honed its vision for the Washington District. To help refine the City’s goals for Washington, the City adopted a sustainable community strategy (Washington Realized) on February 18, 2015. Washington Realized focused on the creation of a transit-oriented development strategy for the Washington District, developing a complete community, and establishing a financing and implementation plan for the Washington District.

In 2012, the City received a grant from the United States Department of Housing and Urban Development (HUD) which helped facilitate a complete inventory of all historic resources located within the Washington District. In 2014, the members of the West Sacramento Historical Society and the Bryte and Broderick Community Action Network (BBCAN) conducted surveys of all structures in the Washington Specific Plan area. Results of the survey showed that the Washington District contained sixty-seven potentially historic buildings, the majority of which are located within the District’s historic core located on 3rd and 4th Streets on the blocks bounded by D and E Streets.

The approval of General Plan 2035 (GP 2035) and the accompanying zoning map by the City Council in December 2016 set the stage for how the City is to grow and develop over the next twenty years. Following adoption of GP 2035, the City initiated the Zoning Modernization Project. Following numerous workshops and public hearings, the City Council adopted the revised Zoning Code in February 2019. The updated WSP will conform to the policies set forth in GP 2035 and will provide region-specific guidance for the development in the Washington District.

In 2018, the City completed a major infrastructure project in the Washington District. This project improved the pedestrian, bicycle, parking, and streetscape amenities along several key roadways in the Washington District. Utilities were undergrounded along key roadways in the District. Sidewalk improvements, new bike lanes, and mid-block pedestrian crossings were added. One of the goals of the infrastructure project was to begin the

transformation of the Washington District into the vibrant and inviting area envisioned in the Washington Realized plan.

In 2018, Ascent was selected to help prepare the revised WSP (the contract amount allocated to Ascent for this work was \$289,360). The updated plan is intended to reflect and/or incorporate much of what the City completed during the Washington Realized project, while providing a more detailed land use and urban design framework, historic preservation, architectural guidelines, including historic architectural guidelines; strategies for addressing parking needs, and an implementation strategy for achieving the vision for the Washington District. It will also provide for significant streamlining for projects once the update is completed. More information, including past community workshops and sections of the draft specific plan, can be found at [Washington Specific Plan \(planwashington.city\)](#)

ANALYSIS

Over the course of recent years, the City has made efforts to advance the update of the WSP where feasible. However, the update of the WSP has been delayed for several reasons, including disruptions to staff continuity and prioritization due to the COVID-19 pandemic, retirements, and subject matter expertise needed to inform key sections of the plan update. Staff is, therefore, requesting a contract amendment to assist Ascent in completing the remaining work on the WSP (see Attachment 1).

The contract amendment proposes to add Walker Consultants for parking planning services and Economic and Planning Systems (EPS) to prepare the financing plan for the Washington Specific Plan. These two firms would be subconsultants to Ascent, who will remain as the primary consultant to complete the remaining work. The original contract budget for the WSP update in 2018 was \$289,360 (see Attachment 2). Ascent is requesting a total of \$103,908 in additional budget, with \$50,715 allocated to subconsultants Economic & Planning Systems (EPS) and Walker Consultants (Walker) and a \$10,000 contingency. This would increase the overall contract value from \$289,360 to \$393,268. The contract amendment will not require an increase in budget allocation from the general fund; funds already dedicated/allocated to the WSP update, which include funding sources from the Planning Grant Program from Senate Bill (SB) 2 and Local Early Action Planning (LEAP) grant funds, are intended to cover the cost of the remaining work.

Environmental Considerations

The contract amendment is not considered a project under the California Environmental Quality Act (CEQA) and no environmental review is required for this action.

Commission Recommendation

N/A.

Strategic Plan Integration

The Washington Specific Plan Update/Historic Designation was a high priority on the 2021 City Council Strategic Plan Management Agenda.

Alternatives

Staff recommends approval of the contract amendment with Ascent. Alternatively, City Council may direct staff to negotiate changes to the scope, schedule, and budget and return to a future City Council meeting. The City Council may also direct staff to resolicit firms. Staff does not recommend either of these alternatives as they would further delay the update to the Washington Specific Plan.

Coordination and Review

This report was coordinated with Community Development, Economic Development & Housing, and the City Attorney's Office.

Budget/Cost Impact

The funds appropriated for the update to the Washington Specific Plan originate from the City's Capital Improvement Plan (CIP) 11012. These are comprised of two grant sources; LEAP grant funds and Senate Bill (SB) 2 funds. These funds need to be spent in a manner consistent with the approved tasks outlined in the grant agreement. The proposed contract amendment would not require an increase in budget. The proposed contract amendment would add a total of \$103,908 to the contract, with \$50,715 allocated to subconsultants Economic & Planning Systems (EPS) and Walker Consultants (Walker) and a \$10,000 contingency. This would increase the overall contract value from \$289,360 to \$393,268.

ATTACHMENT(S)

- 1) Ascent Contract Amendment No. 1
- 2) Ascent Contract for Services dated December 19, 2018

**AMENDMENT NO. 1
to the
CONTRACT FOR SERVICES
between the
CITY OF WEST SACRAMENTO
And
ASCENT ENVIRONMENTAL INC.
Dated DECEMBER 19, 2018**

This Amendment No. 1 to the Contract for Services between the City of West Sacramento and Ascent Environmental Inc. dated December 19, 2018, is made and entered into this 7th day of June 2023. Except as expressly amended herein, the December 19, 2018, Contract for Services is in full force and effect.

RECITALS

WHEREAS, the City proposes to update the existing Washington Specific Plan and prepare related environmental documentation pursuant to CEQA; and

WHEREAS, the City wishes the Consultant to continue these services so that current work will continue, preventing loss of time and financial resources; and

WHEREAS, the City requests additional services to finalize and publish the Public Review Draft Specific Plan, provide additional support at adoption hearings, and provide additional project management and administration; and

WHEREAS, the City and Consultant desire to amend said contract.

NOW, THEREFORE, IT IS MUTUALLY AGREED by parties hereto to amend said agreement as follows:

I. SCOPE OF SERVICES:

The scope of services as set forth in the Contract for Services dated December 19, 2018, shall be revised to include the additional scope and services as outlined in **Exhibit A**.

II. COMPENSATION:

The compensation as set forth in the Contract for Services dated December 19, 2018, shall be revised to include additional costs and services as outlined in **Exhibit A**.

Compensation shall be increased by \$103,908, with \$50,715 allocated to subconsultants Economic & Planning Systems (EPS) and Walker Consultants (Walker) and including a \$10,000 contingency. Total contract value shall not exceed \$393,268 without City's prior approval.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as the date herein set forth.

CITY OF WEST SACRAMENTO

By: _____
Aaron Laurel, City Manager

ASCENT ENVIRONMENTAL, INC.

By: _____
Gary D. Jakobs, President

APPROVED AS TO FORM

By: _____
Jeffrey Mitchell, City Attorney

ATTEST:

By: _____
Jennifer Cusmir, City Clerk



Memo

455 Capitol Mall, Suite 300
Sacramento, CA 95814
916.444-7301

Date: May 15, 2023
To: David Tilley and Daniel Berumen (City of West Sacramento)
From: Chelsey Payne and Heidi Gen Kuong
Subject: Washington Specific Plan – Budget Amendment

This memo summarizes Ascent’s request for additional budget for the Washington Specific Plan to account for additional time needed to finalize and publish the Public Review Draft Specific Plan (Task 4.4), to provide additional support at adoption hearings (Task 5.3), to provide additional project management and administration, to account for additional direct costs, and to allocate a contingency.

Ascent is requesting a total of \$103,908 in additional budget, with \$50,715 allocated to subconsultants Economic & Planning Systems (EPS) and Walker Consultants (Walker) and a \$10,000 contingency. This would increase the overall contract value from \$289,360 to \$393,268.

The following sections and attachments are included:

- Section 1 outlines Ascent’s scope of work amendments, providing more details on the tasks where additional budget is being requested, along with short descriptions of what would be covered under this amendment.
- Section 2 provides a summary of the budget amendment.
- Attachment A outlines EPS’ scope of work in more detail.
- Attachment B outlines Walker’s scope of work in more detail.

Section 1–Amendments to the Scope of Work

Phase 4: Prepare the Specific Plan

Task 4.4: Public Review Draft Specific Plan (Existing Task)

Ascent will provide additional support to the City to finalize and publish the Public Review Draft Specific Plan, up to the allotted budget. This includes reviewing new content provided by City staff (e.g., mobility chapter edits, infrastructure chapter edits, and overall plan updates/edits), identifying any outstanding questions or information, and formatting/updating the content in InDesign to reflect these new revisions. Ascent can also

help provide support in updating discreet areas in the Preliminary Review Draft, depending on needs identified from the City and up to the budget allotted in this task. Ascent will continue to work closely with the City to identify areas where help and updates are needed to finalize and publish the Public Review Draft Specific Plan.

Budget Request: \$23,000

Phase 5: Adoption

Task 5.3: Adoption Hearings (Existing Task)

Ascent will provide additional support to City staff during the adoption hearing process, up to the allotted budget and if it is deemed necessary by City staff. Additional support could include presenting at public hearings or at other City commissions, modifying the PowerPoint presentation for each specific hearing/meeting, and reviewing staff reports or resolutions. Ascent will work closely with the City to determine how best to provide support up to the allocated budget.

Budget Request: \$4,633

Project Management and Administration (Existing Task)

To account for the extension of the project timeline (from June through December 2023), Ascent will schedule and conduct up to seven additional monthly project coordination meetings with City staff, preparing agendas and meeting summaries for each meeting, and doing necessary follow-up. Additional time has been included to account for interim calls with the City's project manager and for Ascent's project manager to do any necessary follow-ups resulting from those calls. The budget in this task also includes time to coordinate with subconsultants EPS and Walker, time to update and maintain the website, and for Ascent's project manager and Finance staff to prepare monthly invoices and progress reports. The task also includes previous time Ascent spent in late 2022 and early 2023 to restart this project (about \$5,000), which included multiple meetings with City staff, EPS, and Walker, and email coordination with the City.

Additional Budget Requested: \$15,000

Reimbursable Expenses (Existing Task)

Time included in this existing task covers prior expenses to maintain the website and renew the website domain name for the project for 2023 and an additional year of website maintenance, if needed.

Additional Budget Requested: \$560

Contingency (New Task)

If additional revisions are needed to complete the Public Review Draft and/or Final Specific Plan, additional support is needed at the adoption hearings, and/or additional project management coordination and time

is needed, Ascent proposes allocating remaining budget to contingency. This amount would only be used after discussions and approval from the City.

Budget Requested: \$10,000

Subconsultants (New)

Economic & Planning Systems

EPS will prepare a Public Facilities Financing Strategy (Financing Strategy) and Implementation Plan for the Washington Specific Plan. The Financing Strategy and Implementation Plan will focus on identifying financing mechanisms and strategies to ensure that infrastructure facilities needed to accommodate new development are constructed commensurate with development activity, limiting up-front infrastructure cost burdens, and maximizing private-sector certainty in terms of costs and reimbursement mechanisms.

Attachment A outlines their scope of work in more detail.

Budget Requested: \$34,000

Walker Consultants

Walker will provide parking planning services that will support the preparation of the Washington Specific Plan. Work will help in creating a parking management strategy that addresses both current and future parking needs in the Washington District.

Attachment B outlines their scope of work in more detail.

Budget Requested: \$16,715

Section 2: Budget Amendment

Washington Specific Plan

		Budget Amendment
PHASE 4	PREPARE THE SPECIFIC PLAN	
4.4	Public Review Draft Specific Plan	\$23,000
PHASE 5	ADOPTION	
5.3	Adoption Hearings	\$4,633
PROJECT MANAGEMENT		
	Project Management and Administration	\$ 15,000
REIMBURSABLE EXPENSES		
	Reimbursables	\$ 560
CONTINGENCY		
	Contingency	\$ 10,000
	<i>Ascent Subtotal</i>	\$ 53,193
SUBCONSULTANTS		
	Economic & Planning Systems (EPS)	\$34,000
	Walker Consultants (Walker)	\$16,715
	<i>Subconsultant Subtotal</i>	\$50,715
Budget Amendment Total		\$ 103,908

Attachment A

Scope of Services

Washington Area Specific Plan

Public Facilities Financing Strategy and Implementation Plan

This Scope of Services describes tasks Economic & Planning Systems, Inc. (EPS) will engage in to prepare a Public Facilities Financing Strategy (Financing Strategy) and Implementation Plan for the West Sacramento Washington Area Specific Plan (Plan). The Financing Strategy and Implementation Plan will focus on identifying financing mechanisms and strategies to ensure that infrastructure facilities needed to accommodate new development are constructed commensurate with development activity, limiting up-front infrastructure cost burdens, and maximizing private-sector certainty in terms of costs and reimbursement mechanisms.

Scope of Services

Task 1: Prepare Public Facilities Financing Strategy and Implementation Plan

EPS will work with the Project team—which consists of City of West Sacramento (City) staff, property owners, engineers, consultants, and other interested parties—to create a Financing Strategy and Implementation Plan for the Project. The Financing Strategy and Implementation Plan will offer an inventory of the infrastructure and facility costs needed to serve the project. In addition, this strategy will include a high-level summary of potential sources and uses of funds, including existing and proposed fee programs, other funding sources and financing mechanisms (e.g., Enhanced Infrastructure Financing Districts [EIFDs] or other land-secured financing alternative), and the impact of any residual costs on the viability of new development. A detailed description of the proposed approach to accomplish this task follows below.

Subtask 1.1: Review Background Information and Kick Off Project

EPS will review all background planning and engineering documents pertinent to EPS's work, including utilities studies, the Sustainable Communities Strategy and associated technical appendices, and other relevant studies. EPS will meet with the Project consultant team and City staff to review the public facilities financing strategy objectives, deliverables, and timing.

Subtask 1.2: Review and Update Land Use Information and Improvement Cost Estimates

EPS will review land use estimates projecting capacity for new housing and commercial development and will review infrastructure master plans already completed that detail public improvements required to serve the new land uses, along with preliminary cost estimates and funding sources already committed to the public improvements (e.g., fee program funding or other mechanisms). EPS will rely on City staff and other team consultants to prepare backbone public facility cost estimates as part of this engagement. In addition, EPS will rely on information provided by City staff and other team consultants to determine whether any development areas outside of the project benefit from requisite improvements.

Subtask 1.3: Allocate Improvement Costs and Examine Infrastructure Cost Burden

EPS has previously prepared a Cost Burden Analysis evaluating the relationship between major public improvements and land values. EPS will review and update this analysis as appropriate based on new findings. In addition, this analysis will provide feasibility indicators by examining whether the collective sum of impact fees, special taxes, and backbone infrastructure can be reasonably expected to be supported by planned housing and other expected development (based on agreed-on assumptions regarding scale and type of commercial development).

This updated evaluation will determine whether infrastructure cost burdens are within industry feasibility standards (i.e., whether the financial capacity of the projected housing supply is sufficient to finance the improvements). As part of this update, EPS will distribute the cost of required infrastructure and public facilities to specific land uses based on (1) the demand for each improvement generated by each land use and (2) the ability of various land uses to absorb costs.

Subtask 1.4: Formulate Financing Strategy

EPS will prepare a financing strategy summarizing the potential sources and uses of funds necessary to achieve the public improvements and policy objectives within the financial capacity of the proposed development. The strategy will specify the financial responsibilities of the public and private participants in the Specific Plan, showing required improvements, associated costs, and potential funding sources at full buildout of the proposed land uses.

To the extent that existing mechanisms are unable to fully fund improvements, EPS will consider a variety of other Project-specific financing mechanisms, identifying viable financing mechanisms based on financing principles; statutory and legal considerations; and industry standards regarding who typically pays for what, the timing of public improvements relative to private development, commitments regarding the availability of public-sector funding, and negotiation-based preferences of stakeholders.

As part of this analysis, EPS will calculate the land-secured financing capacity of the District to assess the level of funding that could be generated by mechanisms such as Mello-Roos Community Facilities Districts (CFDs) (considering limitations associated with voter-approval requirements). Other potential funding sources include a specific plan impact fee program, developer mitigations, joint public/private financing of certain improvements, and tax increment financing through either emerging redevelopment tools (i.e., AB 2 or an EIFD).

EPS will identify candidate financing mechanisms that could incentivize transit-oriented development (TOD) in the District, considering any specific financing constraints or requirements, including affordable housing mitigation requirements and any limitations on revenue generated from publicly owned land. The strategy also will include recommended methods for addressing capital funding shortfalls, as appropriate, including modifications to land use and phasing strategies.

A key issue to be addressed is the best method to initiate development to market to multiple market segments but keep initial capital expenditures to a minimum. To this end, EPS will offer recommendations to develop an effective infrastructure phasing strategy married to appropriate public financing concepts. As part of this process, EPS will consider the feasibility of debt

financing in relation to the appreciating land values and property-based revenues available. This feasibility analysis will reference underwriting criteria applied to financing mechanisms by the municipal financing industry.

Subtask 1.5: Prepare Draft Financing Strategy and Implementation Plan

The subtasks outlined above will be used to prepare the Financing Strategy and Implementation Plan for inclusion in the Specific Plan. Information will include potential sources and uses of funds for capital improvements needed to serve the project, the funding capacity of key financing mechanisms, the impact of capital improvement requirements on private-sector development feasibility, and implementation recommendations to effect development at the desired locations and densities. EPS will prepare a draft Financing Strategy and Implementation Plan chapter for review and comment. EPS will prepare up to two revisions as needed.

Subtask 1.6: Attend Meetings and Provide Project Management

EPS will participate in up to seven (7) project status meetings with City staff and team consultants. These meetings will likely include discussions regarding infrastructure requirements, phasing, the timing of initial funding for improvements, and strategies to address any funding gaps. In addition, EPS anticipates attending up to three (3) public meetings. These meetings will be attended by the Project's Principal-in-Charge and/or Project Manager. Should additional meetings be required, EPS will bill on a time-and-materials basis.

Schedule

EPS will begin working on this project as soon as contract approval is received. EPS will provide the City with accurate information and work products on a schedule that meets the City's needs.

Staff

Principal Amy Lapin will serve as Principal-in-Charge of this Project and is responsible for ultimate Project delivery. Senior Vice President Russ Powell will serve as Project Manager and conduct the day-to-day project management. Additional EPS staff may assist in identifying, collecting, and analyzing data.

Budget

The estimated budget to prepare a Public Facilities Financing Strategy and Implementation Plan (**Task 1**) is **\$34,000**, as shown in **Table 1**. EPS may redistribute the overall budget allocation among approved tasks or staff as necessary, provided the total budget is not exceeded.

EPS charges for its services on a direct cost (hourly billing rates plus direct expenses), not-to-exceed basis; therefore, EPS will bill only for the work completed up to the authorized budget amount. Travel, data, or reproduction expenses will be billed at cost, and invoices are submitted monthly and are payable on receipt. If additional work or meetings are required, EPS will request authorization for additional budget with the understanding that terms will be negotiated in good faith.

Table 1. Proposed Budget by Task

Task/Description	EPS Staff					Staff Cost Subtotal	Direct Costs [1]	Grand Total (Rounded)
	Principal-in-Charge Lapin	Senior Vice President Powell	Associate	Research Analyst	Production Staff			
Task 1: Prepare Public Facilities Financing Strategy and Implementation Plan								
Subtask 1.1: Review Background Information and Kick Off Project	4	4	2	0	0	\$2,550	\$0	\$2,550
Subtask 1.2: Review and Update Land Use Information and Improvement Cost Estimates	4	8	8	0	2	\$4,890	\$0	\$4,890
Subtask 1.3: Allocate Improvement Costs and Examine Infrastructure Cost Burden	4	8	8	4	2	\$5,470	\$0	\$5,470
Subtask 1.4: Formulate Financing Strategy	8	8	0	0	2	\$4,550	\$0	\$4,550
Subtask 1.5: Prepare Draft Financing Strategy and Implementation Plan	4	8	8	8	4	\$6,240	\$0	\$6,240
Subtask 1.6: Attend Meetings and Provide Project Management	18	20	0	0	0	\$10,330	\$0	\$10,330
Total Task Hours	42	56	26	12	10			
Hourly Billing Rates [2]	\$285	\$260	\$185	\$145	\$95			
Total Project Costs	\$11,970	\$14,560	\$4,810	\$1,740	\$950	\$34,030	\$0	\$34,000

[1] Direct costs include costs related to travel, acquiring data, mileage, reproduction, and other non-staff costs.

[2] Billing rates shown are applicable during calendar year 2023 and are subject to change annually.

Attachment B: Walker Consultants Scope of Work



Walker, Pacific Region
San Francisco 601 California Street, Suite 820 94108
Los Angeles 606 S. Olive Street Suite 1100, 90014
Seattle 2101 Fourth Avenue, Suite 1210 98121

April 10, 2023

Daniel Berumen, AICP
Senior Planner
City of West Sacramento
1110 West Capitol Avenue, 2nd Floor
West Sacramento, CA 95691

Re: Draft Proposal for Parking Planning Services

Dear Mr. Berumen:

Walker Consultants is pleased to submit for your review this draft proposal outline for parking planning services in the Washington District. Thank you for the opportunity, we look forward to discussing the draft proposal to develop a final scope of services.

PROJECT UNDERSTANDING

The City of West Sacramento is developing the Washington District Specific Plan and parking has arisen as a major topic area. As part of the Specific Plan, The City would like to create a parking management strategy that addresses both current and future parking needs in the Washington District. The parking management strategy would both ensure that parking accommodates projected demand and efficiently makes use of available space dedicated to parking in line with the City's goals.

While the Washington District consists of mostly built out sites and some new infill development, there are two projects of significance under project review including:

- **50 Waterfront Place** - Fairfield River Landing LLC is proposing to develop a 165-unit 8 story residential building at 50 Waterfront Place with underbuilding parking. The units are comprised of studio one- and two-bedroom units and includes a business services area, fitness area, dog wash bike storage and balconies. Design review is required for compliance with the Washington Specific Plan design guidelines and Planned Development Overlay 30.
- **Four 40 West** - BlackPine has applied for a major map modification to the previously approved Alura map along with a new TSM to the west of the original one. The project as reconfigured will contain 106 single family homes and a park site that is approximately 0.6 acre in size, along with street frontage improvements along E Street. The project will also require design review. The project is currently undergoing completeness review.

Given the opportunity around these land use changes, future development considerations, and long-term parking needs, the City wants to understand the following:

- Determine future parking demand given new development, as part of the Washington Specific Plan.
- Determine the extent to which the current parking supply can accommodate current and future demand as development occurs.
- Identify the high level parking management strategies to accommodate future demand.

Walker has outlined the following draft scope of services for the Washington District. The tasks are for discussion purposes and will be finalized after meeting with the City.

SCOPE OF SERVICES

TASKS

1. **Kick Off.** Conduct a virtual kick-of session with all team members to identify project parameters, context(s), objectives, purpose, assumptions, budget, and goals.
2. **Research and Existing Conditions Review.** Review Walker's previous work in the Washington District including the Ziggurat Garage Feasibility Study. Also review existing supply, regulations, plans, and code related to parking management and policy in the Washington District to understand existing conditions.
3. **Projected Future Parking Demand.** Changes to the scale, concentration, and land uses within the Washington District will be key components to the amount and nature of changes to parking demand. Using Walker's proprietary Shared Parking Model, based on the latest updates of the Urban Land Institute's (ULI) and the International Council of Shopping Centers' (ICSC) *Shared Parking* publication (*Second* and *Third Edition*), Walker will model future parking demand in the Washington District for the two new developments, 50 Waterfront Place and Four 40 West, based on data provided by the City. The model will be calibrated for identified factors specific to the Washington District and the projected and desired transportation mode split goals.
4. **Parking Management Strategy.** Based on findings of the above tasks and determination of parking adequacy at the new developments compared to the amount of parking provided (program data to be provided by City staff or assumptions re new parking supply developed in consultation with City staff), Walker will identify high level strategies to accommodate future parking demand in the Washington District in line with the transportation and mobility goals for the Washington District. Walker does not anticipate parking utilization data collection within the available budget and will base our recommendations on discussions about parking in the district with the City as well as findings from Task 2.
5. **Draft Report.** Prepare a draft written report outlining findings. Receive one set of consolidated comments on the draft report.
6. **Revised Report.** Revise the draft report, incorporating one set of written comments from the City. Discuss revisions with the City via teleconference.
7. **Final Report.** Submit a final report.

SCHEDULE

We will develop a schedule based on the City's timeline.

PROFESSIONAL FEE

We propose performing the above referenced services for a lump sum fee of \$16,715 including all typical expenses.



We appreciate the opportunity to propose our services to you. If any part of this proposal is not satisfactory, please let us know.

Sincerely,
WALKER CONSULTANTS

Chrissy Mancini Nichols
National Director of Curb Management and New Mobility

Enclosures General Conditions of Agreement for Consulting Services

AUTHORIZATION

Trusting that this meets with your approval, we ask that you sign in the space below to acknowledge your acceptance of the terms contained herein, and to confirm your authorization for us to proceed. Please return one signed original of this agreement for our records.

CITY OF WEST SACRAMENTO

Accepted by (Signature) _____

Printed Name _____

Title _____

Date _____

SERVICES

Walker Parking Consultants and Engineers, Inc. (Walker) will provide the CLIENT professional services that are limited to the work described in the attached letter (“the services”). Any additional services requested will be provided at our standard hourly rates or for a mutually agreed lump sum fee. The services are provided solely in accordance with written information and documents supplied by the CLIENT, and are limited to and furnished solely for the specific use disclosed to us in writing by the CLIENT. No third-party beneficiary is contemplated. All documents prepared or provided by WALKER are its instruments of service, and any use for modifications or extensions of this work, for new projects, or for completion of this project by others without Walker’s specific written consent will be at CLIENT’s sole risk.

PAYMENT FOR SERVICES

Walker will submit monthly invoices based on work completed. If for any reason the CLIENT does not deliver payment to WALKER within thirty (30) days of date of invoice, Walker may, at its option, suspend or withhold services.

STANDARD OF CARE

Walker will perform the services in accordance with generally accepted standards of the profession using applicable building codes in effect at time of execution of this Agreement. Walker’s liability caused by its acts, errors or omissions shall be limited to the fee or \$10,000, whichever is greater.

Any estimates or projections provided by Walker will be premised in part upon assumptions provided by the CLIENT. Walker will not independently investigate the accuracy of the assumptions. Because of the inherent uncertainty and probable variation of the assumptions, actual results will vary from estimated or projected results and such variations may be material. As such, Walker makes no warranty or representation, express or implied, as to the accuracy of the estimates or projections.

PERIOD OF SERVICE

Services shall be complete the earlier of (1) the date when final documents are accepted by the CLIENT or (2) thirty (30) days after final documents are delivered to the CLIENT.

CONTRACT FOR SERVICES

THIS CONTRACT is made on December 19, 2018, by and between the CITY OF WEST SACRAMENTO ("City"), and Ascent Environmental Inc. ("Consultant").

WITNESSETH:

WHEREAS, the City proposes to update the existing Washington Specific Plan and prepare related environmental documentation pursuant to CEQA;

WHEREAS, the Consultant has presented a proposal for such services to the City, dated November 16, 2018, (attached hereto as **Exhibit "A"**) and is duly licensed, qualified and experienced to perform those services;

NOW, THEREFORE, the parties hereto mutually agree as follows:

1. SCOPE OF SERVICES:

A. Consultant shall do all work, attend all meetings, produce all reports and carry out all activities necessary to completion of the services described in **Exhibit "A"** This Contract and its exhibits shall be known as the "Contract Documents." Terms set forth in any Contract Document shall be deemed to be incorporated in all Contract Documents as if set forth in full therein. In the event of conflict between terms contained in these Contract Documents, the more specific term shall control. If any portion of the Contract Documents shall be in conflict with any other portion, provisions contained in the Contract shall govern over conflicting provisions contained in the exhibits to the Contract.

B. Consultant enters into this Contract as an independent contractor and not as an employee of the City. The Consultant shall have no power or authority by this Contract to bind the City in any respect. Nothing in this Contract shall be construed to be inconsistent with this relationship or status. All employees, agents, contractors or subcontractors hired or retained by the Consultant are employees, agents, contractors or subcontractors of the Consultant and not of the City. The City shall not be obligated in any way to pay any wage claims or other claims made against Consultant by any such employees, agents, contractors or subcontractors, or any other person resulting from performance of this Contract.

C. The Consultant agrees it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Contract is based on such independent investigation and research.

2. TERM OF CONTRACT

A. The services of Consultant are to commence upon receipt of written notice to proceed from the City, and shall be undertaken and completed in accordance with the Schedule of Performance attached hereto and incorporated herein by this reference as **Exhibit "B_."**

B. Consultant's failure to complete work in accordance with the Schedule of Performance may result in delayed compensation as described in Section 3.

C. The City Manager or his or her designee may, by written instrument signed by the Parties, extend the duration of this Contract for a period of __120 days in the manner provided in Section 5, provided that the extension does not require the payment of compensation in excess of the maximum compensation set forth in Section 3, Compensation.

3. COMPENSATION:

A. The Consultant shall be paid monthly for the actual fees, costs and expenses , but in no event shall total compensation exceed two hundred eighty nine thousand, three hundred sixty dollars (\$289,360), without City's prior written approval. Consultant's fees shall be as specified in the Schedule of Fees, which is attached hereto an incorporated herein as **Exhibit "_C_"**.

B. Said amount shall be paid upon submittal of a monthly billing showing completion of the tasks that month. Consultant shall furnish City with invoices for all expenses as well as for all materials authorized by this Contract. The invoices shall be submitted with the monthly billings. If Consultant's performance is not in conformity with the Schedule of Performance, payments may be delayed or denied, unless the Consultant's failure to perform in conformity with the Schedule of Performance is a documented result of the City's failure to conform with the Schedule of Performance, or if the Schedule of Performance is extended pursuant to Section 5.

C. If the work is halted at the request of the City, compensation shall be based upon the proportion that the work performed bears to the total work required by this Contract, subject to Section 4.

4. TERMINATION:

A. This Contract may be terminated by either party, provided that the other party is given not less than **45** calendar days' written notice (delivered by certified mail, return receipt requested) of intent to terminate.

B. The City may temporarily suspend this Contract, at no additional cost to City, provided that the Consultant is given written notice (delivered by certified mail, return receipt requested) of temporary suspension. If City gives such notice of temporary suspension, Consultant shall immediately suspend its activities under this Contract.

C. Notwithstanding any provisions of this Contract, Consultant shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of this Contract by Consultant, and the City may withhold any payments due to Consultant until such time as the exact amount of damages, if any, due the City from Consultant is determined.

D. In the event of termination, the Consultant shall be compensated as provided for in this Contract, except as provided in Section 4C. Upon termination, the City shall be entitled to all work, including but not limited to, appraisals, inventories, studies, analyses, drawings and data estimates performed to that date in accordance with Section 7 hereof.

5. AMENDMENTS, CHANGES OR MODIFICATIONS:

Amendments, changes or modifications in the terms of this Contract may be made at any time by mutual written agreement between the parties hereto and shall be signed by the persons authorized to bind the parties hereto.

6. EXTENSIONS OF TIME:

Consultant may, for good cause, request extensions of time to perform the services required hereunder. Such extensions shall be authorized in advance by the City in writing and shall be incorporated in written amendments to this Contract or the attached Work Program in the manner provided in Section 5.

7. PROPERTY OF CITY:

A. It is mutually agreed that all materials prepared by the Consultant under this Contract shall become the property of the City, and the Consultant shall have no property right therein whatsoever. Immediately upon termination, the City shall be entitled to, and the Consultant shall deliver to the City, all data, drawings, specifications, reports, estimates, summaries and other such materials as may have been prepared or accumulated to date by the Consultant in performing this Contract which is not Consultant's privileged information, as defined by law, or Consultant's personnel information, along with all other property belonging exclusively to the City which is in the Consultant's possession.

B. Additionally, it is agreed that the parties intend this to be a contract for services and each considers the products and results of the services to be rendered by Consultant hereunder (the "Work") to be a work made for hire. Consultant acknowledges and agrees that the Work (and all rights therein, including, without limitation, copyright) belongs to and shall be the sole and exclusive property of the City.

8. COMPLIANCE WITH ALL LAWS:

A. Consultant shall comply with all applicable laws, ordinances, and codes of federal, State and local governments, and shall commit no trespass on any public or private property in performing any of the work authorized by this Contract.

B. Consultant warrants to the City that it is licensed by all applicable governmental bodies to perform this Contract and will remain so licensed throughout the progress of the Work, and that it has, and will have, throughout the progress of the Work, the necessary experience, skill and financial resources to enable it to perform this Contract.

9. WARRANTIES AND RESPONSIBILITIES - CONSULTANT:

A. Consultant agrees and represents that it is qualified to properly provide the services set forth in **Exhibit "A"** in a manner which is consistent with the generally accepted standards of Consultant's profession.

B. Consultant agrees and represents that the work performed under this Contract shall be in accordance with applicable federal, State and local law in accordance with Section 17A hereof.

C. Consultant shall designate a project manager who at all times shall represent the Consultant before the City on all matters relating to this Contract. The project manager shall continue in such capacity unless and until he or she is removed at the request of the City, is no longer employed by Consultant, or is replaced with the written approval of the City, which approval shall not be unreasonably withheld.

D. Consultant shall provide corrective services without charge to the City for services which fail to meet the above professional and legal standards and which are reported to Consultant in writing within sixty (60) days of discovery. Should Consultant fail or refuse to perform promptly its obligations, the City may render or undertake performance thereof and the Consultant shall be liable for any expenses thereby incurred.

10. SUBCONTRACTING:

None of the services covered by this Contract shall be subcontracted without the prior written consent of the City, which will not be unreasonably withheld. Consultant shall be as fully responsible to the City for the negligent acts and omissions of its contractors and subcontractors, and of persons either directly or indirectly employed by them, as it is for the negligent acts and omissions of persons directly employed by Consultant.

11. ASSIGNABILITY:

Consultant shall not assign or transfer any interest in this Contract whether by assignment or novation, without the prior written consent of the City which will not be unreasonably withheld. However, claims for money due or to become due Consultant from the City under this Contract may be assigned to a financial institution, or to a trustee in bankruptcy, without such approval. Notice of any assignment or transfer whether voluntary or involuntary shall be furnished promptly to the City.

12. INTEREST IN CONTRACT:

Consultant covenants that neither it, nor any of its employees, agents, contractors, subcontractors has any interest, nor shall they acquire any interest, direct or indirect, in the subject of the Contract, nor any other interest which would conflict in any manner or degree with the performance of its services hereunder. Consultant shall make all disclosures required by the City's conflict of interest code in accordance with the category designated by the City, unless the City Manager determines in writing that Consultant's duties are more limited in scope than is warranted by the category designated by the City code and that a narrower disclosure category should apply. Consultant also agrees to make disclosure in compliance with the City conflict of interest code if, at any time after the execution of this Contract, City determines and notifies Consultant in writing that Consultant's duties under this Contract warrant greater disclosure by Consultant than was originally contemplated. Consultant shall make disclosures in the time, place and manner set forth in the conflict of interest code and as directed by the City.

13. MATERIALS CONFIDENTIAL:

All of the materials prepared or assembled by Consultant pursuant to performance of this Contract are confidential and Consultant agrees that they shall not be made available to any individual or organization without the prior written approval of the City, except by court order.

14. LIABILITY OF CONSULTANT-NEGLIGENCE:

Consultant shall be responsible for performing the work under this Contract in a manner which is consistent with the generally-accepted standards of the Consultant's profession and shall be liable for its own negligence and the negligent acts of its employees, agents, contractors and subcontractors. The City shall have no right of control over the manner in which the work is to be done but only as to its outcome, and shall not be charged with the responsibility of preventing risk to Consultant or its employees, agents, contractors or subcontractors.

15. INDEMNITY AND LITIGATION COSTS:

Consultant shall indemnify, defend, and hold harmless the City, its officers, officials, agents, and employees against all claims, damages, demands, liability, costs, losses and expenses, including without limitation court costs and reasonable attorneys' fees, arising from Consultant's negligent acts or negligent failure to act, errors, omissions or willful misconduct incident to the performance of this Contract except such loss or damage caused by the active negligence, sole negligence, or willful misconduct of the City. The provisions of this paragraph shall survive termination or suspension of this Contract.

16. CONSULTANT TO PROVIDE INSURANCE:

A. Consultant shall not commence any work before obtaining, and shall maintain in force at all times during the duration and performance of this Contract, the policies of insurance specified in this Section. Such insurance must have the approval of the City as to limit, form, and amount, and shall be placed with insurers with a current A.M. Best's rating of no less than A VII (an NR rating is acceptable for Worker's Compensation insurance written with the State Compensation Insurance Fund of California).

B. Prior to execution of this Contract and prior to commencement of any work, the Consultant shall furnish the City with certificates of insurance and copies of endorsements providing evidence of coverage for all policies required by the Contract. The Consultant and its contractors and subcontractors shall, at their expense, maintain in effect at all times during the performance of work under the Contract not less than the following coverage and limits of insurance, which shall be maintained with insurers and under forms of policy satisfactory to the City. The maintenance by Consultant and its contractors and subcontractors of the following coverage and limits of insurance is a material element of this Contract. The failure of Consultant or of any of its contractors or subcontractors to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of this Contract. Approval of the insurance by the City shall not relieve or decrease any liability of Consultant.

1. Worker's Compensation and Employer's Liability Insurance

a. Worker's Compensation - Insurance to protect the Consultant, its contractors and subcontractors from all claims under Worker's Compensation and

Employer's Liability Acts, including Longshoremen's and Harbor Worker's Act ("Acts"), if applicable. Such coverage shall be maintained, in type and amount, in strict compliance with all applicable state and Federal statutes and regulations. The Consultant shall execute a certificate in compliance with Labor Code Section 1861, on the form provided in the Contract Documents.

b. Consultant shall provide a Waiver of Subrogation endorsement in favor of the City, its officers, officials, employees, agents and volunteers for losses arising from work performed by the Consultant.

2. Commercial General Liability Insurance

a. The insurance shall be provided on form CG0001, or its equivalent, and shall include coverage for claims for bodily injury or property damage arising out of premises/operations, products/completed operations, contractual liability, and subconsultant's work and personal and advertising injury resulting from actions, failures to act, or operations of the insured, or by its employees or agents, or by anyone directly or indirectly employed by the insured. The amount of insurance coverage shall not be less than **\$1,000,000.00** per occurrence and **\$2,000,000** general and products/completed operations aggregates.

b. The commercial general liability insurance shall also include the following:

i. Endorsement equivalent to CG 2010 1185 naming the City, its officers, officials, employees, agents, and volunteers as additional insureds. The endorsement shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees or volunteers.

ii. Endorsement stating insurance provided to the City shall be primary as respects the City, its officers, officials, employees and any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be in excess of the Consultant's insurance and shall not contribute with it, to the payment or satisfaction of any defense expenses, loss, or judgment.

iii. Provision or endorsement stating that the Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

3. Commercial Automobile Insurance

a. The insurance shall include, but shall not be limited to, coverage for claims for bodily injury or property damage for owned, non-owned, and hired automobiles resulting from actions, failures to act, or operations of the insured, or by its employees or agents, or by anyone directly or indirectly employed by the

insured. The amount of insurance coverage shall not be less than **\$1,000,000.00** per accident.

b. The commercial automobile insurance shall include the same endorsements required for the commercial general liability policy (see Section 16.B.2.b).

4. **Professional Liability.** The Consultant and its contractors and subcontractors shall secure and maintain in full force, during the term of this Contract and for five years thereafter, professional liability insurance policies appropriate to the respective professions and the work to be performed as specified in this Contract. The limits of such professional liability insurance coverage shall not be less than **\$1,000,000** per claim.

C. In addition to any other remedy the City may have, if Consultant fails to maintain the insurance coverage as required in this Section, the City may obtain such insurance coverage as is not being maintained, in form and amount substantially the same as is required herein, and the City may deduct the cost of such insurance from any amounts due or which may become due Consultant under this Contract.

D. No policy required by this Contract shall be suspended, cancelled, terminated by either party, or reduced in coverage or in limits unless Consultant has provided thirty (30) days prior written notice by certified mail, return receipt requested, to the City.

E. Any deductibles or self-insured retentions in excess of \$10,000 must be declared to, and approved by, the City.

F. The requirement as to types, limits, and the City's approval of insurance coverage to be maintained by Consultant are not intended to, and shall not in any manner, limit or qualify the liabilities and obligations assumed by Consultant under the Contract.

17. MISCELLANEOUS PROVISIONS:

A. Consultant shall keep itself fully informed of, shall observe and comply with, and shall cause any and all persons, firms or corporations employed by it or under its control to observe and comply with, applicable federal, state, county and municipal laws, ordinances, regulations, orders and decrees which in any manner affect those engaged or employed on the work described by this Contract or the materials used or which in any way affect the conduct of the work.

B. Consultant shall not engage in unlawful employment discrimination. Such unlawful employment discrimination includes, but is not limited to, employment discrimination based upon a person's race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, citizenship, or sexual orientation.

C. Consultant shall maintain and make available for inspection by the City and its auditors accurate records of all of its costs, disbursements and receipts with respect to any work under this Contract. Such inspections may be made during regular office hours at any time until six (6) months after the final payments under this Contract are made to the Consultant.

Contract for Services- WSPU
Ascent Environmental Inc.
December 19, 2018

D. This Contract constitutes the entire agreement between the parties relative to the services specified herein and no modification hereof shall be effective unless and until such modification is evidenced by a writing signed by both parties to this Contract. There are no understandings, agreements, conditions, representations, warranties or promises, with respect to this Contract, except those contained in or referred to in the writing.

E. All notices that are required to be given by one party to the other under this Contract shall be in writing and shall be deemed to have been given if delivered personally or enclosed in a properly addressed envelope and deposited in a United States Post Office for delivery by registered or certified mail addressed to the parties at the following addresses:

City: Aaron Laurel
City Manager
1110 West Capitol Avenue
West Sacramento, CA 95691

Consultant: Ascent Environmental, Inc.
Allen Folks, Principal
455 Capitol Mall, Suite 300
Sacramento, CA 95814

F. This Contract shall be interpreted and governed by the laws of the State of California.

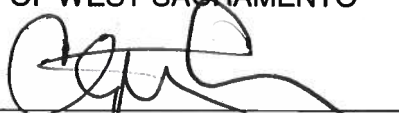
G. Any action arising out of this Contract shall be brought and maintained in Yolo County California, regardless of where else venue may lie.

H. In any action brought by either party to enforce the terms of this Contract, each party shall be bear responsibility for its attorney's fees and all costs regardless of whether one party is determined to be the prevailing party.

[Signatures on following page]

Contract for Services- WSPU
Ascent Environmental Inc.
December 19, 2018

CITY OF WEST SACRAMENTO

By: 
Christopher L. Cabaldon, Mayor

ATTEST:

By: 
Kryss Rankin, City Clerk

APPROVED AS TO FORM:

By: 
Jeffrey Mitchell, City Attorney

CONFORMED
COPY

Ascent Environmental, Inc.

By: 
Gary D. Jacobs
President

EXHIBIT A

Consultant Proposal/Scope of Work

Washington Specific Plan – Revised Scope of Work

Draft – 11/14/2018

Phase 1: Initiation and Reconnaissance

Task 1.1: Kick-off Meeting

The project will kick-off with a meeting of the key managers from the Ascent Team and City staff to discuss project goals, timeline, and protocols. Information that is not readily available on-line will be provided to the Ascent Team, and additional data requests answered. We generally prefer to follow-up this meeting with an immediate site visit to walk the properties and discuss key issues on the ground.

Task 1.2: Review Existing Documents

The Ascent team will examine historical development patterns of the Study Area, review relevant studies, plans or other documents completed to date that pertain to the Study Area, and summarize what plans and policies have led to the existing built environment.

Plans and studies that the planning team will examine include (but are not limited to):

- Existing Washington Specific Plan
- Washington Realized Complete Communities Strategy
- Washington District Historic Resources Survey
- Washington District Sustainable Community Infrastructure Project EIR
- West Sacramento 2035 General Plan
- Zoning Ordinance Modernization Project
- Yolo Rail Realignment Project
- 3rd and C Street Action Plan
- Street Bridge Deck Conversion Project Feasibility Study
- The Bridge District Specific Plan
- Sacramento Riverfront Masterplan
- Grand Gateway Master Plan
- Parks Master Plan

Task 1.3: Build Base Map

Site boundary and topography if available will be requested in AutoCAD or GIS format for preparing a planning-level Base Map. During this effort, we will prepare the Base Map and the existing conditions exhibits that establish the contextual frame of reference including General Plan, zoning, land use, open space, and other diagrams that influence community form (e.g. height, floor-area ratio [FAR]).

PHASE 1 DELIVERABLES

- Kick-off Meeting Minutes
- Base Map

Phase 2: Community Engagement

Task 2.1: Project Website and Online Engagement

The Consultants will prepare and maintain a project website that provides an overview of the project, a sign-up link to receive project updates, milestone documents, information on upcoming meetings, and an interactive component that allows community members to participate in a “virtual workshop.” The Consultants will use the online virtual workshop to get feedback on the land use and design alternatives prepared as part of Task 2.3.

Task 2.2: Stakeholder Engagement

The Consultants will spend a full day conducting a series of one-on-one and small-group interviews with key stakeholders and community groups to solicit input on issues and expectations for the Washington Specific Plan. We will develop the list of interviewees in consultation

with City staff, but could include community and business leaders, Bryte Broderick Community Action Network, West Sacramento Historical Society, developers and real estate brokers, transportation advocates, and other interest groups.

Task 2.3: Community Workshop

The Consultants will lead a community workshop focused on land use and design alternatives for the Washington Area. While the primary purpose of the workshop will be to get public input on the concepts for key sites, the workshop will also include facilitated discussions of key issues and planning and urban design exercises aimed at topics such as historic preservation, building height and mass, public realm and streetscape, business mix, development opportunities, and affordable housing. In advance of the workshop, the Consultants will develop two alternative land use and design alternatives for consideration at the workshop. The Consultants will also prepare a meeting flyer and email announcement, and will coordinate with the City's public information officer on a press release and social media messaging. Following the workshop, the Consultants will prepare a summary of feedback from the community workshop as well as the virtual workshop.

PHASE 2 DELIVERABLES

- Project Website
- Virtual Workshop Survey Materials
- Stakeholder Interview Summary
- Community Workshop Publicity and Exercise Materials
- Workshop Summary Report

Phase 3: Vision and Concept

Task 3.1: Vision and Illustrative Concept Plan

Based on the community input from Task 2.3, the Consultants will prepare a draft vision and set of guiding principles for the Washington Area, as well as a Preliminary Illustrative Plan that depicts how the various land uses within the Washington Area are "stitched together" into a cohesive district. The Consultants will also prepare supporting diagrams for public realm/open space and circulation (vehicular, transit, ped/bike). Following review by City staff, the Consultants will update the vision, guiding principles, and illustrative plan for presentation to the City Council and commissions in Task 3.2.

Task 3.2: City Council and Commission Study Sessions

The Consultants will facilitate up to four study sessions to review and solicit feedback on vision and guiding principles, Preliminary Illustrative Plan, and supporting documents. We assume the study sessions will be with the Planning Commission; Arts, Culture, and Historic Preservation Commission; Economic Development and Housing Commission; and the City Council. The series of meetings will result in the City Council confirmation of the vision and selection of a preferred plan, which will form the basis for the preparation of the Specific Plan in Phase 4.

PHASE 3 DELIVERABLES

- Draft Vision and Guiding Principles
- Draft Illustrative Plan
- Presentations for Study Sessions

Phase 4: Prepare the Specific Plan

Task 4.1: Development Standards and Design Guidelines

The Consultants will prepare development standards and design guidelines for new development and rehabilitation projects, including the adaptive reuse and renovation of historic structures. The development standards will address, at a minimum, building heights, density and floor area ratio, frontage standards and setbacks, parking, sustainable development, and landscaping. The standards will reflect best practices for mixed-use, infill, and transit-oriented development (for the area surrounding the streetcar).

The Consultants will also prepare design guidelines that address a variety of building and construction types, including commercial, residential, mixed use, and public structures, as well as historic structures. The guidelines will address architectural character, facades,

lighting, signage, and transitions between the riverfront and adjacent neighborhoods. The guidelines will address the public realm and streets, including topics such as plazas, parklets, sidewalks, and street furniture. The Consultants will include graphics to clarify design and character intent, including cross-sections, sketch illustrations, and precedent images.

Task 4.2: Historic Architectural Guidelines

The Consultants will prepare historic preservation design principles and basic design guidelines applicable to the concentration of historic resources along Fourth Street as well as historic resources that are common to the broader city. These design guidelines will be consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties (the Standards), yet provide specific guidance relative to the application of the Standards to unique conditions in West Sacramento. Treatments to existing historic buildings and new infill construction in the vicinity of historic buildings will be addressed. The guidelines will be provided in narrative and photographic format – Page & Turnbull will not produce custom illustrations/drawings for the documentation.

Task 4.3: Administrative Draft Specific Plan

The Consultants will prepare an annotated outline and structure for the Specific Plan early in the process to confirm the overall structure and components of the document with City staff. While the organization is subject to change, the content of the Specific Plan will include:

- An introduction that includes updated information on existing conditions in the plan area;
- The vision, guiding principles, and illustrative concept diagrams (described in Task 3.1, above);
- Updated goals and policies that are consistent with and build off of the transit-oriented development strategy and complete community strategy articulated in the Washington Realized plan;
- Development standards and design guidelines (described in Tasks 4.1, above);
- A Cultural Resources section containing a brief historic context of the city (excerpts from existing documents), a list of current historic resources in the city including those listed in the Yolo County Historic Resources Inventory and National Register of Historic Places, a description of predominant historic architectural styles and historic urban character, and other portions of the existing planning programs that address historic resources (*note: We will compile this section from existing materials and documents available to us – Page & Turnbull will not conduct historic research or produce an updated historic context for the City*);
- Historic architectural guidelines (described in Tasks 4.2, above);
- A section describing transportation and circulation (bike, pedestrian, transit, and automobile) and parking based on the work completed as part of the Washington Realized plan (*note: The scope of work does not include new technical work related to circulation*);
- A section describing the infrastructure strategy and infrastructure improvements completed to-date based on information provided by City staff (*note: The scope of work does not include new technical work related to infrastructure or infrastructure financing*); and
- An updated implementation strategy that describes accomplishments to-date as well as short-term and long-term actions (*note: The scope of work assumes that the City will provide the information needed to prepare the implementation strategy*).

The Specific Plan will be a highly-graphic, state-of-the art planning document that clearly articulates the vision and regulations for the Washington Area. The budget includes \$10,000 for 3D graphic representations, which could be either hand-drawn or computer simulations, and might include up to two street-level views and one birds eye view of the plan area.

Task 4.4: Public Review Draft Specific Plan

Following one round of review by City staff on the Administrative Draft Specific Plan and receipt of a consolidated set of comments, the Consultants will prepare a Screencheck Draft of the Specific Plan, followed by a Public Review Draft Specific Plan to be presented to the community and elected and appointed officials during Phase 4.

PHASE 3 DELIVERABLES

Development Standards and Design Guidelines (memo)

Historic Architectural Guidelines (memo)

Administrative Draft Specific Plan

Screencheck Draft Specific Plan

Phase 5: Adoption

Task 5.1: Develop CEQA Streamlining Approach

Based on Ascent’s proposed planning approach and history with CEQA documentation for the City, including our prior experience with City staff on the Water and Sewer Master Plans and the River Park Development Project, maximizing CEQA streamlining opportunities will be a key component/factor as the project moves towards consideration for approval/adoption. In order to determine the best approach, it is important to consider previous efforts completed by the City that apply to the project area. For example, in 2016, the City prepared and certified a Program Environmental Impact Report (EIR) for a comprehensive update to its General Plan, which comprehensively and programmatically addressed land use changes and potential development within the project area. Ascent intends to maximize use of this and other previous environmental analysis, where feasible, to reduce the need for new analysis, reduce schedule, and realize cost efficiencies.

The degree to which streamlining opportunities can be realized, however, does depend on the type of plan developed as part of this scope of work and whether land use changes would occur as a result of plan adoption. Based on initial conversations with the City, it appears that the Specific Plan is likely to be largely consistent with the current land use designations and zoning for the plan area. As a result, the ability to use the General Plan EIR for CEQA coverage of the Specific Plan is greater and affords the City to develop either “within the scope” findings, consistent with CEQA Guidelines Section 15168, or an addendum to the General Plan EIR. Either option would result in minimal cost to the Specific Plan effort (approximately \$15,000 as reflected in our budget), and would not require consultation or public review as part of the CEQA process. Of note, this approach would defer a greater level of project-level analysis to future applications within the plan area. However, there are multiple streamlining options that would be available, due in part to the Specific Plan’s location and consideration as part of other planning efforts, including but not limited to Section 15332 (Class 32 exemption for infill), Section 21155 (SB 375), and Section 15183.3 (streamlining for infill projects).

Our cost proposal assumes that upon completion of the Administrative Draft Specific Plan, the Consultants will meet with the City to confirm approach and then prepare a draft “within the scope” findings document, consistent with CEQA Guidelines Section 15168. The document would resemble the Appendix G Checklist and would provide substantial evidence in support of the City’s determination for the Specific Plan. Upon receipt of one set of consolidated and reconciled comments from the City, the Consultants will finalize the “within the scope” findings for inclusion as part of the consideration/approval package for Planning Commission/City Council hearings.

Optional Approach: Alternatively, the City could pursue preparation of a focused EIR for the Specific Plan that provides more detailed analysis of environmental issue areas (e.g., cultural resources) that might come out in project-level review. Such an EIR would tier from the General Plan EIR and incorporate the General Plan EIR’s analysis where appropriate. At a minimum, Ascent would anticipate up to four issue areas (including cultural resources and transportation) that would require analysis. The approximate cost for such an EIR would likely be approximately \$150,000.

Task 5.2: Community Open House

The Consultants will prepare for and facilitate an open house to present the Draft Specific Plan to the community and solicit feedback to be presented to the City Council for consideration.

Task 5.3: Adoption Hearings

The Consultants will participate in the Plan adoption process, including attendance at two public hearings (Planning Commission, City Council) and two presentations to other City commissions (Arts, Culture, and Historic Preservation Commission; Economic Development and Housing Commission). The Consultants will prepare revisions to the document during the hearing process to incorporate comments from the public, City commissions, and the City Council.

Task 5.4: Final Washington Specific Plan

Once the document has been adopted, the Consultants will produce the Final Washington Specific Plan, including any changes made during the adoption process.

PHASE 4 DELIVERABLES

Draft and Final "Within the Scope" Findings

Open House Publicity and Workshop Materials

Presentations for Adoption Hearings

Final Washington Specific Plan

Project Management and Administration

The Consultants will attend bi-weekly project management and work progress meetings, either by conference call or in person. This task also includes general email correspondence and communication with members of the project team, as well as contract administration and invoicing.

Contract for Services- WSPU
Ascent Environmental Inc.
December 19, 2018

EXHIBIT B

Schedule of Performance

PRICE PROPOSAL
Washington Specific Plan Update

16 Nov 18

hourly rate:

	FOLKS Project Director	PAYNE Project Manager	THAI Assistant PM/ Sr Planner	LEE Sr Urban Designer	MUNDHENK Sr Environmental Planner	Planner	Graphic Designer	Production/ Administrative Support	SUBCONSULTANTS	
	\$260	\$190	\$145	\$155	\$165	\$135	\$95	\$105	LAGOMARSINO Project Advisor	PAGE & TURNBULL Fee
PHASE 1 INITIATION AND RECONNAISSANCE	Price	Hours								
1.1 Kick-off Meeting	\$ 3,340	12	4	4					4	\$ 800
1.2 Review Existing Documents	\$ 2,940	18	2	4		8				
1.3 Build Base Map	\$ 2,260	15	1	2			4			
Subtotal, Phase 1	\$ 8,540	45	7	10	4	8	4	0	4	\$ 800
PHASE 2 COMMUNITY ENGAGEMENT	Price	Hours								
2.1 Project Website and Online Engagement	\$ 6,090	45	3	12			28		2	
2.2 Stakeholder Engagement	\$ 5,620	28	8	8		4			8	
2.3 Community Workshop	\$ 15,300	88	12	16	16	32	4		8	
Subtotal, Phase 2	\$ 27,010	161	23	36	16	32	0	4	18	\$ -
PHASE 3 VISION AND CONCEPT	Price	Hours								
3.1 Vision and Illustrative Concept Plan	\$ 6,410	38	4	8	16	4			2	
3.2 City Council and Commission Study Sessions	\$ 5,400	24	12	12						
Subtotal, Phase 3	\$ 11,810	62	16	20	16	4	0	0	2	\$ -
PHASE 4 PREPARE THE SPECIFIC PLAN	Price	Hours								
4.1 Update Goals and Policies	\$ 6,410	36	2	8		2	8		16	
4.2 Development Standards and Design Guidelines	\$ 40,580	240	32	20	56	112		8	12	
4.3 Historic Architectural Standards	\$ 13,140									\$ 13,140
4.4 Administrative Draft Specific Plan	\$ 80,690	460	60	84	112	64	80	24	12	24
4.5 Public Review Draft Specific Plan	\$ 17,560	108	12	16	32	24	8	4	8	4
Subtotal, Phase 4	\$ 158,380	844	106	128	200	200	2	96	36	20
PHASE 5 ADOPTION	Price	Hours								
5.1 Develop CEQA Streamlining Approach	\$ 15,040	91		1		90				
5.2 Community Open House	\$ 10,210	56	6	12	16	8		4	4	6
5.3 Specific Plan Adoption Hearings	\$ 5,400	24	12	12						\$ 900
5.4 Final Washington Specific Plan	\$ 5,100	34	2	4	12	8			8	
Subtotal, Phase 5	\$ 35,750	205	20	29	28	16	90	0	4	12
PROJECT MANAGEMENT	Price	Hours								
Project Management and Administration	\$ 32,080	154	32	60					48	14
Subtotal, Project Management	\$ 32,080	154	32	60	0	0	0	0	48	14
LABOR SUBTOTAL	\$ 273,570	1,669	204	283	264	260	92	112	76	80
			\$53,040	\$53,770	\$38,280	\$40,300	\$15,180	\$15,120	\$7,220	\$8,400
									\$18,500	\$23,760

REIMBURSABLE EXPENSES	Price	Hours
Printing	\$ 1,800	
Reproduction	\$ 650	
Mileage / Parking / Travel	\$ -	
Postage	\$ -	
Project website set up fee	\$ 3,040	
3D Renderings (2 perspective, 1 birdseye)	\$ 10,000	
Page & Turnbull expenses	\$ 300	
TOTAL PRICE	\$ 289,360	

Contract for Services- WSPU
Ascent Environmental Inc.
December 19, 2018

EXHIBIT C

Schedule of Fees

EXHIBIT _D_

CERTIFICATE OF COMPLIANCE WITH LABOR CODE § 3700
[Labor Code § 1861]

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

Ascent Environmental, Inc.

By: _____

Gary D. Jakobs, President]

MEETING DATE: June 7, 2023

ITEM # 8

SUBJECT:

**CONSIDERATION OF SECOND READING AND ADOPTION OF ORDINANCE 23-7
PERTAINING TO AN AMENDMENT TO THE TERM OF THE RIVER PARK
DEVELOPMENT AGREEMENT**

INITIATED OR REQUESTED BY:

Council Staff
 Other

REPORT COORDINATED OR PREPARED BY:

Seamus Laffey, AICP, Senior Planner
Community Development Department

ATTACHMENT Yes No Information Direction Action

OBJECTIVE

The purpose of this item is for City Council to adopt Ordinance 23-7 to effectuate an amendment to the existing Development Agreement between Sun M Capital, LLC and the City of West Sacramento for the River Park project to extend the term of the Agreement by one year.

RECOMMENDED ACTION

Staff respectfully recommends that the Council:

- 1) Find that the amendment to the term of the existing River Park Development Agreement between Sun M Capital, LLC and the City of West Sacramento does not require further environmental review pursuant to Sections 15162 and 15168 of the CEQA Guidelines; and
- 2) Waive the second reading and adopt Ordinance 23-7 amending the term of the River Park Development Agreement between Sun M Capital, LLC and the City of West Sacramento.

BACKGROUND

On June 18th, 2008, the City Council approved the River Park project consisting of up to 2,284 residential units, parks, open space, and a small commercial site in the Southeast Village of Southport (see Attachment 1, River Park Location Map). As part of the project approvals, a Development Agreement (DA) was entered into with the primary landowner that controlled 452 acres in the Southeast Village of the Southport Framework Plan. In addition to the DA, project approvals included a General Plan Amendment, rezoning, design guidelines, and an environmental impact report (EIR). The DA had a 15-year term that became effective on July 18, 2008 (see Attachment 2, River Park Development Agreement). The River Park project area is currently planned for residential development of varying densities, neighborhood commercial, open space, parkland uses and land for possible dedication to the school district for a new school site. The project area is currently used for agricultural production (dry land farming) and an existing cell tower is located at the end of Sculpin Lane. The project's Environmental Impact Report (EIR) (State Clearinghouse #2005062027) was certified to satisfy requirements of the California Environmental Quality Act (CEQA) with the 2008 approval.

The DA approved in 2008 was with the prior property owner, SCL West Sac Holdings LLC. In 2008-2009 during the early period of the Great Recession, much of the property was foreclosed upon by the lender. Sun M Capital, LLC acquired the River Park project properties from the lender and on April 25, 2011 the DA was assigned and assumed by Sun M with approval from the West Sacramento City Manager and City Attorney. Sun M assumed the obligations in the DA as they were originally approved.

Since Council's approval of the project in 2008, the West Sacramento Area Flood Control Agency (WSAFCA) designed and constructed the Southport Levee Improvement Project along the Sacramento River. The levee project expanded the Sacramento River channel with the construction of new setback levee and removal of the prior levee. This required condemnation of a considerable portion of the approved River Park project area, which was unique relative to other large development sites in Southport. Once the extent of WSAFCA's land acquisition needs was known and executed, Sun M Capital, LLC applied for project modifications to reflect the updated project levee footprint.

City staff are currently processing the modifications requested by the applicant, which will require an updated environmental analysis, fiscal analysis, amendments to Southport Framework Plan, Southport Design Guidelines

and land use entitlements that will be heard by the Planning Commission and City Council at a future date after public outreach and workshops. In view of the project modifications requested by the applicant as well as a requested extension to the term of the existing DA, the DA will require renegotiation. The updated environmental analysis will consider all required resource areas such as vehicle miles travelled, greenhouse gas emissions, energy use, public facilities and services, habitat, etc. Issues such as affordable housing, funding of long-term maintenance and upkeep for public safety and infrastructure are being reviewed since the proposed project modifications will need to comply with all the current City policies and development standards. It is too early in the process to know if staff will support the applicant's request or not.

On May 17, 2023, the first reading of the amendment to the Development Agreement with Sun M Capital, LLC went before City Council for consideration at a public hearing. There were numerous questions from the City Council and public comment on this item. The Council was not in favor of the additional one-year extension at the City Manager's discretion and as part of the motion this additional year was taken out. The City Council voted 3-1 in favor of the recommended action with the change that this extension is only for one year, and should it need to be extended again, that would require Planning Commission consideration and City Council approval.

ANALYSIS

The proposed DA Amendment would extend the existing DA's term for a one-year period setting the new expiration date as July 18, 2024 (see Attachment 3, Ordinance 23-7).

Environmental Considerations

As part of the project's approval in 2008, an EIR (State Clearinghouse #2005062027) was prepared and certified to satisfy requirements of the California Environmental Quality Act (CEQA). Staff has determined that the DA extension does not require further environmental review pursuant to Sections 15162 and 15168 of the CEQA Guidelines since no changes or revisions to the project are proposed with this DA extension. A Subsequent EIR is being prepared for the separately proposed project amendments which will require public review and certification by the Planning Commission and City Council when the project amendments are heard by the City Council at a future date.

Commission Recommendation

The DA Amendment was recommended for approval by the Planning Commission on April 6, 2023, via Resolution 23-2PC. The Planning Commission's discussion primarily centered around the changes to the project since 2008 due to the Southport Levee Improvement Project and the need for additional public review and environmental review because of the changes. City staff are processing the modifications which will include a renegotiated DA, updated environmental analysis and land use entitlements that will be heard by the Planning Commission and City Council at a future date once the additional analysis is complete. There will be workshops and public outreach on the project prior to future public hearings on the proposed amendments.

Strategic Plan Integration

Not applicable.

Alternatives

The Council's primary alternative is to vote to not approve the amendment to the DA for an extension of time on the River Park project. This would mean the DA would expire. Although staff does not recommend this alternative, staff is prepared to effectuate this alternative upon the Council's direction.

Coordination and Review

This report was written and reviewed in coordination with the Planning Division and the City Attorney's office.

Budget/Cost Impact

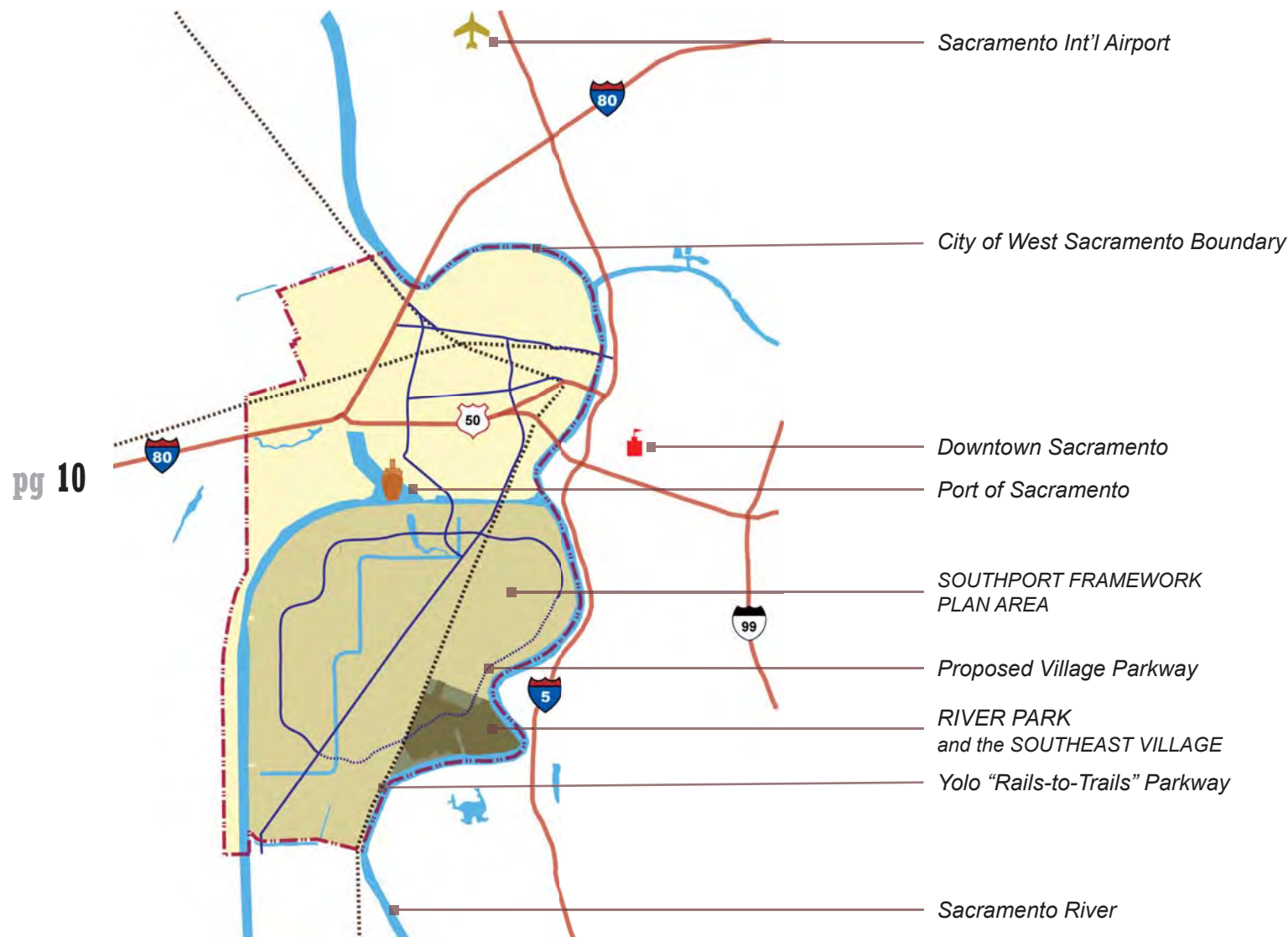
Costs associated with review of the project are paid by the applicant via a reimbursement agreement.

ATTACHMENTS

- 1) Location Map
- 2) River Park Development Agreement
- 3) Ordinance 23-7

2.0 Location and Context

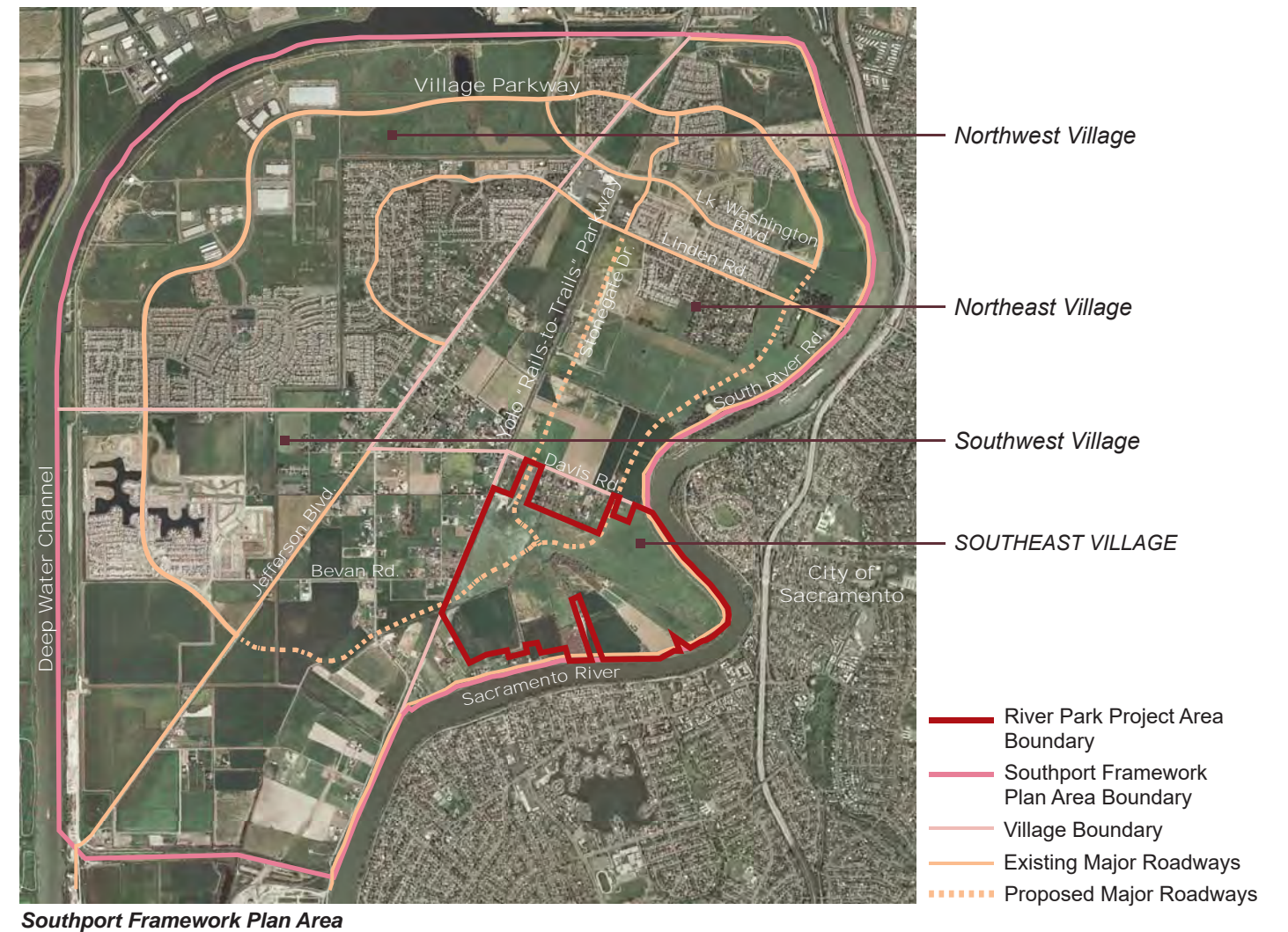
REGIONAL CONTEXT



Location Map: City of West Sacramento

River Park offers convenient access to West Sacramento neighborhoods and downtown Sacramento, north and northeast of the project area, respectively (see location map above). Directly east, across the Sacramento River, are the Sacramento neighborhoods of Land Park, Greenhaven, and the Pocket area; to the southeast are Elk Grove and the community of Florin. Unimproved agricultural and single-family residential areas are west and south of the project area.

SOUTHPORT CONTEXT



Southport Framework Plan Area

The original Southport Framework Plan designated four quadrants, or "villages": the Northeast, Northwest, Southeast, and Southwest Villages (see map above). River Park occupies most of the Southeast Village, the smallest of the four villages. Each village in Southport is being designed as a separate, internally cohesive community; all eventually will be connected by Village Parkway, which will circumnavigate Southport. As shown in the map, Village Parkway will be extended south past Lake Washington Boulevard into River Park, where it will turn west and connect to the existing Village Parkway at Jefferson Boulevard. Stonegate Drive will be extended from Linden Road south to the proposed Village Parkway extension, connecting River Park to Southport's Northeast Village. South River Road, which borders River Park along the riverfront, connects River Park with Southport's other three villages.

ORDINANCE 08-5

AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF WEST SACRAMENTO AMENDING THE WEST SACRAMENTO ZONING MAP
IN THE SOUTHEAST VILLAGE OF SOUTHPORT

WHEREAS, on May 1, 2008, the City of West Sacramento Planning Commission conducted a public hearing and adopted Resolution 08-04PC, recommending among other things, the City Council approve the Amendment to the Zoning Map.

The City Council of the City of West Sacramento does ordain as follows:

Section 1. Purpose and Authority. The purpose of this Ordinance is to amend the West Sacramento Zoning Map from 39.9 acres RE (Rural Estates), 10.4 acres RRA (Rural Residential Agricultural), 255.8 acres R1-B (Residential One-family), 13.7 acres R-2 (Residential One-family or Multi-family), 20 acres R-3 (Residential Multi-Family), 6.3 acres C-1 (Neighborhood Commercial), 0.1 acre C-W (Commercial - Water Related), 4.3 acres PQP (Public/Quasi-public), 85.6 acres R-P (Recreation and Parks), 16.4 acres POS (Public Open Space), to 40.3 acres RRA (Rural Residential Agricultural), 103.5 acres R1-B (Residential One-family), 128.9 acres R-2 (Residential One-family or Multi-family), 33.3 acres R-3 (Residential Multiple Family), 6.0 acres C-1 (Neighborhood Commercial), 2.4 acres C-W (Commercial – Water Related), 8.0 acres PQP (Public/Quasi-public), 44.1 acres RP (Recreation-Parks), 72.8 acres POS (Public Open Space), and 13.2 acres of planned roadways as depicted on attached Exhibit A for property located on a 452-acre site east of Yolo Shortline railroad corridor, south of Davis Road, and west and north of the Sacramento River levee (APNs 46-230-52; 46-250-01, -16; 46-260-01, -03, -05, -06, -14, -15; 46-270-29, -35). This Ordinance is authorized pursuant to Government Code Section 65853 through 65857 of the City of West Sacramento.

Section 2. Severability. If any provision or section of this Ordinance is determined to be unenforceable, invalid or unlawful, such determination shall not affect the enforceability of the remaining provisions of the Ordinance.

Section 3. Effective Date and Publication. This Ordinance shall take effect thirty (30) days after its adoption, and pursuant to Resolution 99-46, shall be published in summary format prior to adoption and a summary shall be published within fifteen (15) days after adoption in a paper of general circulation published and circulated within the City of West Sacramento.

PASSED AND ADOPTED by the City Council of the City of West Sacramento this 18th day of June, 2008, by the following vote:

- AYES:** Beers, Johannessen, Villegas, Cabaldon
- NOES:** None
- ABSENT:** Kristoff
- ABSTAIN:** None




Christopher L. Cabaldon, Mayor

ATTEST:

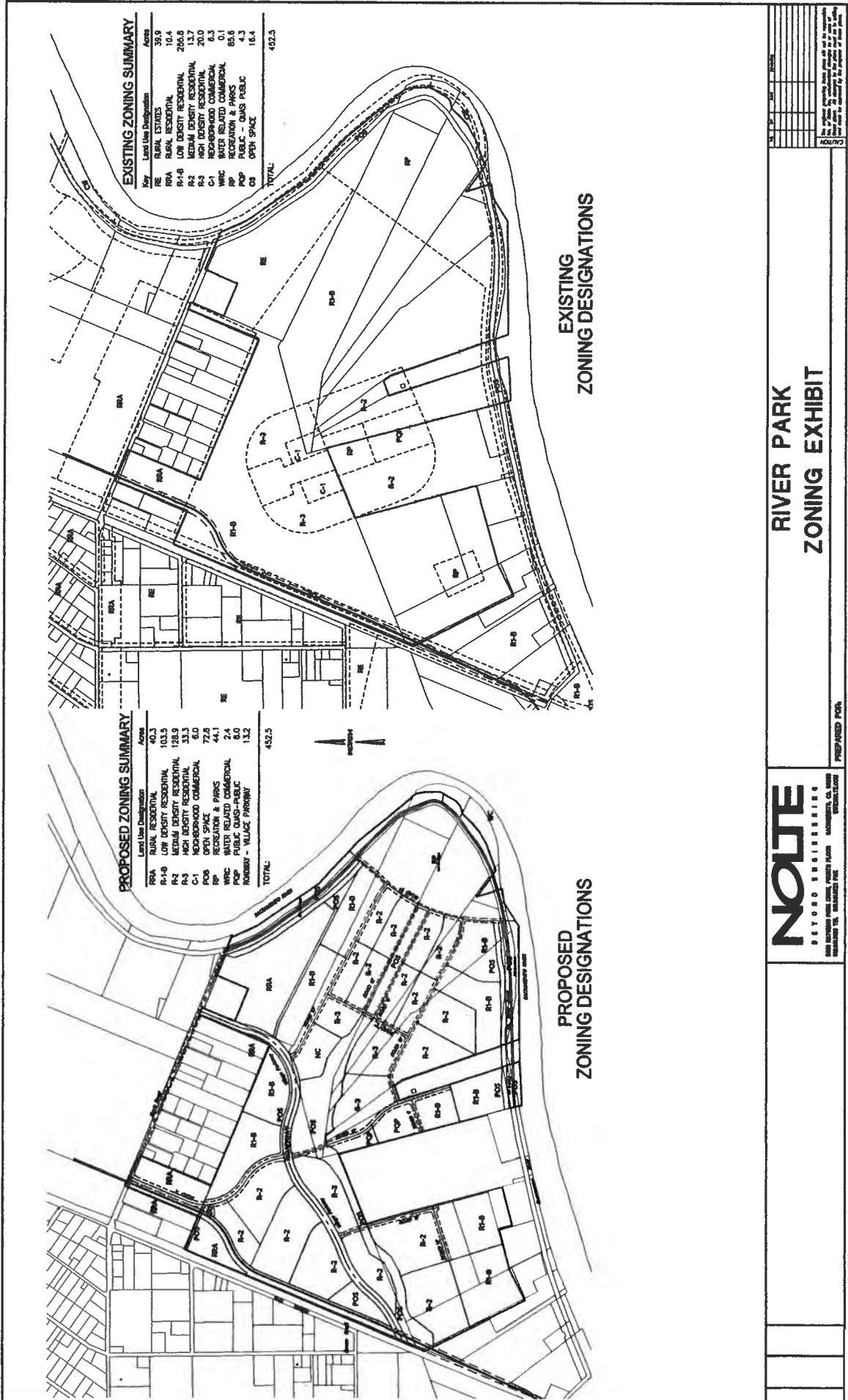


Kryss Rankin, City Clerk

Approved as to form:


Robert E. Murphy, City Attorney

0005 8 P 000A



EXISTING ZONING SUMMARY

Key	Land Use Designation	Acres
RE	RURAL ESTATES	39.9
RRA	RURAL RESIDENTIAL	10.4
R-1A	LOW DENSITY RESIDENTIAL	205.8
R-2	MEDIUM DENSITY RESIDENTIAL	10.7
R-3	HIGH DENSITY RESIDENTIAL	4.3
C-1	NEIGHBORHOOD COMMERCIAL	0.1
WRC	WATER RELATED COMMERCIAL	85.6
RP	RECREATION & PARKS	4.3
POP	PUBLIC - GAS PUBLIC	16.4
OS	OPEN SPACE	16.4
TOTAL		432.5

PROPOSED ZONING SUMMARY

Key	Land Use Designation	Acres
RRA	RURAL RESIDENTIAL	40.3
R-1A	LOW DENSITY RESIDENTIAL	103.5
R-2	MEDIUM DENSITY RESIDENTIAL	128.9
R-3	HIGH DENSITY RESIDENTIAL	33.3
C-1	NEIGHBORHOOD COMMERCIAL	6.0
POS	OPEN SPACE	72.8
RP	RECREATION & PARKS	44.1
WRC	WATER RELATED COMMERCIAL	2.4
POP	PUBLIC - GAS PUBLIC	1.0
POBURY - VILLAGE PARKWAY		1.32
TOTAL		452.5

EXISTING ZONING DESIGNATIONS

PROPOSED ZONING DESIGNATIONS

RIVER PARK ZONING EXHIBIT

NOTTE
 BEYOND BOUNDARIES
 1000 WESTERN AVENUE, SUITE 1000, WESTFIELD, NJ 07090
 TEL: 908.439.1000 FAX: 908.439.1001
 WWW.NOTTE.COM

PREPARED FOR:

ORDINANCE 08-6

**AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF WEST SACRAMENTO APPROVING
THE DEVELOPMENT AGREEMENT BETWEEN THE CITY AND
RICHLAND PLANNED COMMUNITIES**

WHEREAS, on May 1, 2008, the City of West Sacramento Planning Commission conducted a public hearing and adopted Resolution 08-04PC, recommending among other things, the City Council approve the Development Agreement.

The City Council of the City of West Sacramento does ordain as follows:

Section 1. Purpose and Authority. The purpose of this Ordinance is to approve the Development Agreement between the City and Richland Planned Communities (Attachment 1). This Ordinance is authorized pursuant to Government Code Section 65864 through 65869.5 and Resolution No. 88-111 of the City of West Sacramento.

Section 2 Findings. In adopting this Ordinance, the City Council makes the following findings:

- (a) The proposed Development Agreement is consistent with the objectives, policies, general land uses, and programs specified in the General Plan and applicable specific plan; and
- (b) The proposed Development Agreement will not be detrimental to the health, safety, and general welfare of persons residing in the immediate area or detrimental to the general welfare of the residents of the City as a whole; and
- (c) The proposed Development Agreement will not adversely affect the orderly development of property or preservation of property values; and
- (d) The proposed Development Agreement is consistent with the provisions of Government Code Sections 65864 through 65869.5 and Resolution 88-111, as amended by Resolution 96-62; and
- (e) The Planning Commission recommends approval of the Development Agreement; and

Section 3. Severability. If any provision or section of this Ordinance is determined to be unenforceable, invalid, or unlawful, such determination shall not affect the enforceability of the remaining provisions of the Ordinance.


Section 4. Effective Date and Publication. This Ordinance shall take effect thirty (30) days after its adoption, and pursuant to Resolution 99-46, shall be published in summary format prior to adoption and a summary shall be published within fifteen (15) days after adoption in a paper of general circulation published and circulated in the City of West Sacramento.

PASSED AND ADOPTED by the City Council of the City of West Sacramento this 18th day of June, 2008 by the following votes:

AYES: Beers, Johannessen, Villegas, Cabaldon
NOES: None
ABSENT: Kristoff

JUL 08 2008

ABSTAIN: None




Christopher L. Cabaldon, Mayor

ATTEST:



Kryss Rankin, City Clerk

APPROVED AS TO FORM:



Robert E. Murphy, City Attorney

CODIFY X UNCODIFY

I, Kryss Rankin, City Clerk of the City of West Sacramento, do hereby certify that the foregoing ordinance was introduced at a meeting of the City Council held on May 21, 2008 and was adopted at a meeting held on June 18, 2008, by the vote noted below. This ordinance has been published in accordance with the Government Code requirement.

AYES: Beers, Johannessen, Villegas, Cabaldon.
NOES: None.
ABSENT: Kristoff.
ABSTAIN: None..



Kryss Rankin, City Clerk

JUL 08 2008

OFFICIAL CITY BUSINESS
No recording fee
Government Code Section 6103

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:
City of West Sacramento
1110 West Capitol Avenue
West Sacramento, CA 95691
Attn: City Clerk

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

RIVER PARK DEVELOPMENT AGREEMENT

BETWEEN THE

CITY OF WEST SACRAMENTO

AND

SCL WEST SAC HOLDINGS, LLC

889284.10

JUL 08 2008

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RIVER PARK DEVELOPMENT AGREEMENT

This River Park Development Agreement (this "Agreement") is entered between the City of West Sacramento, a municipal corporation ("City") and SCL West Sac Holdings, LLC, a Delaware limited liability company ("Landowner"). City and Landowner are hereinafter collectively referred to as the "Parties" and singularly as "Party."

RECITALS

1. Authorization. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Government Code section 65864 et seq. (the "Development Agreement Statute"), which authorizes the City and any person having a legal or equitable interest in the real property to enter into a development agreement, establishing certain development rights in the Property which is the subject of the development project application.

2. Public Hearing. The Planning Commission of the City of West Sacramento, serving as the City's planning agency for purposes of development agreement review pursuant to Government Code section 65867, considered this Agreement and recommended approval of this Agreement to the City Council.

3. Environmental Review. The City Council certified as adequate and complete, the Environmental Impact Report ("EIR") for the Project in Resolution 08-32. Mitigation measures were identified in the EIR. The City Council has adopted Mitigation Measures, as reflected in the CEQA findings of fact adopted by the Council, and in the City's Mitigation Monitoring and Reporting Program. The Mitigation Measures adopted by the City are incorporated into the Project and, in part, into the terms and conditions of this Agreement, as reflected by the CEQA findings of fact adopted by the City Council concurrently with this Agreement.

4. Need for Services and Facilities. Development of the Property will result in a need for municipal services and facilities, some of which services and facilities will be provided by the City to the Project, subject to the performance of Landowner's obligations hereunder.

5. Contribution to Costs of Facilities and Services. Landowner agrees to contribute to the costs of public facilities and services as required herein to mitigate impacts on the community of the development of the Property, and City agrees to provide such public facilities and services as required herein to assure that Landowner may proceed with and complete development of the Property in accordance with the terms of this Agreement. City and Landowner recognize and agree that, but for Landowner's contributions to mitigate the impacts arising as a result of development entitlements granted pursuant to this Agreement, City would not and could not approve the development of the Property as provided by this Agreement and that, but for City's covenant to provide certain facilities and services for development of the Property, Landowner would not and could not commit to provide the mitigation as provided by this Agreement. City's vesting of the right to develop the Property, as provided herein, is in reliance upon and in consideration of Landowner's agreement to make contributions towards the cost of public improvements as herein provided to mitigate the impacts of development of the Property as development occurs and as consistent with this Agreement.

6. Public Benefits. Development of the Project will result in significant public

benefits, as more fully described hereinafter, including, without limitation:

6.1. Implementation of the development goals set forth in the Southport Framework Plan;

6.2. The provision of additional recreational opportunities and the enhancement of the appearance of the Southport area;

6.3. The provision of services within walking distance to development, as well as opportunities for employment;

6.4. The provision of a mixed-use development that is a logical extension of adjacent uses;

6.5. The furtherance of the goals and objectives of the City's affordable housing plan.

7. Landowner Assurances. In exchange for the benefits to the City in the preceding Recitals, together with the other public benefits that will result from the development of the Property, Landowner will receive by this Agreement assurance that it may proceed with the Project in accordance with the Project Approvals, and therefore, desires to enter into this Agreement.

8. Consistency with General Plan and Southport Framework Plan. Having duly examined and considered this Agreement and having held properly noticed public hearings hereon, in City Ordinance No.08-06, the City found that this Agreement satisfies the Government Code section 65867.5 requirement of general plan consistency. The City has also found that this Agreement satisfies the project specific Southport Framework Plan, a planned development overlay, as more particularly described in City Ordinance No. 08-07.

NOW, THEREFORE, in consideration of the above Recitals and mutual promises, conditions and covenants of the Parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

DEFINITIONS

- 1 **Definitions.** In this Agreement, unless the context otherwise requires, terms have the following meaning. Capitalized terms within the Exhibits not defined below have the meaning set out in the Exhibits.
- 1.1 "Adopting Ordinance" means Ordinance Number 08-06, adopted by the City Council on June 18, 2008, which approves this Development Agreement as required by the Development Agreement Law.
- 1.2 "Agreement" means this Development Agreement, inclusive of all Exhibits attached hereto.
- 1.3 "CEQA" means the California Environmental Quality Act, as set forth at California Public Resources Code, Division 13, commencing at Section 21000 and the CEQA Guidelines as set forth in Title 14 of the California Code of Regulations commencing at Section 15000.
- 1.4 "CFD" means a Community Facilities District formed pursuant to the Mello Roos Community Facilities Act of 1982 (Government Code § 53311 et seq.).
- 1.5 "City" means the City of West Sacramento, including its agents, officers, employees, representatives and elected and appointed officials.
- 1.6 "City Manager" means the City Manager of the City of West Sacramento, or his or her designee.
- 1.7 "Collective Standards" means: (i) the provisions of this Development Agreement; (ii) the Project Approvals; (iii) land use entitlements and approvals to the Project and the Property that may be granted following the Effective Date; and (iv) Existing Land Use Regulations, except to the extent that they are collectively or individually subject to Reserved Powers.
- 1.8 "Development Agreement Law" means Government Code section 65864 et seq. and the procedures and requirements for the consideration of development agreements contained in City Resolution No. 88-111, as amended by City Council Resolution No. 96-62. In the event of a conflict, the requirements of Government Code section 65864 et seq. shall control.
- 1.9 "Effective Date" means that day on which the Adopting Ordinance shall be effective. The Adopting Ordinance shall be effective thirty (30) days after its adoption by the City Council, unless the Adopting Ordinance becomes subject to a qualified referendum, in which case, the Effective Date shall be the day after the referendum election, if the Adopting Ordinance is approved by a majority of the voters. Litigation filed to challenge the Adopting Ordinance or this Agreement shall not affect the Effective Date, absent a court order or judgment overturning or setting aside the Adopting Ordinance, or staying the Effective Date, or remanding the Adopting Ordinance to the City. Notwithstanding the foregoing, this Agreement shall not become effective until fully executed.
- 1.10 "EIR" means the Draft and Final Environmental Impact Report for the "River Park General Plan Amendment and Rezoning Project," including the Mitigation Measures and

Mitigation Monitoring and Reporting Plan (State Clearinghouse No. 2005062027).

- 1.11 "Existing Land Use Regulations" means the ordinances, resolutions and regulations applicable to the Project, to the extent they govern the permitted uses of land, and the density and intensity of land use, as set forth in the following plans and ordinances as they exist on the Effective Date:
- The West Sacramento General Plan;
 - The Southport Framework Plan; and,
 - The West Sacramento Zoning Code.
- 1.12 "Existing Plus Approved" means residential development identified in the City's traffic model base updated in January 2008 and includes existing residential units and residential tentative maps which were approved as of December 31, 2007. A copy of the updated traffic model base is on file with the City.
- 1.13 "Fee" means all charges, expenses, costs, monetary exactions and any other monetary obligations imposed on Landowner by the City, other than assessments or regular or special taxes, and shall not be limited to fees paid pursuant to this Agreement. (The term "fee" need not be capitalized in this Agreement.)
- 1.14 "General Plan" means the General Plan of the City including the text and maps, as approved by the City in 2004, plus any other General Plan amendments approved by the City on or before the Effective Date.
- 1.15 "Improvement" means any on-site or off-site conveyance, grant or dedication of property or property rights, non-monetary exaction, construction and/or installation of a work of public improvement, street, facility, utility, park or recreational amenity which is to be transferred to the City, or any other contribution of property (other than fees), imposed on Landowner by the City.
- 1.16 "Infrastructure" means the basic facilities, services, and installations needed for the functioning of the Improvements and parks. (The term "infrastructure" need not be capitalized in this Agreement.)
- 1.17 "Landowner" means SCL West Sac Holdings, LLC, a Delaware limited liability company, together with any successors in interest approved by the City pursuant to this Agreement.
- 1.18 "Law" means the case law, ordinances, statutes, rules, regulations, or any order, decree or directive of any court or any local, regional, state or federal government agency, unless the context suggests a different meaning.
- 1.19 "Mitigation Measures" means the mitigation measures recommended in the EIR as modified or adopted by the City Council.
- 1.20 "Mitigation Monitoring and Reporting Program" means the plan for implementation of the Mitigation Measures, identified in the EIR, and adopted by the City

Council.

- 1.21 "Non-Project Specific" means rules, regulations, or laws adopted by the City that, while not applicable City-wide, apply uniformly to all properties that are similarly situated, whether by geographic location or other distinguishing circumstances.
- 1.22 "Planning Commission" means the City of West Sacramento Planning Commission.
- 1.23 "Project" means the physical development of the Property as described in the project description in the EIR, and as supplemented by the provisions of this Agreement. The Project consists of the development of a four hundred and fifty two (452) acre mixed use project containing two thousand two hundred and eight four (2,284) residential units, to be located on the Property.
- 1.24 "Project Approvals" means the entitlements that are the subject of this Agreement, consisting of the following land use approvals:
- i. This Development Agreement, as adopted by the Adopting Ordinance.
 - ii. The River Park General Plan Amendment.
 - iii. Southport Framework Plan Amendment, as approved by City Ordinance No. 08-07.
 - iv. Amendments to the Zoning Ordinance and Map ("Rezone"), as approved by City Ordinance No. 08-5.
 - v. Additions to the Traffic Impact Fee Study, reflected in Exhibit H-1 and adopted by City Council Resolution 08-41.
 - vi. The River Park Design Guidelines, as approved by City Council Ordinance No. 08-07. (The Design Guidelines are part of the Southport Framework Plan Amendment and are incorporated into the Southport Framework Plan Design Guidelines.)
- 1.25 "Property" means that certain real property consisting of approximately four hundred and fifty two (452) acres in the City of West Sacramento, County of Yolo, as more particularly described and depicted in Exhibit A, attached hereto.
- 1.26 "Public Works and Community Development Director" or "Director" means the Public Works and Community Development Director of the City of West Sacramento, or his or her designee.
- 1.27 "Reserved Powers" means those powers explicitly reserved to the City by this Agreement pursuant to Section 5.2 of this Agreement.
- 1.28 "Southport area" means that area of land located in the southern portion of the City and generally bound by the Deep Water Ship Channel on the north and west, the Sacramento River on the east and current City limits on the south.
- 1.29 "Southport Framework Plan" means that certain document adopted by the City in May 1995, together with any amendments thereto as approved by the City on or before the

Effective Date of this Agreement. The Southport Framework Plan is the development master plan for the Southport area. The Southport Framework Plan is intended to be a refinement of the City's General Plan and is intended to establish the foundation for a village-oriented, mixed use development.

- 1.30 "Successor" or "Successor in Interest" means any subsequent owner that acquires all or any portion of the Property. This term shall not include private parties that acquire recorded residential lots that have been developed with residential dwellings within the Property. This term shall also mean any assignee under the form of assignment attached hereto as Exhibit I (i.e., any recognized successor in interest under this Agreement), and any subsequent assignee.
- 1.31 "Vested Right" means the right to proceed with the development of the Project in accordance with the terms of the Collective Standards, which Collective Standards may not be amended, modified or changed by the City except as provided by this Agreement. (The term "vested right" need not be capitalized in this Agreement.)

TERMS AND CONDITIONS

1. Incorporation of Recitals. The Preamble, the Recitals and all defined terms set forth in both are hereby incorporated into this Agreement as if set forth herein in full.

2. Relationship of City and Landowner. It is understood that this Agreement is a contract that has been negotiated and voluntarily entered into by City and Landowner and that Landowner is not an agent of City. The City and Landowner hereby renounce the existence of any form of joint venture or partnership between them, and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making the City and Landowner joint venturers or partners.

3. Representations, Warranties and Acknowledgments.

3.1 Title to Property. Landowner represents and warrants that as of the Effective Date, Landowner holds legal and/or equitable interest in and to the Property and that all persons holding legal or equitable interest in the Property shall be bound by the Agreement.

3.2 Authority. The Parties represent and warrant that the persons signing this Agreement are duly authorized to enter into and execute this Agreement on behalf of their respective principals.

3.3 Brokers. The Parties represent and warrant that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Agreement, and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Agreement. In the event any real estate broker or agent shall come forward and claim the right to a commission or other form of compensation in connection with this Agreement, Landowner shall indemnify, defend and hold harmless the City in accordance with Section 23.

3.4 Procedures and Requirements. The Parties acknowledge that this Agreement is subject to the procedures for approval, amendment and administration set forth in the Development Agreement Law.

4. Effective Date and Term.

4.1 Effective Date. The effective date of this Agreement means the date defined at Section 1.9 of this Agreement.

4.2 Term. The term of this Agreement shall commence on the Effective Date and extend for a period of fifteen (15) years thereafter, unless said term is terminated, modified or extended by circumstances set forth in this Agreement.

4.2.1. Tolling. The term of this Agreement shall be tolled if and for as long as City determines development within the Southport area is infeasible due to State, Federal or local health and safety requirements; provided, however, that under no circumstances shall the term of this Agreement be tolled for longer than five (5) years.

4.2.2. Extension. The term of this Agreement may be extended for a maximum period of five (5) years if development of at least fifty percent (50%) of residential units in the Project has occurred and all of the Improvements and infrastructure associated with those units are constructed and accepted by the City, as appropriate.

4.2.3. Expiration. Following the expiration of the term, this Agreement shall be deemed terminated and of no further force and effect.

4.3 Automatic Termination upon Completion and Sale of Individual Lots. Except as provided herein, this Agreement shall automatically be terminated, without any further action by either party or need to execute or record any additional document, with respect to any improved commercial or residential lot within a parcel designated by the Project Approvals for such use, upon issuance by the City of a final certificate of occupancy or its equivalent for a commercial structure or dwelling unit upon such lot and conveyance of such lot by Landowner to a bona-fide, good-faith individual purchaser. In connection with its issuance of a final inspection for any residential lot, the City shall confirm that all Improvements which are required to serve the lot have been dedicated to and accepted by the City, and all applicable fees have been paid by Landowner. Termination of this Agreement as to any such residential lot shall not in any way be construed to terminate or modify any applicable assessment district, special tax lien, fee credit, or right of reimbursement with respect to such lot. Termination of this Agreement as to any such lot shall extend solely to that lot and shall not extend to other parcels or property encompassed by this Agreement.

4.4 Termination by Mutual Consent. This Agreement may be terminated in whole or in part by the mutual written consent of all the Parties. Any fees paid or Improvements dedicated to the City prior to the date of termination shall be retained by the City.

4.5 Effect of Termination. This Agreement was entered into by the Parties for the limited purpose of setting forth certain terms and conditions concerning the proposed development of Project in a manner that is consistent with the Collective Standards. Accordingly, nothing contained herein is intended or shall be construed to grant to Landowner any rights in connection with the future development of the Property, except for those rights set forth in the Collective Standards and in this Agreement.

4.5.1. The Parties recognize and agree that this Agreement imposes certain continuing obligations and responsibilities on the City and Landowner. Termination of this Agreement, whether by default as provided in Section 22 or by expiration of its own accord, shall not: (1) affect any pre-existing liability under this Agreement owed by one Party to the other, which remains unsatisfied as of the date of termination; (2) affect those provisions of this

Agreement which provide that they shall survive the termination of this Agreement, including, but not limited to Landowner's obligations to comply with the River Park Design Guidelines or Mitigation Measures; (3) be construed to terminate or modify an applicable covenant, condition, servitude or restriction that runs with the land and binds Successors; (4) affect the validity of any structure on the Property or Improvement which is completed as of the date of termination and is in compliance with all necessary permits; or (5) prevent Landowner from completing any structure on the Property or Improvement under construction at the time of termination, provided that any such structure or Improvement is completed in accordance with all necessary permits.

5. Project Approvals and Vested Rights.

5.1 Project Approvals. Upon the Effective Date, Landowner shall acquire a vested right to the Project Approvals. If Landowner applies to the City Council to amend the Project Approvals, and the City Council approves the requested amendments, then Landowner shall acquire a vested right to such amendments to the Project Approvals as of the date of approval of the amendments by the City Council; provided, however, that Landowner shall not, by virtue of this Agreement, acquire a vested right to any amended Project Approval approved after the expiration of the term of this Agreement.

5.2 Reserved Powers Relating to Project Entitlements and Approvals. Notwithstanding any other provision of this Development Agreement to the contrary, the City retains the following reserved powers and retains the authority to take the following actions:

5.2.1. Grant or deny applications for land use entitlements and approvals for the Project and the Property, consistent with this Agreement;

5.2.2. Approve, disapprove or revise subdivision maps, parcel maps or lot line adjustments for the Project and the Property, consistent with this Agreement;

5.2.3. Apply, or adopt and apply, design and construction requirements for specific public improvements to serve the Project on the Property, except to the extent that such requirements are a part of the Collective Standards or expressly set forth in this Development Agreement;

5.2.4. Adopt and apply City-wide or Non-Project Specific property transfer and/or excise taxes;

5.2.5. Adopt and apply City-wide or Non-Project Specific utility charges;

5.2.6. Adopt and apply City-wide or Non-Project Specific permit processing fees;

5.2.7. Adopt and apply regulations to protect the City and its citizens from immediate risks to health and safety. The Landowner hereby agrees that any regulation with respect to flood protection adopted in response to Federal or State guidelines, regulations, or directives shall be deemed necessary to protect the public health and safety;

5.2.8. Adopt or increase fees, charges, assessments or special taxes otherwise authorized by and in compliance with State law (e.g. Gov. Code section 66000 et seq.), except to the extent prohibited by this Development Agreement;

5.2.9. Adopt and apply City-wide or Non-Project Specific regulations relating to the temporary use of land, the control of traffic, the regulation of sewers, water, and similar subjects, and the abatement of public nuisances;

5.2.10. Adopt and apply engineering design standards and construction specifications;

5.2.11. Adopt and apply City-wide or Non-Project Specific building and fire construction standards;

5.2.12. Adopt or undertake enforcement of land use regulation ordinances, policies, programs, or resolutions in order to comply with Federal or State laws, provided that in the event that such Federal or State laws, plans, programs or regulations prevent or preclude compliance with one or more provisions of this Agreement, such provision or provisions shall be modified or suspended solely as may be necessary to comply with such Federal or State laws or regulations;

5.2.13. Adopt land use regulations, ordinances, policies, programs or resolutions that are not in conflict with, or that are less restrictive than, the terms and conditions for development of the Project on the Property established by this Development Agreement or otherwise applicable Collective Standards and which do not impose additional burdens on such development other than those that are merely procedural in nature;

5.2.14. Adopt land use regulations, ordinances, policies, programs, resolutions or fees that are in conflict with the Collective Standards, but which are either expressly made not applicable to the Property or are consented to in writing by the Landowner either through amendment of this Development Agreement or by separate document.

The foregoing Reserved Powers may be exercised by the City acting through its elected or appointed officials or its employees (subject to any appeal rights set forth in the Municipal Code), or directly by the electors through the initiative process.

5.3 Meet and Confer. If Landowner believes that the City is taking action to impair a vested right conferred by this Agreement, other than as allowed in this Agreement, Landowner shall provide to City written notice, describing the basis for Landowner's position. The Parties shall meet and confer within thirty (30) days thereafter in an attempt to arrive at a mutually acceptable solution.

5.4 Further Reviews. Landowner acknowledges that the Collective Standards contemplate further reviews of elements of portions of the Project by the City. These reviews include, but are not limited to, monitoring and implementation of environmental mitigation measures. Nothing in this Agreement shall be deemed to limit or expand the legal authority of City with respect to such reviews, as provided for by, and which are otherwise consistent with, this Agreement.

5.5 Referendum. Landowner acknowledges that the Adopting Ordinance, the Southport Framework Plan Amendment, the General Plan Amendment, and the Rezone, as legislative land use approvals, are potentially subject to referendum. Notwithstanding anything in this Agreement to the contrary, Landowner shall not acquire a vested right to any legislative

land use approval (or to any amendment thereto): (1) while such approval or amendment is still potentially subject to referendum or (2) in the event that such approval or amendment is reversed by referendum.

6. Subdivision Maps.

6.1 Term of Tentative Subdivision Maps. Notwithstanding Government Code section 66452.6(a), the term or "life" of any tentative map for the Project shall be determined by reference to the Subdivision Map Act other than Section 66452.6(a), and shall not be automatically extended for the term of this Agreement.

6.2 Vesting Tentative Maps. Landowner reserves the right to file a "vesting tentative map" as that term is defined in Government Code section 66498.1. Landowner agrees, however, that any such vesting tentative map filed in connection with the Project will not vest the Landowner in any rights with respect to any matter that is identified in any Exhibit to this Agreement and that this Agreement (including its Exhibits) shall govern the financing and construction of infrastructure for the Project.

7. Applicable Rules, Regulations, Fees and Official Policies.

7.1 Rules Regarding Design and Construction. Unless otherwise expressly provided in this Agreement, all other ordinances, resolutions, rules, regulations and official policies governing design, improvement and construction standards and specifications applicable to the Project and to public improvements to be constructed by the Landowner shall be those in force and effect at the time the applicable permit approval is granted.

7.2 Building Codes Applicable. Unless otherwise expressly provided in this Agreement, the Project shall be constructed in accordance with the California Building Standards Codes, Title 24 of the California Code of Regulations, as adopted and amended by the City, as the same shall be in effect as of the time of approval of the permit in question. The Project shall also be constructed in accordance with the provisions of the California Mechanical, Plumbing, Electrical and Fire Codes and City standard construction specifications in effect at the time of approval of the appropriate building, grading, encroachment or other construction permits for the Project. If no permit is required for a given infrastructure improvement or other improvement, such improvement will be constructed in accordance with said Codes in effect in the City as of the commencement of construction of such improvement.

7.3 Fees, Dedications, Assessments and Taxes.

7.3.1. Waiver of Fee Establishment Procedures. Notwithstanding anything in this Agreement to the contrary, Landowner hereby waives the procedures and requirements imposed on cities by the Mitigation Fee Act (Government Code sections 66000 et seq.) for establishing, expending, returning, and reporting on all "fees" as that term is defined in the Mitigation Fee Act, as to the fees established as of the Effective Date of this Agreement. This waiver shall not apply to any fees adopted after the Effective Date; thus, as to fees adopted or revised after the Effective Date, Landowner shall retain whatever rights it has under Federal and State law.

7.3.2. Processing Fees and Charges. Landowner shall pay those processing, inspection, and plan check fees and charges required by City under then current regulations for processing applications and requests for permits, approvals and other actions,

and monitoring compliance with any permits issued or approvals granted or the performance of any conditions with respect thereto or any performance required of Landowner hereunder.

7.3.3. Fees for Library Facilities and Civic Center Additions. Prior to issuance of building permits for residential structures, landowner shall pay a fee of five hundred dollars (\$500) per residential building permit or unit in multi-family structures where one permit is issued for construction of a building containing more than one individual unit. Landowner acknowledges that the City may adjust the \$500 amount to account for inflation based upon the Consumer Price Index for the region.

7.3.4. Development Impact Fees, Exactions and Dedications. Landowner shall make all dedications of land and pay all development impact fees, connection or mitigation fees, and exactions required by the City to support in the construction of any public facilities and improvements or the provision of public services in relation to development of the Property (together "Exactions") authorized by City after the Effective Date as long as said Exactions otherwise comply with applicable law, and are either (1) required on a City-wide basis, or (2) apply uniformly to all properties within the City that are zoned consistent with the Project Approvals, or (3) are Non-Project Specific. Except as otherwise provided in this Agreement, Exactions required by City to be paid by the Landowner that do not meet one of the preceding criteria, shall be the Exactions authorized as of the Effective Date. Wherever this Agreement obligates Landowner to design, construct or install any improvements, the cost thereof shall be provided by Landowner, or may be provided by a CFD or other such financing mechanism acceptable to the City, subject to and in accordance with the provisions thereof.

7.3.5. Exhibits Not Exclusive. Landowner acknowledges that the fees and Improvements set forth in the attached Exhibits are not exclusive, but are merely set forth to clarify some of Landowner's obligations under this Agreement.

7.3.6. Mitigation of EIR Impacts. Landowner shall timely satisfy and comply with all Mitigation Measures in accordance with the schedule in the Mitigation Monitoring Plans. The Mitigation Measures are conditions of Project approval but are not the exclusive conditions of Project approval. A failure to timely satisfy any Mitigation Measure or other conditions of Project Approval without prior written City approval shall be a default of this Agreement, subject to the default and cure provisions set forth in Section 22 of this Agreement.

7.3.7. Other Public Agencies. Nothing in this Agreement is intended to govern the authority of other public agencies to impose fees.

7.3.8. Public Works and Community Development Director. All Improvements and work performed by Landowner in connection with the Project shall be to the satisfaction of the City Public Works Director and Community Development Director.

7.3.9. Dedications Free of Liens. All dedications of property from Landowners to the City shall be free and clear of all liens and encumbrances except as allowed in writing by City.

7.3.10. Acquisition of Land for Improvements. Landowner acknowledges that some of the public improvements required for the Project will be constructed on land that is not under the control of the Landowner or the City. Developer agrees that nothing in Government Code section 66452.5 or any other provision of State law will require the City to waive any conditions set forth in the Project approvals related to construction of the Project,

including limitations set forth herein on the timing of construction of residential or commercial structures. If City acquires such land, Landowner shall be responsible for all of City's costs associated with such acquisition (including legal counsel and appraisal fees), subject to possible reimbursement as provided in Section 13.

8. Securing Project Improvements.

8.1 Payment and Performance Bonds. Landowner has an affirmative obligation to secure its obligations to construct Project improvements, as required in this Agreement. Landowner shall secure all infrastructure Improvements by delivering payment and performance bonds to City, in a manner consistent with City ordinances and in accordance with this Section.

8.1.1. Prior to the commencement of construction of any infrastructure improvement, Landowner or Landowner's general contractor shall furnish City with payment and performance bonds ("Bonds"), issued by a corporate surety company that is an admitted insurer in the State of California and licensed to do business in California, in an amount approved by City, but not less than the full amount of the construction contract, and shall name City as obligee. The Bonds shall remain in effect until the later of (1) the date that the entire cost of developing the improvement shall have been paid in full, (2) the date that the improvement shall have been completed in accordance with this Agreement, and/or (3) the date on which the City accepted the improvement.

8.1.2. The Bonds shall be in the form prescribed by Government Code sections 66499.1 and 66499.2 for performance and payment bonds and be reasonably satisfactory to City.

9. Use of Property.

9.1 Right to Develop. Landowner shall have the vested right to proceed with development of the Project in accordance with the terms and conditions of this Agreement, the Collective Standards, and any amendments to the Project Approvals as shall, from time to time, be approved pursuant to this Agreement. Landowner's development of the Property shall be subject to the terms set forth in any subsequent approvals needed for development; provided however, that any conditions, terms, restrictions and requirements contained in any subsequent approvals shall not be inconsistent with or otherwise prevent development of the Property for the uses, or reduce the density and intensity of development, or limit the rate or timing of development set forth in this Agreement, as long as Landowner is not in default under this Agreement.

9.2 Permitted Uses. The permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, provisions for reservation or dedication of land for public purposes, location and maintenance of on-site and off-site improvements, location of public utilities and other terms and conditions of development applicable to the Property, shall be those set forth in this Agreement, the Collective Standards and any amendments to this Agreement or the Project Approvals. City acknowledges that the Project Approvals provide for the land uses and approximate acreages for the Property.

9.3 Design Guidelines.

9.3.1. Additional Components. Landowner shall submit additional design guidelines components, identified in Exhibit B, for review by the City's Design Review Administrator. The additional design guidelines shall be approved, based on the timing set forth

in Exhibit B, before the corresponding map or permit is issued to Landowner. The additional design guidelines may be approved by the Design Review Administrator in his or her sole discretion if they meet the standards of Section 19.2. Upon approval, the additional design guidelines shall be deemed incorporated into the Southport Framework Plan Design Guidelines.

9.3.2. Amendments and Modifications. Amendments or modifications to the River Park Design Guidelines shall be made in accordance with the Southport Framework Plan.

10. Affordable Housing Obligations.

10.1 River Park Master Affordable Housing Agreement. Prior to the approval of the first residential small lot tentative subdivision map, or the first use permit, zoning administrator permit, design review approval, or building permit for a land use not requiring a small lot tentative map, the parties shall enter into a Master Affordable Housing Agreement to the City's satisfaction in accordance with the provisions of Chapter 15.40 (the "Inclusionary Housing Ordinance"), in general, and Section 15.40.110, in particular, of the West Sacramento Municipal Code.

10.1.1. The Master Affordable Housing Agreement will contain the general rules that will govern the development of affordable housing units for the Project (the "River Park Inclusionary Housing Program") as required to satisfy the Inclusionary Housing Ordinance. The Master Affordable Housing Agreement will contemplate some affordable single-story development and will incorporate accessible design elements. No residential small lot tentative subdivision map shall be approved and no use permit, zoning administrator permit, design review approval or building permit shall be granted unless and until a Memorandum of Master Affordable Housing Agreement has been recorded against the River Park Property. This Memorandum shall evidence and memorialize the existence of a fully executed and enforceable Master Affordable Housing Agreement applicable to the Project as a whole.

10.2 Parcel-Specific Affordable Housing Agreements. The details of the River Park Inclusionary Housing Program will be addressed in site-specific Affordable Housing Agreements by and between the Landowner and the City. Such Affordable Housing Agreements shall comply with Section 15.40.110 and shall be consistent with the River Park Master Affordable Housing Agreement. A Memorandum of Affordable Housing Agreement shall be recorded against each River Park large lot parcel that is allocated responsibility by the Master Affordable Housing Agreement for providing one or more affordable units. This Memorandum shall evidence and memorialize the existence of a fully executed and enforceable parcel-specific Affordable Housing Agreement applicable to the parcel against which it is recorded and shall be recorded against each applicable parcel prior to approval of a residential small lot final subdivision map or a building permit for a residential land use not requiring a small lot final map.

10.3 Alternative Inclusionary Housing Strategies. It is Landowner's intent to propose, in accordance with Section 15.40.080.B, as part of its Master Affordable Housing Program, alternative inclusionary housing strategies as a means of satisfying Landowner's affordable housing obligations. Landowner anticipates that these alternative strategies would involve multi-family parcels that are either a part of or situated in close proximity to the village core with its neighborhood-serving commercial center and Oak Tree Preserve Park. Landowner intends to work cooperatively with the City to develop an inclusionary strategy that may include an age restricted affordable tax credit project and/or a family-oriented affordable condominium project. The remaining low and/or moderate income affordable units for which Landowner will be responsible would be dispersed throughout the project on a parcel-specific basis.

10.4 Dedication of High Density Residential Sites. At the City's discretion, high-density residential sites may be dedicated to affordable housing developers in partial satisfaction of Landowner's inclusionary housing obligation, with Landowner to receive a credit against Landowner's project-wide allocation of affordable units under the Inclusionary Housing Ordinance for each unit of affordable housing that is constructed on the dedicated site. The parties anticipate that this arrangement may include the following conditions and requirements:

10.4.1. Landowner will be responsible for providing or causing to be provided any gap financing necessary to make the affordable housing available at an affordable purchase price or rent. The City will cooperate with Landowner and/or the affordable housing developer in a good faith, diligent effort to identify, apply for and secure outside sources of funding to address gap financing needs on a project-specific basis but shall in no case be obligated to expend City monies for this purpose.

10.4.2. The City will reserve the right to approve affordable housing developers for land dedication sites, and in the event the City, in its reasonable discretion, determines a competitive selection process is warranted, the City also reserves the right to select the affordable housing developer for a land dedication site through a Request for Proposals or similar competitive process.

10.4.3. Credits for affordable units constructed at a River Park land dedication site will be applicable to offset Landowner's inclusionary obligation to provide affordable units elsewhere within the River Park Project area. Landowner will not be allowed to transfer affordable housing credits from a River Park site to another Southport Village or to another location elsewhere within the City without City Council approval under the City's Inclusionary Housing Ordinance.

10.5 Minimum R-3 Densities. Minimum densities for R-3 zoned lands shall be as required by SACOG to assist the city in meeting its regional obligation to provide affordable housing. Averaging of densities across R-3 zoned lands will be permitted. Densities shall be calculated pursuant to the Southport Framework Plan Design Guidelines Section 3.17.

11. Comprehensive Plans.

11.1 Comprehensive Land Use Phasing Plan. The River Park permitted uses are designed to be developed in three primary phases as further described in the Comprehensive Land Use Phasing Plan (Exhibit C). The Parties expect that further analysis will result in a more efficient and/or cost-effective land use phasing strategy and that therefore, Exhibit C is conceptual in nature, but Landowner shall submit for review revisions to Exhibit C when directed by City to reflect the results of such further analyses. No revisions to Exhibit C shall be approved, however, without such comparable revisions to the Comprehensive Backbone Infrastructure Finance Plan (Exhibit D) as may be necessary to ensure that development of each phase of the Project is conditioned upon installation of the backbone utility and roadway improvements required to adequately serve each phase in accordance with the provisions of Section 11.2.

11.1.1. The Comprehensive Land Use Phasing Plan shall include, but not be limited to the phasing of the following:

11.1.2. Project construction activities, which may include but not be limited to limitations on construction traffic levels and trips during peak hours on Jefferson Boulevard, alternative construction routes (i.e., Harbor Boulevard/Southport Parkway), and methods to minimize construction traffic on rural roads; and,

11.1.3. Planning and implementation of interim and alternative transit modes and routes, including a mechanism to permit substitution of transportation improvements and/or mitigation measures to achieve equivalent mitigation while protecting the interests of the affected neighborhood.

11.1.4. Landowner may also submit for review a Land Use Sub-Phasing Plan for the purpose of dividing the three primary phases of the Project as further described in Exhibit C into multiple sub-phases. No land use sub-phasing strategy shall be approved, however, without such comparable revisions to the Comprehensive Backbone Infrastructure Phasing Plan (Exhibit E) as may be necessary to ensure that development of each sub-phase of the Project is conditioned upon installation of the backbone utility and roadway improvements required to adequately serve each sub-phase in accordance with the provision of Section 11.2.

11.1.5. The foregoing revised exhibits and plans may be approved by the City Manager if they meet the standards of Section 19.2.

11.2 Comprehensive Backbone Infrastructure Phasing Plan. The backbone utility and roadway infrastructure required to adequately serve the River Park Project is designed to be constructed in phases as further described in the Comprehensive Backbone Infrastructure Phasing Plan (Exhibit E). This Infrastructure Phasing Plan describes in detail the mainline utility (sewer, water, and drainage) improvements and the principal roadway improvements that are required to be installed as a condition of development of each of the three primary phases of the Project as set forth in the Comprehensive Land Use Phasing Plan (Exhibit C). Except as provided by written waiver by the City, no building permit shall be issued within each phase of the Project unless and until all public infrastructure improvements necessary to serve each such phase of the Project, as identified by Exhibit C, have been substantially completed and accepted by the City, or a secured deferred improvement agreement has been entered into by City and Landowner.

11.2.1. The Parties acknowledge that further analysis may result in a more efficient and/or cost-effective backbone infrastructure phasing strategy and that therefore, Exhibit E is conceptual in nature, but Landowner shall submit for review revisions to Exhibit E when directed by City to reflect the results of such further analysis. Moreover, when Landowner submits, pursuant to Section 11.1, revisions either to the Comprehensive Land Use Phasing Plan (Exhibit C) or a Land Use Sub-Phasing Plan, such revisions shall not be approved without adjustments made to the Comprehensive Backbone Infrastructure Phasing Plan (Exhibit E) as necessary to accommodate the revisions to the phasing plan or the sub-phasing strategy. Such adjustments shall be a condition of approval with respect to the revisions to the phasing plan or the sub-phasing strategy they are designed to accommodate.

11.2.2. The foregoing revised exhibits and plans may be approved by the City Manager if they meet the standards of Section 19.2.

11.3 Comprehensive Backbone Infrastructure Finance Plan. The Comprehensive Backbone Infrastructure Finance Plan (Exhibit D) shall include detailed estimates by phase of: the costs of constructing the backbone infrastructure that is the subject of the Comprehensive Backbone Infrastructure Phasing Plan (Exhibit E); CFD bond proceeds that can reasonably be expected to be generated for use in funding the costs of constructing the backbone infrastructure; the fee revenues that will be generated by the River Park Project; the backbone infrastructure costs that are eligible for funding using fee revenues pursuant to the City's Capital Improvement Program; and the fee credits/reimbursements that will result where backbone infrastructure that is eligible for funding using fee revenues is advance funded by Landowner using CFD bond proceeds or other public or private financing mechanisms. The

parties acknowledge that Landowner has submitted a preliminary Exhibit D and that Landowner's ultimate submission shall be in a similar format.

11.3.1. The Comprehensive Backbone Infrastructure Finance Plan (Exhibit D) shall demonstrate the manner in which each phase of the backbone infrastructure described in the Comprehensive Backbone Infrastructure Phasing Plan (Exhibit E) is to be funded. As a result, whenever Landowner proposes to make changes to Exhibit E pursuant to Section 11.2, the Comprehensive Backbone Infrastructure Finance Plan (Exhibit D) shall also need to be revised. Such revisions to Exhibit D may be approved by the City Manager if they meet the standards of Section 19.2 and shall be a condition of approval with respect to the proposed changes to the Infrastructure Phasing Plan they are designed to accommodate.

11.4 The Comprehensive Recreational Phasing and Finance Plan. The parks program for the Project is described in the River Park Design Guidelines and shall be described in further particularity in the Comprehensive Recreational Phasing and Finance Plan (Exhibit F). Exhibit F shall identify the neighborhood and community parklands to be dedicated to the City; shall identify the parkland improvements to be constructed on the neighborhood and community parklands; and include a Finance Plan:

- that demonstrates the park fee revenues generated by the project will be sufficient to cover the costs of constructing the parkland improvements;
- that makes provision for the funding of long term maintenance of the parkland improvements once constructed; and
- that describes the manner in which the parkland improvements will be phased consistent with the Comprehensive Land Use Phasing Plan (Exhibit C).

The parties acknowledge that the dollar amounts in the Finance Plan shall be best estimates only, and shall not preclude the City from revising those estimates upwards when based on a study or inflationary index. The parties acknowledge that Landowner has submitted a preliminary Exhibit F and that Landowner's ultimate submission shall be in a similar format.

For all facilities delivered pursuant to Section 11.4, the City shall have a controlling role in programming, design, and construction of the facilities; however, all costs associated with these facilities shall be borne by Landowner.

12. Master Plan Updates and Impact Fee Studies.

12.1 Parks Master Plan Update.

12.1.1. Funding of the Updated Parks Master Plan and Park Impact Fee Study. Except as otherwise provided in Section 12.1.4, Landowner shall fund its proportionate share of an update to the Parks Master Plan and a Park Impact Fee Study. Proportionate share shall be determined based upon the projects participating in the update and is initially estimated to be twenty five percent (25%) of two hundred thousand dollars (\$200,000). Landowner shall deposit funds with City within thirty-five (35) days of the Effective Date, or the date the City determines Landowner's proportionate share, whichever occurs later.

12.1.2. Update to the Master Plan and Fee Study. Except as otherwise provided in Section 12.1.4, the City shall commence the update of the Parks Master Plan and Fee Study not more than thirty (30) days after receipt of funds from all participating projects.

Once the update and fee study are commenced, the City shall move forward expeditiously with the development and approval of the update and fee study. Landowner expressly acknowledges and agrees that City shall not commence the update to the Master Plan and Fee Study until and unless it receives fees sufficient to cover the costs of the updates.

12.1.3. Purpose of the Update to the Parks Master Plan and Park Impact Fee Study. The purpose of this update shall be to (1) reflect additional population projections in the Southport area (including the Project), (2) identify park facilities necessary to serve that population, (3) determine the costs associated with developing the identified park facilities, (4) incorporate the parkland dedications and parkland improvements contemplated by the parks program for the Recreational Phasing and Finance Plan (Exhibit F) into the Parks Master Plan, and (5) include a Park Impact Fee Study for the purpose of updating the City's park-related fees. Once the update is commenced, the City shall move forward expeditiously with the development and approval of the fee update.

12.1.4. Building Permits. No building permits shall be issued for the Project until the update of the Parks Master Plan and Park Impact Fee Study is completed and the updated impact fee is approved. All required improvements identified in the updated Master Plan shall be financed and constructed in accordance with the Comprehensive Recreational Phasing and Financing Plan (Exhibit F). Notwithstanding the foregoing, in the event that the update to the Parks Master Plan and Park Impact Fee Study has not been approved within eighteen (18) months after the City commences the update, Landowner may be eligible to pull building permits if Landowner pays the then existing park impact fee and enters into an agreement with the City to pay the updated park impact fee when it is approved. Landowner expressly acknowledges and agrees, however, that no building permits will be issued until and unless City receives fees from Landowner and participating projects, sufficient to cover the cost to commence the update to the Master Plan and Park Impact Fee Study.

12.1.5. Alternative Timing for Update to the Master Plan and Fee Study.

12.1.6. If the City has not obtained all the funds necessary to update the Parks Master Plan and Park Impact Fee Study within ninety (90) days of the Effective Date, then Landowner may request that the City commence the updates to the Master Plan and Impact Fee Study, subject to the written approval of the Director. Upon approval of the Director, Landowner shall deposit with the City one hundred percent (100%) of the cost of the updates. Landowner acknowledges that, notwithstanding Section 13, Landowner may not be entitled to reimbursement for funding the updates under this Section.

Landowner may request a deferral of the update to the Master Plan and Impact Fee Study for the Project from the Director. Prior to commencement of the deferred update, Landowner shall deposit with the City one hundred percent (100%) of the cost of the update; Landowner acknowledges that, notwithstanding Section 13, Landowner may not be entitled to reimbursement for funding the updates under this Section.

12.2 Drainage Master Plan and Drainage Impact Fee Study.

12.2.1. Funding of the Updated Drainage Master Plan and Drainage Fee Study. Except as otherwise provided in Section 12.2.6, Landowner shall fund its proportionate share of an update to the Drainage Master Plan and a Drainage Impact Fee Study. Proportionate share shall be determined based upon the projects participating in the update and their respective equivalent dwelling units. Landowner shall deposit funds with City within thirty-five (35) days of the Effective Date, or the date the City determines Landowner's proportionate share, whichever occurs later.

12.2.2. Update of the Master Plan and Fee Study. Except as otherwise provided in Section 12.2.6, the City shall commence the update of the Drainage Master Plan and Fee Study not more than thirty (30) days after receipt of funds from all participating projects. Once the update and fee study are commenced, the City shall move forward expeditiously with the development and approval of the update and fee study. Landowner expressly acknowledges and agrees that City shall not commence the update to the Master Plan and Fee Study until and unless it receives fees sufficient to cover the costs of the updates.

12.2.3. Eligibility for Reimbursement. Eligibility of Landowner for reimbursement shall be in accordance with Section 13.

12.2.4. Construction and Financing of Improvements. The Comprehensive Backbone Infrastructure Phasing Plan (Exhibit E) and the Comprehensive Backbone Infrastructure Finance Plan (Exhibit D) shall be revised as necessary to remain consistent with and incorporate any approved changes reflected in the update to the Drainage Master Plan. Such revisions may be approved by the City Manager if they meet the standards of Section 19.2.

12.2.5. Building Permits. No building permits shall be issued for the Project until the update of the Drainage Master Plan and Drainage Impact Fee Study is completed and the updated impact fee is approved. All required improvements identified in the updated Drainage Master Plan, as applicable to the River Park Project, shall be financed and constructed in accordance with the Comprehensive Backbone Infrastructure Phasing Plan and Comprehensive Backbone Infrastructure Finance Plan as revised in accordance with Section 11 above, as applicable to the River Park Project. Notwithstanding the foregoing, in the event that the update to the Drainage Master Plan and Drainage Impact Fee Study has not been approved within eighteen (18) months of the City commencing the update, Landowner may be eligible to pull building permits if Landowner pays the then existing drainage impact fee and enters into an agreement with the City to pay the updated drainage impact fee when it is approved. Landowner expressly acknowledges and agrees, however, that no building permits will be issued until and unless City receives fees from Landowner and participating projects, sufficient to cover the cost to commence the update to the Master Plan and Fee Study.

12.2.6. Alternative Timing for Update to the Master Plan and Fee Study. If the City has not obtained all the funds necessary to update the Drainage Master Plan and Drainage Impact Fee Study within ninety (90) days of the Effective Date, then Landowner may request that the City commence the updates to the Master Plan and Impact Fee Study specifically for the Project, subject to the written approval of the Director. Upon approval of the Director, Landowner shall deposit with the City one hundred percent (100%) of the cost of the updates; Landowner acknowledges that, notwithstanding Section 13, Landowner may not be entitled to reimbursement for funding the updates under this section since the update will only include the Project. The City and Landowner acknowledge and agree that the intent of this section is to provide Landowner an opportunity to move forward with the Drainage Master Plan and Drainage Impact Fee Study, in the event that the City is unable to obtain funding from all participating projects.

12.3 Water Master Plan.

12.3.1. Funding of the Updated Water Master Plan and Water Fee Study. Except as otherwise provided in Section 12.3.7, Landowner shall fund its proportionate share of an update to the Water Master Plan and a Water Impact Fee Study. Proportionate share shall be determined based upon the projects participating in the update and their respective equivalent dwelling units. Landowner shall deposit funds with the City within thirty-five (35) days

of the Effective Date, or the date the City determines Landowner's proportionate share, whichever occurs later.

12.3.2. Update of the Master Plan and Fee Study. Except as otherwise provided in Section 12.3.7, the City shall commence the update of the Water Master Plan and Fee Study not more than thirty (30) days after receipt of funds from all participating projects. Once the update and fee study are commenced, the City shall move forward expeditiously with the development and approval of the update and fee study. Landowner expressly acknowledges and agrees that City shall not commence the update to the Master Plan and Fee Study until and unless it receives fees sufficient to cover the costs of the updates.

12.3.3. Water Supply, Treatment Extensions and Storage. Landowner shall construct or advance funds for water supply, treatment extensions and/or storage expansion, or other infrastructure necessary to serve the Project, as identified in the updated Water Master Plan. The City shall have a controlling role in the program, design, and construction of such facilities.

12.3.4. Eligibility for Reimbursement. Eligibility of Landowner for reimbursement shall be in accordance with Section 13.

12.3.5. Construction and Financing of Improvements. The Comprehensive Backbone Infrastructure Phasing Plan (Exhibit E) and the Comprehensive Backbone Infrastructure Finance Plan attached as Exhibit D shall be revised as necessary to remain consistent with and incorporate any approved changes reflected in the update to the Water Master Plan. Such revisions may be approved by the City Manager if they meet the standards of Section 19.2.

12.3.6. Building Permits. No building permits shall be issued for the Project until the update to the Water Master Plan is completed and the updated impact fee approved. All required improvements identified in the updated Water Master Plan as applicable to the River Park Project shall be financed and constructed in accordance with the Comprehensive Backbone Infrastructure Phasing Plan and Comprehensive Backbone Infrastructure Finance Plan as revised in accordance with Section 11 above. Notwithstanding the foregoing, in the event that the update to the Water Master Plan and Fee Study has not been approved within eighteen (18) months of the City commencing the update, Landowner may be eligible to pull building permits if Landowner pays the then existing water impact fee and enters into an agreement with the City to pay the updated water impact fee when it is approved. Landowner expressly acknowledges and agrees, however, that no building permits will be issued until and unless City receives fees from Landowner and participating projects, sufficient to cover the cost to commence the update to the Master Plan and Fee Study.

12.3.7. Alternative Timing for Update to the Master Plan and Fee Study. If the City has not obtained all the funds necessary to update the Water Master Plan and Water Impact Fee Study within ninety (90) days of the Effective Date, then Landowner may request that the City commence the updates to the Master Plan and Impact Fee Study specifically for the Project, subject to the written approval of the Director. Upon approval of the Director, Landowner shall deposit with the City one hundred percent (100%) of the cost of the updates; Landowner acknowledges that, notwithstanding Section 13, Landowner shall not be entitled to reimbursement for funding the updates under this section since the update would only include the Project. The City and Landowner acknowledge and agree that the intent of this section is to provide Landowner an opportunity to move forward with the Water Master Plan and Water Impact Fee Study, in the event that the City is unable to obtain funding from all participating projects.

12.4 Sewer Master Plan.

12.4.1. Funding of the Updated Sewer Master Plan and Sewer Fee Study.

Except as otherwise provided in Section 12.4.7, Landowner shall fund an update to the Sewer Master Plan and a Sewer Impact Fee Study. Proportionate share shall be determined based upon the projects participating in the update and their respective equivalent dwelling units. Landowner shall deposit funds with the City within thirty-five (35) days of the Effective Date, or the date the City determines Landowner's proportionate share, whichever occurs later.

12.4.2. Update of the Sewer Master Plan and Fee Study. Except as otherwise provided in Section 12.4.7, the City shall commence the update of the Sewer Master Plan and Fee Study not more than thirty (30) days after receipt of funds from all participating projects. Once the update is commenced, the City shall move forward expeditiously with the development and approval of the update and fee study. Landowner expressly acknowledges and agrees that City shall not commence the update to the Master Plan and Fee Study until and unless it receives fees sufficient to cover the costs of the updates.

12.4.3. Wastewater Treatment. Landowner shall cooperate with Sacramento Regional County Sanitation District ("SRCSD") regarding the capacity of the wastewater treatment and lower northwest inceptor. Landowner shall also construct or advance funds for any required pump station improvements and/or wastewater infrastructure expansion necessary to serve the project. The City and SRCSD shall have a controlling role in the program, design, and construction of such facilities.

12.4.4. Construction and Financing of Improvements. The Comprehensive Backbone Infrastructure Phasing Plan (Exhibit E) and the Comprehensive Backbone Infrastructure Finance Plan attached as Exhibit D shall be revised as necessary to remain consistent with and incorporate any approved changes reflected in the update to the Sewer Master Plan. Such revisions may be approved by the City Manager if they meet the standards of Section 19.2.

12.4.5. Eligibility for Reimbursement. Eligibility of Landowner for reimbursement shall be in accordance with Section 13.

12.4.6. Building Permits. No building permits shall be issued for the Project until the update of the Sewer Master Plan is completed and the updated impact fee approved. All required improvements identified in the updated Sewer Master Plan, as applicable to the River Park Project, shall be financed and constructed in accordance with the Comprehensive Backbone Infrastructure Phasing Plan and Comprehensive Backbone Infrastructure Finance Plan as revised in accordance with Section 11 above. Notwithstanding the foregoing, in the event that the update to the Sewer Master Plan and Fee Study has not been approved within eighteen (18) months of the City commencing the update, Landowner may be eligible to pull building permits if Landowner pays the then existing sewer impact fee and enters into an agreement with the City to pay the updated sewer impact fee when it is approved. Landowner expressly acknowledges and agrees, however, that no building permits will be issued until and unless City receives fees from Landowner and participating projects, sufficient to cover the cost to commence the update to the Master Plan and Fee Study.

12.4.7. Alternative Timing for Update to the Sewer Master Plan and Fee Study. If the City has not obtained all the funds necessary to update the Sewer Master Plan and Sewer Impact Fee Study within ninety (90) days of the Effective Date, then Landowner may request that the City commence the updates to the Master Plan and Impact Fee Study specifically for the Project, subject to the written approval of the Director. Upon approval of the

Director, Landowner shall deposit with the City one hundred percent (100%) of the costs of the updates; Landowner acknowledges that, notwithstanding Section 13, Landowner shall not be entitled to reimbursement for funding the updates under this section since the update will only include the Project. The City and Landowner acknowledge and agree that the intent of this section is to provide Landowner an opportunity to move forward with the Sewer Master Plan and Sewer Impact Fee Study, in the event that the City is unable to obtain funding from all participating projects.

12.5 Traffic.

12.5.1. Funding of the Updated Traffic Master Plan and Traffic Fee Study.

Except as otherwise provided in Section 12.5.5, Landowner shall fund an update to the Traffic Master Plan and a Traffic Impact Fee Study in accordance with Exhibit H-1. Proportionate share shall be determined based upon the projects participating in the update and their respective equivalent dwelling units. Landowner shall deposit funds with the City within thirty-five (35) days of the Effective Date, or the date the City determines Landowner's proportionate share, whichever occurs later.

12.5.2. Update of the Master Plan and Fee Study. Except as otherwise provided in Section 12.5.5, the City shall commence the update of the Traffic Master Plan and Fee Study in accordance with Exhibit H-1 not more than thirty (30) days after receipt of funds from all participating projects. Once the update and fee study are commenced, the City shall move forward expeditiously with the development and approval of the update and fee study. The updated Traffic Impact Fee study shall encompass the Improvements set forth in Exhibit G. Landowner also agrees to make the roadway improvements and roadway funding commitments more particularly described in the Comprehensive Backbone Infrastructure Phasing Plan (Exhibit E) and Comprehensive Backbone Infrastructure Finance Plans (Exhibit D). Landowner expressly acknowledges and agrees that City shall not commence the update to the Master Plan and Fee Study until and unless it receives fees sufficient to cover the costs of the updates.

12.5.3. Eligibility for Reimbursement. Eligibility of Landowner for reimbursement shall be in accordance with Section 13.

12.5.4. Building Permits. No building permits shall be issued for the Project until the update of the Traffic Master Plan is completed and the updated impact fee approved. All required improvements identified in the updated Traffic Master Plan as applicable to the River Park Project shall be financed and constructed in accordance with the Comprehensive Backbone Infrastructure Phasing Plan (Exhibit E) and Comprehensive Backbone Infrastructure Finance Plans (Exhibit D). Notwithstanding the foregoing, in the event that the update to the Traffic Master Plan and Fee Study has not been approved within eighteen (18) months of the City commencing the update, Landowner may be eligible to pull building permits if Landowner pays the then existing traffic impact fee and enters into an agreement with the City to pay the updated traffic impact fee when it is approved. Landowner expressly acknowledges and agrees, however, that no building permits will be issued until and unless City receives fees from Landowner and participating projects, sufficient to cover the cost to commence the update to the Master Plan and Fee Study.

12.5.5. Alternative Timing for Update to the Master Plan and Fee Study. If the City has not obtained all the funds necessary to update the Traffic Impact Fee Study within ninety (90) days of the Effective Date, then Landowner may request that the City commence the updates to the Traffic Impact Fee Study specifically for the Project, subject to the written approval of the Director. Upon approval of the Director, Landowner shall deposit with City one hundred percent (100%) of the cost of the updates and Landowner acknowledges that,

notwithstanding Section 13, it shall not be entitled to reimbursement for funding the update under this section since the update would only include the Project. The City and Landowner acknowledge and agree that the intent of this section is to provide Landowner an opportunity to move forward with the Traffic Impact Fee Study, in the event that the City is unable to obtain funding from all participating projects.

12.6 South River Road Bridge Project.

12.6.1. Construction of the South River Road Bridge. The South River Road Bridge, as more particularly described in Exhibit G, shall be constructed and completed prior to the issuance of the combined total of two thousand (2,000) residential building permits within the Southport area beyond those identified as Existing Plus Approved. Once the two thousandth (2,000th) threshold is reached, no further building permits shall be issued for the Project until the South River Road Bridge is constructed and open to the public for use and enjoyment.

12.6.2. Funding of the South River Road Bridge. Landowner shall pay or advance all of its fair share fees and costs for the design, development and construction of the South River Road Bridge at least eighteen (18) months before the issuance of the two thousandth (2,000th) building permit in the Southport area, or as more particularly described in the Comprehensive Financing Agreement. The Comprehensive Bridge Financing Agreement shall identify with specificity the timing of Landowner's obligations toward financing the South River Road Bridge and Landowner's proportionate share of costs.

12.6.3. Reimbursement. Landowner shall be eligible for reimbursement pursuant to Section 13. In the City's sole discretion, Landowner may alternatively establish or join a financing mechanism to fund the design, development, and construction of the Bridge.

12.7 South River Road. Prior to the approval of the first final map for the project, Landowner shall dedicate a nonexclusive right of way with respect to South River Road as required by the Public Works and Community Development Director.

12.8 Additional Traffic Improvements. Additional traffic improvements and funding commitments are set forth at Exhibit H.

13. Infrastructure and Improvements Reimbursement. Whenever the size of any improvements set forth in this Agreement are partly attributable to other development projects, or Landowner advances funds in excess of its proportionate share for the update of any master plan or fee study in accordance with this Agreement, Landowner and the City will enter into a reimbursement agreement pursuant to the City's Municipal Code Chapter 16.48. The City acknowledges that the intent of a reimbursement agreement is to provide a mechanism by which Landowner may be eligible to receive reimbursement when the reasonable cost incurred by developer in constructing public improvements exceeds the developer's fair share of the cost of the improvements. Under such circumstances, Landowner may be eligible to receive reimbursement from applicable impact fees paid by the Landowner or other developers. Landowner acknowledges, however, that a reimbursement agreement does not guarantee reimbursement. The City finances the development of other public improvements in a similar manner, and as a result, some or all of the fees that the City will collect or be entitled to collect from other development may be used to reimburse other developers for eligible public improvements constructed by them. In addition, the City may contract directly for the construction of public improvements using available or anticipated impact fees. Consequently, the City makes no representation or warranty concerning the availability or sufficiency of future fees to provide full reimbursement to Landowner. Furthermore, in some cases Landowner may

be required by the terms of this Agreement to pay more than its fair share of the cost of certain public improvements. In such cases, Landowner may not be eligible for reimbursement or may be eligible for reimbursement, but in an amount less than what Landowner might otherwise be eligible to receive but for this Agreement. Nevertheless, the City and Landowner understand and agree that, within the constraints identified above, the intent of this Agreement is to attempt to provide a mechanism for reimbursing Landowner to the extent that reasonable costs exceed Landowner's "fair share," and although the City cannot guarantee a particular outcome, the City shall use its best efforts to exercise its discretion in a manner consistent with this intent.

14. Levee Improvements.

14.1 Necessary Levee Improvements. Prior to the approval of the first final map for the Project, Landowner shall comply with and implement any levee improvements determined by the City to be necessary for development of the Project. The parties anticipate that the improvements may include one or more of the following:

14.1.1. Conversion of Project's in-lieu fees with a mutually acceptable funding mechanism to City and Landowner,

14.1.2. Dedication of any land, permanent easement or right-of-way required for construction or maintenance of any feasible levee improvement which shall qualify for reimbursements or credits against the Project's in-lieu fees, in accordance with Section 13. Prior to the approval of the first final map for the project, Landowner shall dedicate land from the landside toe of the Sacramento River levee to the normal high water elevation to the City of West Sacramento.

14.1.3. Compliance with any flood construction standards that may be eventually mandated by the City or state, and/or additional financial advancements.

14.2 Value of Land. The value of any dedicated land, easements, or rights-of-way, shall be determined by the City at the time of the first tentative map approval.

14.3 FEMA Designation. In addition to any of the above improvements, Landowner shall make a financial advancement beyond the payment of in-lieu fees, to achieve a Federal Emergency Management Agency (FEMA) designation to allow the development of the Project; provided, however, that Landowner's requirement to make additional financial contributions is Non-Project Specific and the financial advancement is proportionate to the Project. The Comprehensive Backbone Infrastructure Phasing Plan (Exhibit E) and the Comprehensive Backbone Infrastructure Finance Plan (Exhibit D) shall be revised to address the timing and phasing of such improvements and financial contributions. Such revisions may be approved by the City Manager if they meet the standards of Section 19.2.

14.4 Construction Easements. Prior to the approval of the first final map for the Project, Landowner shall grant to the City, without compensation or credits, temporary construction easements along the Sacramento River levee, as required by the Army Corps of Engineers, Reclamation District 900, and/or the West Sacramento Flood Control Agency, for levee improvements within the Property. Landowner agrees that areas designated by those agencies shall be no-build areas until such time that the levee improvements are constructed and completed.

15. Additional Obligations.

15.1 Public Safety. In order to pay the start-up costs for one public safety officer for all three shifts for the first five years, Landowner shall pay \$330,000 per year for five years, payable over five annual installments. The first installment shall be paid prior to issuance of the first building permit for the third phase of the Project (as described in Exhibit C), and the subsequent four installments shall be paid no later than each annual anniversary date thereafter. Landowner acknowledges that the City may adjust the \$330,000 amount to account for inflation based upon the Consumer Price Index for the region. If the parties mutually agree, a CFD (or other financing mechanism acceptable to the City) may be established to finance said public safety officer position.

15.2 School Dedication. Landowner shall enter into a mitigation agreement with the Washington Unified School District ("the WUSD"), to the satisfaction of the WUSD, for the phasing and development of school facilities to serve the Project. Prior to issuance of a building permit for the Project, Landowner shall provide the City with evidence of the fully executed mitigation agreement.

15.3 Evacuation and Emergency Management Plan. Landowner shall fund its fair share of an update to the City's Evacuation and Emergency Management Plan to include the Project prior to the approval of the first final map for the Project.

15.4 Enhanced Transit System. Prior to the approval of the first small lot final map for the Project, Landowner shall participate in a phased funding mechanism to finance capital costs for an enhanced transit system, which Landowner's contribution is initially estimated at one million seven hundred thousand dollars (\$1,700,000), and participate in a phased financing mechanism for annual operating costs, initially estimated at six hundred thousand dollars (\$600,000). The assessment district shall include the Project and any other projects as bound between Jefferson Boulevard, the Sacramento River, and the barge canal, for an enhanced Southport-wide transit system upon City adoption. The Comprehensive Land Use Phasing Plan (Exhibit C) shall address the timing and/or phasing of such mechanism. Landowner acknowledges that the City may adjust the \$1,700,000 and \$600,000 amounts to account for inflation based upon the Consumer Price Index for the region, and further acknowledges that the City may request during the term of this Agreement that the Comprehensive Land Use Phasing Plan (Exhibit C) be amended to account for Landowner's fair share of transit costs.

15.5 Traffic Reduction Plan. Prior to approval of the first small lot tentative subdivision map for the Project, Landowner shall provide the City with a traffic reduction plan for the Project to the satisfaction of the Public Works and Community Development Director, which provides measures to reduce traffic, such as:

15.5.1. Parking facilities: preferential parking for carpools and vanpools, perimeter or park-and-ride lots with shuttle service, restricted parking for single-occupancy vehicles;

15.5.2. Bicycle facilities: secured bicycle parking facilities, bicycle lockers, bicycle racks, showers and lockers;

15.5.3. Services: additional transit stops shall be provided in and around the village core to serve the MR and HR land uses; on-site sale of transit passes, shuttle services, carpool/vanpool matching services, informational and promotional programs, guaranteed ride-home program;

15.5.4. Subsidies: subsidies for transit passes/tickets, parking subsidies, vanpool subsidies;

15.5.5. Special incentives: creative incentive programs, disincentives, schedules (flextime, alternative work shifts), telecommuting; and,

15.5.6. Other: golf cart transportation routes between the Project village core, the Project community park, and the southwest village core, golf cart parking within the Project village core and community park, employee travel allowance, reduced-emission vehicles, and on-site child care facilities.

15.6 Accessible Design. Medium density designated residential units in the Project shall vary in product type and include accessible designs, such as single story units, units with living quarters and bedrooms located on the first floor, and/or units that incorporate architectural elements such as wide hallways that promote use of the unit by senior citizens or people with disabilities.

15.7 Greenhouse Gas Emissions Reduction Strategy. Landowner shall incorporate into the Project the strategies for reducing greenhouse gas emissions set forth in Exhibit K.

16. Rural Residential Setback. A thirty (30) foot minimum building setback shall apply for parcels within the Project that are immediately adjacent to the existing rural residential lands on the south side of Davis Road.

16.1 Financing. Landowner may request that the City initiate the formation of a Community Facilities District ("CFD") formed pursuant to the Mello Roos Community Facilities Act of 1982 (Government Code section 53311 et seq.) for the purpose of financing the acquisition or construction of the Improvements and the issuing of bonds. The decision of whether to initiate CFD formation procedures shall be within the absolute discretion of the City.

16.2 Costs. Landowner shall be responsible for the costs of establishing any CFDs.

17. Service District for Maintenance.

17.1 Formation. Landowner waives its rights with respect to the formation of or inclusion in a special assessment district formed in accordance with the Comprehensive Backbone Infrastructure Finance Plan (Exhibit D) or the Comprehensive Recreational Phasing and Finance Plan (Exhibit F) for the purposes of operation of Improvements or publicly owned parks and facilities. Landowner acknowledges that the services to be financed by the Assessment Districts will provide a "special benefit" to the Property (as defined in Article XIII D of the California Constitution).

18. Home Owners Association. Landowner shall cause to be established a Home Owners Association or other non-City entity, to the satisfaction of the City, to own and maintain such Improvements within the Project as are designated in accordance with the Comprehensive Backbone Infrastructure Phasing Plan (Exhibit E), Comprehensive Backbone Infrastructure Finance Plan (Exhibit D), and the Comprehensive Recreational Phasing and Finance Plan (Exhibit F). The City shall have the right to approve and enforce all bylaws for all Home Owners Association and all Covenants, Conditions and Restrictions for the Property as they pertain to maintenance and repair of Improvements or any park.

19. Amendment or Cancellation.

19.1 Amendment by Mutual Consent. This Agreement may be amended in writing from time to time by mutual consent of the Parties hereto and in accordance with the procedures of State law and the Municipal Code.

19.2 Insubstantial Amendments. The City Manager is authorized to approve insubstantial amendments to this Agreement on behalf of the City without a hearing before or action by the Planning Commission or City Council. "Insubstantial amendments" means amendments to this Agreement which do not relate to (1) the term of the Agreement; (2) the permitted uses of the Property; (3) the reservation or dedication of land; (4) the location and maintenance of on-site and off-site improvements; (5) the density or intensity of use of the Project; (6) the maximum height or size of proposed buildings or (7) monetary contributions by Landowner required by this Agreement. All other amendments shall require approval by the City Council in accordance with the Development Agreement Law.

19.3 Amendment of Project Approvals. Any amendment of Project Approvals relating to: (1) the permitted use of the Property; (2) provision for reservation or dedication of land; (3) the density or intensity of use of the Project; (4) the maximum height or size of proposed buildings; (5) monetary contributions by the Landowner; (6) the location and maintenance of on-site and off-site improvements; or (7) any other issue or subject not identified as an "insubstantial amendment" in Section 19.2 of this Agreement, shall require an amendment of this Agreement. Other amendments of the Project Approval(s) shall not require amendment of this Agreement unless the amendment of the Project Approval(s) relates specifically to some provision of this Agreement.

19.4 Amendment of Limitation on Number of Units. Landowner acknowledges and agrees that the development of this Project shall not exceed 2,284 residential units. Landowner expressly waives its rights under the Development Agreement Law to request an amendment to this Agreement or the Project Approvals for the purpose of increasing the number of units for this Project to more than 2,284 residential units.

20. Rights and Duties of Mortgage Lenders in Possession of Property. Any Mortgage Lender who comes into possession of the Property, or any portion thereof, pursuant to a foreclosure of a Mortgage, or deed in lieu of such foreclosure ("Mortgage Lender"), shall not be eligible to apply for, receive, or exercise any rights under this Agreement or any of the Project Approvals which were vested in its predecessor in title prior to the time that the Mortgage Lender comes into possession, until the Mortgage Lender contractually assumes all of the obligations of its predecessor in title under this Agreement with respect to such property, including those obligations which accrued prior to the time that the Mortgage Lender came into possession of such property. The Mortgage Lender shall be entitled to the rights of this Agreement upon presentation to the City of a written agreement between the Landowner (or Subsequent Landowner) and the Mortgage Lender clearly indicating the transfer and/or assignment and assumption of the Landowner's obligations under the Agreement.

20.1 Any such assignment and assumption by the Mortgage Lender in possession and title shall be to the satisfaction of and in a form acceptable to the City Attorney, and shall be effective when the Mortgage Lender executes and delivers to the City Clerk an express agreement to contractually assume all of the obligations of its immediate predecessor in title under this Agreement with respect to all of the Property, or portion thereof, to which it has come into possession.

21. Annual Review of Agreement.

21.1 Review Date. The annual review date of this Agreement (the "Review Date") as required by Development Agreement Law shall be approximately twelve (12) months from the Effective Date and every twelve (12) months thereafter.

21.2 Procedures. The procedures for annual review shall be as set forth in the Development Agreement Law.

21.3 Fee for Annual Review. The cost for the City's annual review of this Agreement shall be paid by Landowner.

22. Default.

22.1 Default. The failure of either party to perform any obligation or duty under this Agreement within the time required by this Agreement shall constitute an event of default. (For purposes of this Agreement, a party asserting that the other party is in default shall be referred to as the "Complaining Party" and the other party shall be referred to as the "Defaulting Party.")

22.2 Notice. The Complaining Party may not place the Defaulting Party in default unless it has first given written notice to the Defaulting Party, specifying the nature of the default and the manner in which the default may be cured, if known to the Complaining Party. Any failure or delay by the Complaining Party in giving such notice shall not waive such default or waive any of the Complaining Party's remedies.

22.3 Cure. The Defaulting Party shall have thirty (30) days from the receipt of notice to cure the default. If the default cannot be reasonably cured within such time, the default cure shall be deemed cured if: (1) the cure is commenced at the earliest practicable date following receipt of notice; (2) the cure is diligently prosecuted to completion at all times thereafter; (3) at the earliest practicable date (but in no event later than thirty (30) days after receiving the notice of default), the Defaulting Party provides written notice to the Complaining Party that the cure cannot be reasonably completed within such thirty (30) day period; and (4) the default is cured at the earliest practicable date, but in no event later than ninety (90) days after receipt of the first notice of default.

22.4 Remedies. If the Defaulting Party fails to cure a default in accordance with the foregoing, the Complaining Party shall have the right to terminate this Agreement upon notice to the Defaulting Party and, except as provided in Section 22.7 may pursue all remedies available at law or equity, including specific performance and injunctive relief.

22.5 Additional Procedures and Remedies. The parties acknowledge that the foregoing default procedures and remedies are in addition to, and not in lieu of, the procedures and remedies set forth in City Council Resolutions 88-111 and 96-62, and Landowner waives the argument that any default taken against Landowner is not valid for failing to comply with the procedures and remedies set forth in City Council Resolutions 88-111 and 96-62.

22.6 Building Permits. In addition to and not in lieu of its other remedies, in the event that the City gives Landowner a notice of default and opportunity to cure as provided in Section 22.3, the City shall have the right to withhold issuance of any building permits for the Project, provided there is a nexus between the default and the structure for which the permit is being withheld, except where otherwise provided in this Agreement. Such withholding shall cease when the default is cured in accordance with this Agreement. For purposes of this Section, a nexus shall be deemed to exist if the default involves the failure of Landowner to timely pay fees or undertake or complete construction of the Improvements, any park, or any

public improvement identified in this Agreement, the Mitigation Monitoring and Reporting Program, any comprehensive plan identified in Section 11, or any subsequent approval by the City related to the Project.

22.7 Waiver of Damages. Notwithstanding anything in this Agreement to the contrary, the parties acknowledge that the City would not have entered into this Agreement had it been exposed to liability for damages from Landowner, and that therefore, Landowner hereby waives all claims for damages against the City for breach of this Agreement. Landowner further acknowledges that under the Development Agreement Law, land use approvals (including development agreements) must be approved by the City Council and that under law, the City Council's discretion to vote in any particular way may not be constrained by contract. Landowner therefore waives all claims for damages against the City in the event that this Agreement or any Project Approval is: (1) not approved by the City Council or (2) is approved by the City Council, but with new changes, amendments, conditions or deletions to which Landowner is opposed, subject to Landowner's rescission rights under Section 22.8. Landowner further acknowledges that as an instrument which must be approved by ordinance, a development agreement is subject to referendum; and that under law, the City Council's discretion to avoid a referendum by rescinding its approval of the underlying ordinance may not be constrained by contract, and Landowner waives all claims for damages against the City in this regard.

22.8 Rescission. In the event that Landowner believes that the purposes of this Agreement have been frustrated by the City Council's approval of this Agreement or any Project Approval with new changes, amendments, conditions or deletions to which Landowner is opposed, Landowner shall have ten (10) days after such approval in which to provide notice to the City that this Agreement shall be rescinded, without any further liability of the parties.

23. Indemnification, Defense and Hold Harmless. Landowner shall indemnify, defend, and hold harmless to the fullest extent permitted by law, the City (as defined in this Agreement) from and against any and all claims, liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with the Project, the Project Approvals or the Property (including any challenge to the validity of any provision of this Agreement or the Project Approvals, and including any actions or inactions of Landowner's contractors, subcontractors, agents, or employees in connection with the construction, improvement, operation, or maintenance of the Property and the Project), or Landowner's failure to comply with any of its obligations in this Agreement, or Landowner's failure to comply with any current or prospective Law; provided, however, that Landowner shall have no obligations under this Section for such loss or damage which was caused by the sole negligence or willful misconduct of the City, or with respect to the maintenance, repair or condition of any Improvement after dedication to and acceptance by the City or another public entity (except as provided in an improvement agreement or warranty bond). This indemnification obligation shall survive this Agreement and shall not be limited by any insurance policy, whether required by this Agreement or otherwise.

24. Insurance.

24.1 Public Liability and Property Damage Insurance. At all times that Landowner is constructing any Improvements, Landowner shall maintain in effect a policy of comprehensive general liability insurance with a per-occurrence combined single limit of one million dollars (\$1,000,000) and a deductible of not more than fifty thousand dollars (\$ 50,000) per claim. The policy so maintained by Landowner shall name the City as an additional insured and shall include either a severability of interest clause or cross-liability endorsement.

24.2 Workers' Compensation Insurance. At all times that Landowner is constructing any Improvements, Landowner shall maintain workers' compensation insurance for all persons employed by Landowner for work at the Project site. Landowner shall require each contractor and subcontractor similarly to provide workers' compensation insurance for its respective employees. Landowner agrees to indemnify the City for any damage resulting from Landowner's failure to maintain any such insurance.

24.3 Evidence of Insurance. Prior to commencement of construction of any Improvements, Landowner shall furnish City satisfactory evidence of the insurance required in Sections 24.1 and 24.2 and evidence that the carrier is required to give the City at least fifteen (15) days prior written notice of the cancellation or reduction in coverage of a policy. The insurance shall extend to the City, its elective and appointive boards, commissions, officers, agents, employees and representatives and to Landowner performing work on the Project.

25. Binding Effect on Successors.

25.1 Assignment. Landowner may not assign its interests under this Agreement without the: (1) written consent of the City Manager, which consent shall not be unreasonably withheld; and (2) execution by Landowner and the assignee of the form of assignment attached hereto as Exhibit H. Upon such assignment and assumption, Landowner shall be released from any further liability or obligation hereunder related to that portion of the Property so conveyed, and the Successor shall be deemed to step into the shoes of Landowner for purposes of this Agreement with respect to such conveyed property. For purposes of this Section, it shall not be unreasonable for the City Manager to withhold consent unless and until the proposed assignment demonstrates that it has the financial capability and experience needed to complete development of the Project or respective portions thereof, in the case of a partial assignment, and in accordance with the terms of this Agreement.

25.1.1. Notwithstanding the foregoing, the City Manager's consent to Landowner's assignment of its obligations to install the backbone utility and roadway improvements as referenced in the Comprehensive Backbone Infrastructure Finance Plan (Exhibit D) may be withheld in the City Manager's sole, absolute and unfettered discretion.

25.1.2. Any attempt to assign any rights under this Agreement other than by executing the form of assignment (Exhibit I) shall be void and constitute a default under this Agreement. Notwithstanding the foregoing, private parties who purchase an individual parcel defined by an approved and recorded final subdivision map that has been improved with a dwelling structure shall not be required to execute the form of assignment (Exhibit I), shall not be considered Successors, and this Agreement shall not be binding upon them.

25.2 Subsequent Assignments. Any Successor may assign its rights under this Agreement by complying with the procedures set forth in this Agreement.

25.3 Runs with the Land. Except as otherwise provided in this Agreement, all of the provisions, rights, terms, covenants, and obligations contained in this Agreement shall be binding upon the Parties and their respective heirs, successors and assignees, representatives, lessees, and all other persons acquiring the Property, or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever. All of the provisions of this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to applicable laws, including, but not limited to, Section 1466 of the Civil Code of the State of California. Each covenant to do, or refrain from doing, some act on the Property hereunder, or with respect to any owned property: (a) is for the benefit of such properties and is a burden upon such properties; (b) runs with such properties; and (c) is

binding upon each Party and each successive owner during its ownership of such properties or any portion thereof, and shall be a benefit to and a burden upon each Party and its property hereunder and each other person succeeding to an interest in such properties.

26. Further Assurances, Consent, Cooperation and Implementation.

26.1 Further Executions. The Parties agree to execute such reasonable additional instruments as are necessary to effectuate the intent of this Agreement; provided, however, that the City Council's discretion to vote in a particular manner cannot be constrained and that the City shall not be required to incur any costs thereby. Whenever the consent or approval of the other party is required under this Agreement, such consent shall not be unreasonably withheld, conditioned or delayed. The Parties shall cooperate in good faith in obtaining any permits, entitlements or approvals required by other government entities for the Project.

26.2 Subsequent Approvals. The Parties recognize and acknowledge that certain other land use approvals, entitlements, and permits other than the Project Approvals are necessary or desirable for the Project (collectively, the "Subsequent Approvals"). In particular, the Parties contemplate that Landowner will seek approvals for subdivision maps, use permits, and building and grading permits. The Subsequent Approvals may also include, without limitation, the following: amendments of the Project Approvals, design review approvals, improvement agreements, use permits, grading permits, building permits, lot line adjustments, sewer and water connection permits, certificates of occupancy, subdivision maps, re-zonings, development agreements, permits, re-subdivisions, and any amendments to, or repealing of, any of the foregoing.

26.2.1. Landowner acknowledges that City cannot process Subsequent Approvals unless and until Landowner submits complete applications on a timely basis. Landowner shall use its best efforts to (1) provide to City in a timely manner any and all documents, applications, plans, and other information necessary for City to carry out its obligations hereunder; and (2) cause Landowner's planners, engineers, and all other consultants to provide to City in a timely manner all such documents, applications, plans and other necessary required materials as set forth in the applicable City Law.

26.2.2. City may approve an application for such a Subsequent Approval subject to any conditions necessary to bring the Subsequent Approval into compliance with this Agreement or Applicable Law, or as necessary to make this Subsequent Approval consistent with the Project Approvals.

27. Miscellaneous.

27.1 Prevailing Wages. Landowner shall pay prevailing wages, and shall direct its contractors and other parties with which it has a contractual relationship with respect to the Project, to pay prevailing wages only if the same is required by the Prevailing Wage Law (Labor Code Section 1720 et seq.). Landowner's indemnification, defense and hold harmless obligations under Section 23 shall extend to any failure to pay prevailing wages in connection with the Project, only as required by State law.

27.2 Estoppel Certificate. Either Party may at any time request the other Party to certify in writing that: (1) this Agreement is in full force and effect; (2) this Agreement has not been amended except as identified by the other Party; and (3) to the best knowledge of the other Party, the requesting Party is not in default, or if in default, the other Party shall describe the nature and any amount of any such default. The other Party shall use its best efforts to

execute and return the estoppel certificate to the requesting Party within thirty (30) days of the request. The City Manager shall have authority to execute such certificates on behalf of the City.

27.3 Recordation. This Agreement shall not be operative until recorded with the Yolo County Recorder's office. Landowner shall record this Agreement at its expense with the County Recorder's office within ten (10) days of the Effective Date, and shall cause any amendment to this Agreement or any instrument affecting the term of this Agreement to be recorded within ten (10) days from date on which the same become effective. Any amendment to this Agreement or any instrument affecting the term of this Agreement which affects less than all of the Property shall contain a legal description of the portion thereof that is the subject of such amendment or instrument. Alternatively, Landowner and City may execute the instrument entitled "Memorandum of Development Agreement" attached hereto as Exhibit J, which shall be recorded against the Property, in lieu of recording the entire Agreement.

27.4 Notices. All notices required by this Agreement or the Development Agreement Law shall be in writing and personally delivered or sent by certified mail, postage prepaid, return receipt requested.

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

CITY OF WEST SACRAMENTO
Public Works and Community Development Director
1110 West Capitol Avenue
West Sacramento, CA 95691

Notice required to be given to Landowner shall be addressed as follows:

Stephen Thurtle
Senior Vice President
SCL West Sac Holdings, LLC
c/o Richland Planned Communities, Inc.
2220 Douglas Boulevard, Suite 290
Roseville, CA 95661

Either Party may change the address stated herein by giving notice in writing to the other Party, and thereafter notices shall be addressed and transmitted to the new address. All notices shall be deemed received on the earlier of the date that personal delivery is effected or the date shown on the return receipt.

27.5 References to Municipal Code. This Agreement contains references to articles and sections of the City's Municipal Code. If, after the Effective Date, the City amends or renumbers its Municipal Code, then the references in this Agreement shall be understood to apply to the amended or renumbered Municipal Code.

27.6 Third Party Beneficiaries. This Agreement is entered into for the sole benefit of the Parties and any Successors. No other party shall have any cause of action or the standing to assert any rights under this Agreement.

27.7 Force Majeure. Neither Party shall be liable for, and both Parties shall be excused from, any failure to deliver or perform or for delay in delivery or performance (except any obligation to pay any sum of money) due to any act of God. The foregoing shall not apply to floods that affect the Property. The Party claiming an extension due to Force Majeure shall

send written notice to the other Party within thirty (30) days from the commencement of the cause describing the circumstances.

27.8 Bankruptcy. The obligations of this Agreement shall not be dischargeable in bankruptcy.

27.9 Attorney's Fees and Costs in Legal Actions by Parties to the Agreement. Should any legal action be brought by either Party for breach of this Agreement or to enforce any provisions herein, the prevailing Party to such action shall be entitled to reasonable attorney's fees, court costs, and such other costs as may be fixed by the Court.

27.10 Attorney's Fees and Costs in Legal Actions by Third Parties to the Agreement. If any person or entity not a party to this Agreement initiates an action at law or in equity to challenge the validity of any provision of this Agreement or the Project Approvals, the Parties shall cooperate and appear in defending such action. Landowner shall bear its own costs of defense as a real party in interest in any such action, and Landowner shall reimburse City for all reasonable court costs and attorneys' fees expended by City in defense of any such action or other proceeding, provided that City reasonably cooperates with Landowner in the defense of such action.

27.11 Liability of City Officials. No City official or employee shall be personally liable under this Agreement.

27.12 Delegation. Any reference to any City body, official or employee in this Agreement shall include the designee of that body, official or employee, except where delegation is prohibited by law.

27.13 Severability. Should any provision of this Agreement be found invalid or unenforceable by a court of law, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable.

27.14 Integration. This Agreement constitutes the entire understanding and agreement of the Parties with respect to the subject matter hereof and supersedes any previous oral or written agreement. This Agreement may be modified or amended only by a subsequent written instrument executed by all of the Parties.

27.15 Counterparts. This Agreement may be signed in one (1) or more counterparts, and will be effective when all of the Parties have affixed their signatures to the counterparts, at which time the counterparts together shall be deemed one (1) original document; provided, however, that all executed counterparts are provided to the City Clerk.

27.16 Interpretation. The Parties acknowledge that this Agreement has been negotiated by both Parties and their legal counsel and agree that this Agreement shall be interpreted as if drafted by both Parties.

27.17 Inconsistency. In the event of any conflict or inconsistency between the provisions of this Agreement and the Project Approvals or exhibits, this Agreement shall prevail; provided, however, that this provision shall not be interpreted to prevent an exhibit from being updated when required by this Agreement or when agreed to by the parties.

27.18 Incorporation. The following Exhibits attached hereto are incorporated into this Agreement and made a part hereof by this reference.

Exhibit A: Legal Description of the Property
Exhibit B: Additional Design Guidelines Components
Exhibit C: Comprehensive Land Use Phasing Plan
Exhibit D: Comprehensive Backbone Infrastructure Finance Plan
Exhibit E: Comprehensive Backbone Infrastructure Phasing Plan
Exhibit F: Comprehensive Recreational Phasing and Finance Plan
Exhibit G: South River Road Bridge Project
Exhibit H: Traffic Improvements and Funding Commitments
Exhibit H-1: Traffic Impact Fee Study Requirements
Exhibit I: Form of Assignment
Exhibit J: Memorandum of Development Agreement
Exhibit K: Greenhouse Gas Emissions Reduction Strategies

27.19 Compliance with Laws. In connection with its performance under this Agreement, Landowner shall comply with all applicable present and prospective laws.

27.20 Applicable Law and Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of California without regard to principles of conflicts of law. In the event of litigation arising under this Agreement, venue shall reside exclusively in the Superior Court of the County of Yolo.

27.21 Time of the Essence. Time is of the essence of this Agreement.

IN WITNESS WHEREOF, the parties hereto are executing this Agreement on the dates set forth below, to be effective as of the Effective Date.

"CITY"

CITY OF WEST SACRAMENTO

By: 

Name: Christopher L. Cabaldon

Its: Mayor

Dated: June 18, 2008

"LANDOWNER"

SCL WEST SAC HOLDINGS, LLC
A Delaware limited liability company


By: 

Name: Stephen Thurtle

Its: Senior Vice President

Dated: June 18, 2008

ATTEST:


Kryss Rankin,
City Clerk

APPROVED AS TO FORM:


for Robert E. Murphy,
City Attorney

Exhibit A

Legal Description of the Property

All that certain real property situated in the County of Yolo, State of California and approximately described as follows:

Beginning at the most northerly corner of Parcel D, as said Parcel is shown on Parcel Map No. 2903, filed for record in Book 4 of Parcel Maps, Page 100, Official Records of said County; Thence from said Point of Beginning along the northerly line of said Parcel Map No. 2903 the following twelve (12) courses and distances:

1. South 67°13'01" East a distance of 434.60 feet;
2. South 22°46'59" West a distance of 1000.00 feet;
3. South 67°13'01" East a distance of 1101.20 feet;
4. South 67°13'01" East a distance of 860.00 feet;
5. North 22°46'59" East a distance of 1000.00 feet;
6. South 67°13'01" East a distance of 88.00 feet;
7. South 22°15'05" East a distance of 16.98 feet;
8. South 22°42'51" West a distance of 444.79 feet to a point situate on the North line of Parcel E, as shown on said Parcel Map No. 2903;
9. Along said North line, South 67°13'01" East a distance of 455.62 feet;
10. North 22°46'59" East a distance of 456.78 feet;
11. South 67°15'52" East a distance of 349.68 feet; and
12. South 67°07'14" East a distance of 172.62 feet to a point on the bank of the Sacramento River;

Thence along said bank the following sixteen (16) courses and distances:

1. South 24°13'13" East a distance of 365.80 feet;
2. South 34°14'37" East a distance of 963.05 feet;
3. South 47°29'29" East a distance of 746.03 feet;
4. South 39°05'43" East a distance of 937.44 feet;
5. South 22°05'26" East a distance of 48.80 feet;
6. South 09°55'45" East a distance of 93.24 feet;
7. South 01°16'54" East a distance of 204.40 feet;
8. South 32°11'22" West a distance of 94.95 feet;
9. South 29°32'54" West a distance of 139.87 feet;
10. South 51°09'16" West a distance of 91.50 feet;
11. South 77°04'21" West a distance of 85.69 feet;
12. South 44°29'47" West a distance of 164.49 feet;
13. South 48°28'21" West a distance of 143.23 feet;
14. South 60°52'54" West a distance of 190.19 feet;
15. South 70°21'44" West a distance of 236.78 feet; and
16. South 69°46'40" West a distance of 130.56 feet;

Thence North 53°50'18" West a distance of 409.63 feet; Thence South 16°54'00" East a distance of 336.50 feet to the bank of the Sacramento River; Thence along said bank the following four (4) courses and distances:

1. South 81°28'56" West a distance of 176.93 feet;
2. South 58°34'28" West a distance of 351.66 feet;

3. South 89°22'36" West a distance of 1459.10 feet; and
4. North 19°22'24" West a distance of 205.91 feet to the East line of Lot 3 as said Lot is described in the Grant Deed recorded as Document No. 2004-44745, Official Records of said County;

Thence along said East line North 19°22'24" West a distance of 1394.24 feet; Thence North 36°02'54" West a distance of 119.41 feet; Thence leaving said East line South 70°13'29" West a distance of 202.40 feet to the West line of Lot 2 as said Lot is described in said Grant Deed; Thence along said West line South 18°18'50" East a distance of 1435.69 feet to the bank of the Sacramento River; Thence along said bank South 18°18'50" East a distance of 185.58 feet; Thence South 86°14'11" West a distance of 294.58 feet; Thence leaving said bank South 87°46'11" West a distance of 270.26 feet; Thence North 14°58'38" West a distance of 19.90 feet; North 14°58'38" West a distance of 359.83 feet; South 74°56'04" West a distance of 673.33 feet; Thence North 15°03'56" West a distance of 295.46 feet; Thence South 75°46'34" West a distance of 284.90 feet; Thence South 15°12'01" East a distance of 172.02 feet; Thence South 75°46'34" West a distance of 506.50 feet; Thence North 15°12'41" West a distance of 172.03 feet; Thence South 75°46'34" West a distance of 549.25 feet; Thence South 63°03'04" West a distance of 433.63 feet; Thence North 26°56'56" West a distance of 1444.46 feet; Thence North 22°44'34" East a distance of 141.90 feet; Thence North 22°43'33" East a distance of 831.49 feet; Thence North 22°46'58" East a distance of 2398.35 feet to the northerly line of aforementioned Parcel D; Thence along said northerly line South 67°13'01" East a distance of 455.60 feet; Thence continuing along said northerly line North 22°47'07" East a distance of 1000.00 feet to the Point of Beginning and containing 452 acres of land, more or less.

Exhibit B

Additional River Park Design Guidelines Components

Additional River Park Design Guidelines components shall be incorporated into the River Park Design Guidelines for the Project and include and/or address the following:

IMPROVEMENT	TIMING
Submit master signage (including advertising) and fence (subdivision theme walls) plans.	Prior to approval of a large lot final map.
Revise design guidelines to address accommodation of wireless facilities in commercial development.	Prior to approval of first small lot tentative map.
Incorporate final land plan details for the area adjacent to existing Davis Rd. rural lots.	Prior to approval of first small lot tentative map.
Revise design guidelines to reflect one-story height limit and/or setbacks for lots adjacent to existing Davis Rd. rural lots.	Prior to approval of first small lot tentative map.
Revise design guidelines to prohibit in-ground swimming pools and basements in levee setback area.	Prior to approval of first small lot tentative map.
Revise design guidelines to strengthen objective of providing access to existing South River Road parcels. Landowner obligated to provide access to parcels, not to build driveways. Exact locations of access to be determined during small lot map stage.	Prior to approval of first small lot tentative map.
Update Parks section to align with final approved parks program.	Prior to approval of a large lot final map

The planning and design of bicycle paths, pedestrian pathways, and trails shall be phased to provide connectivity to other transit corridors within the Project and adjacent transit corridors. Such planning and design shall avoid (or if not avoidable, minimize to the extent possible) dangerous or otherwise incompatible crossings (e.g., loading docks) and internal traffic circulation.

7/11/00

Exhibit C
Comprehensive Land Use Phasing Plan
(Attached)

889284.10

C-1

JUL 08 2008

185

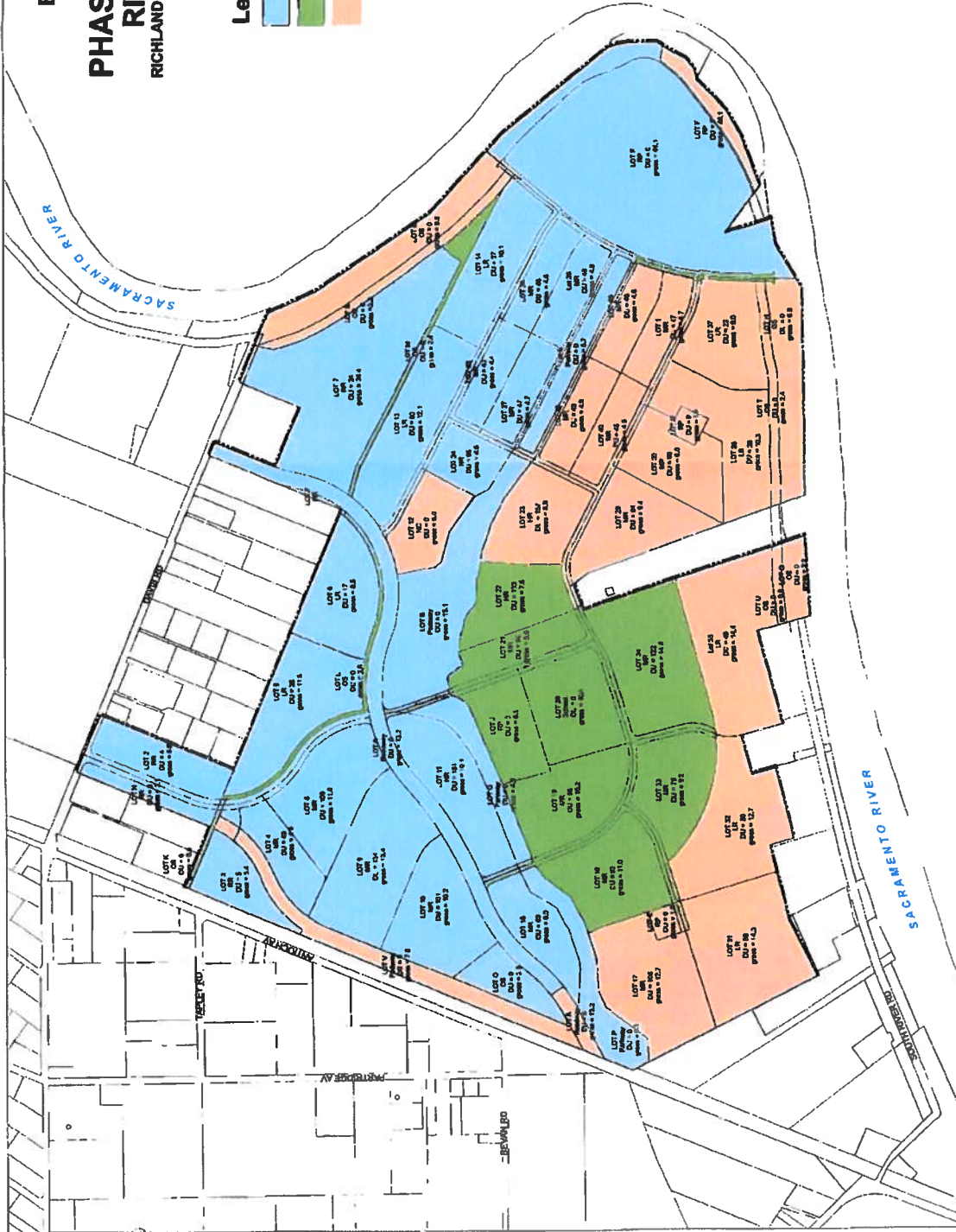
EXHIBIT B-1

**PHASING EXHIBIT
RIVER PARK
RICHLAND PLANNED COMMUNITIES**

Nov 1, 2007

Legend

- Phase 1
- Phase 2
- Phase 3



NOI
NORTH OREGON INVESTMENT



JUL 08 2008

Exhibit D

Comprehensive Backbone Infrastructure Finance Plan

Prior to approval of the first tentative subdivision map for the Project, Landowner shall enter into the Comprehensive Backbone Infrastructure Finance Plan with the City, to the satisfaction of the City.

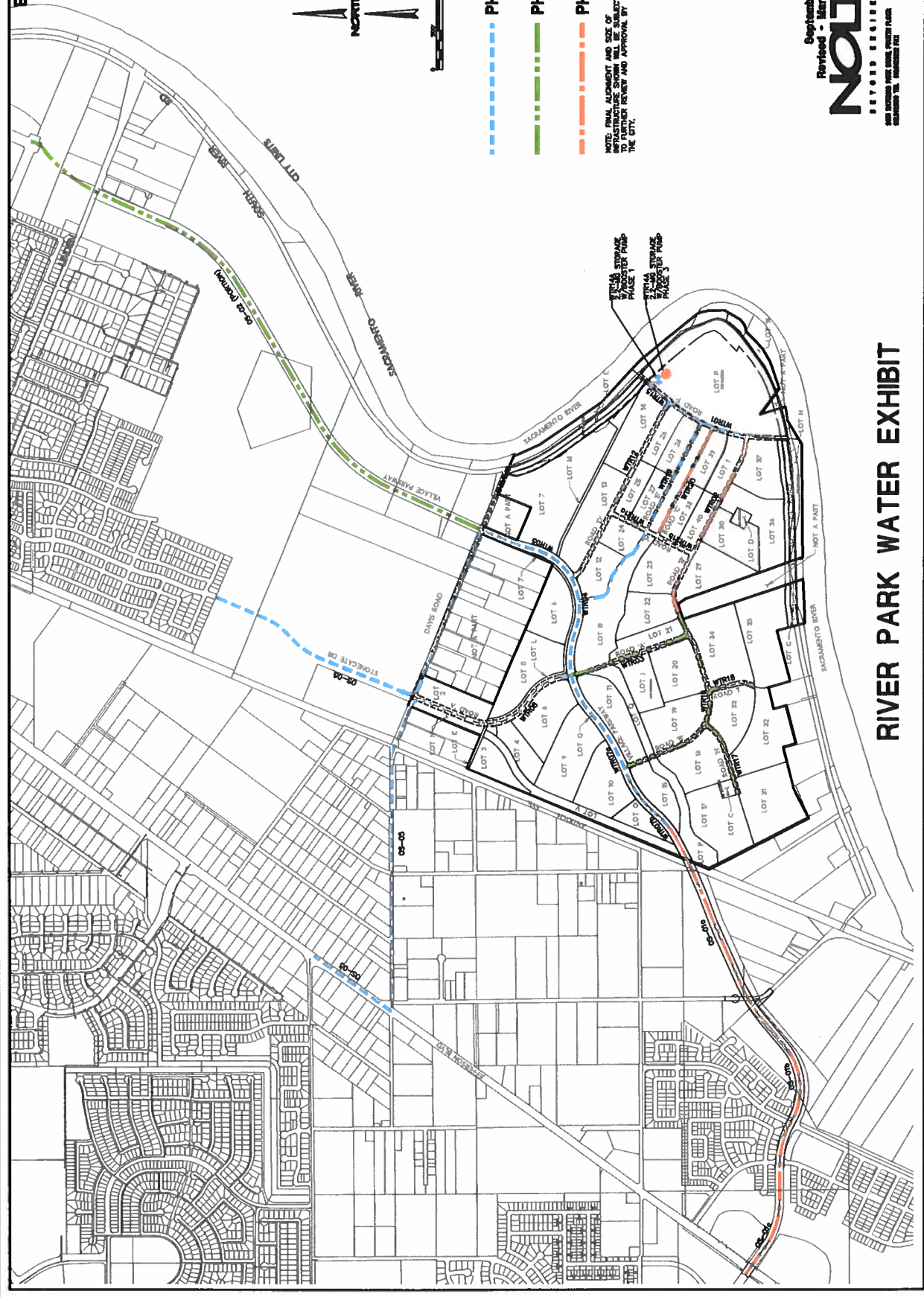
Exhibit E

Comprehensive Backbone Infrastructure Phasing Plan
(Attached)

889284.10

E-1

JUL 08 2008



September 2007
 Revised - March 2008
NOLTE
 GEOTECHNICAL ENGINEERING
 1000 UNIVERSITY AVENUE, SUITE 1000, SACRAMENTO, CA 95833
 TEL: 916.441.1100 FAX: 916.441.1101

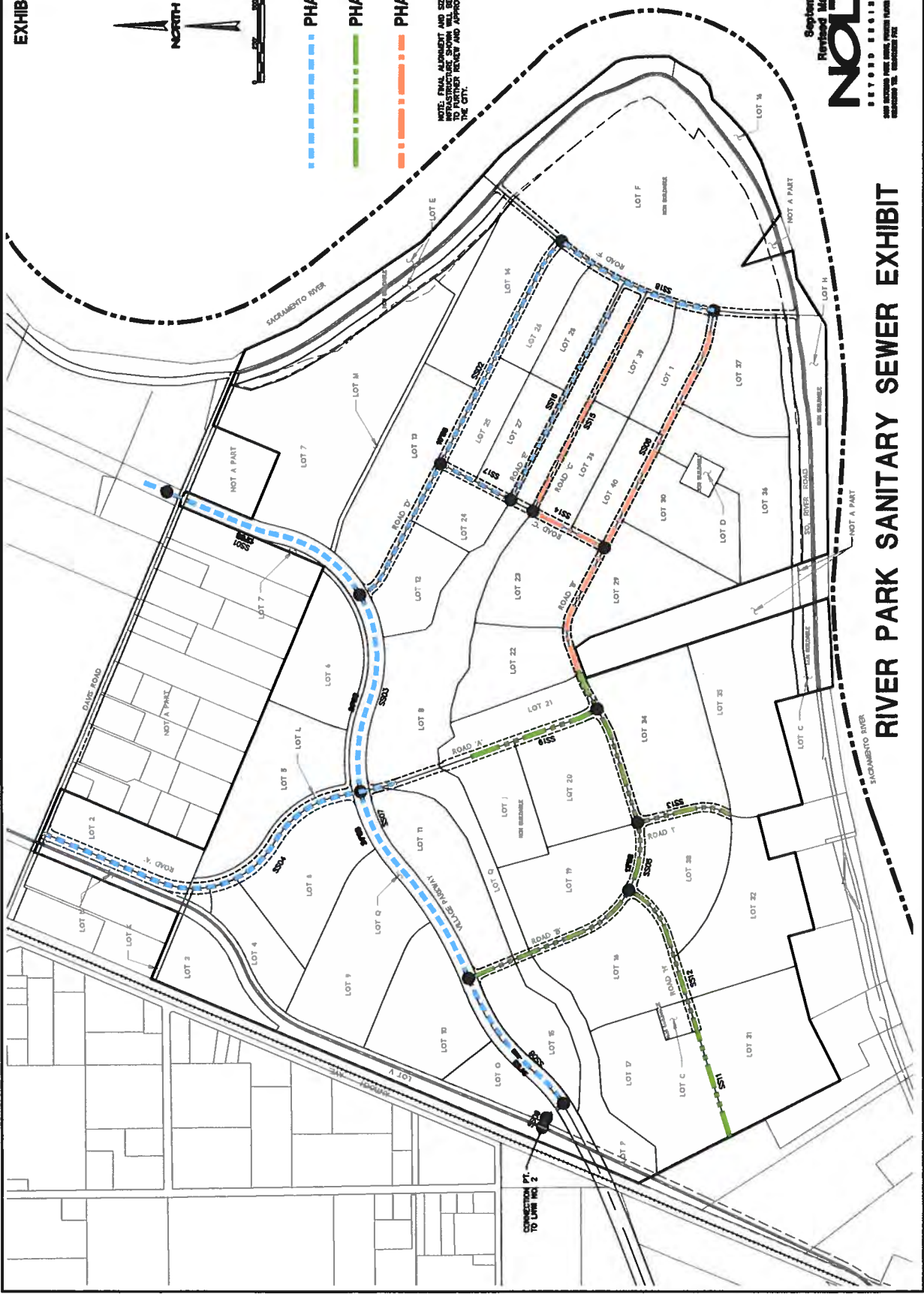
RIVER PARK WATER EXHIBIT

EXHIBIT B-3



- PHASE 1** (Blue dashed line)
- PHASE 2** (Green dashed line)
- PHASE 3** (Orange dashed line)

NOTE: FINAL ALIGNMENT AND SIZE OF INFRASTRUCTURE SHOWN WILL BE SUBJECT TO FURTHER REVIEW AND APPROVAL BY THE CITY.



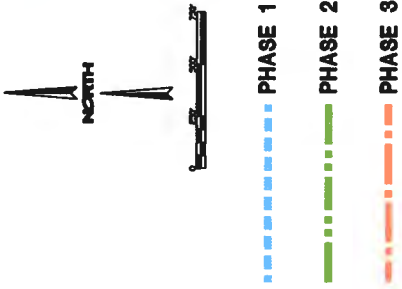
September 2007
 Revised March 2008

NOTICE

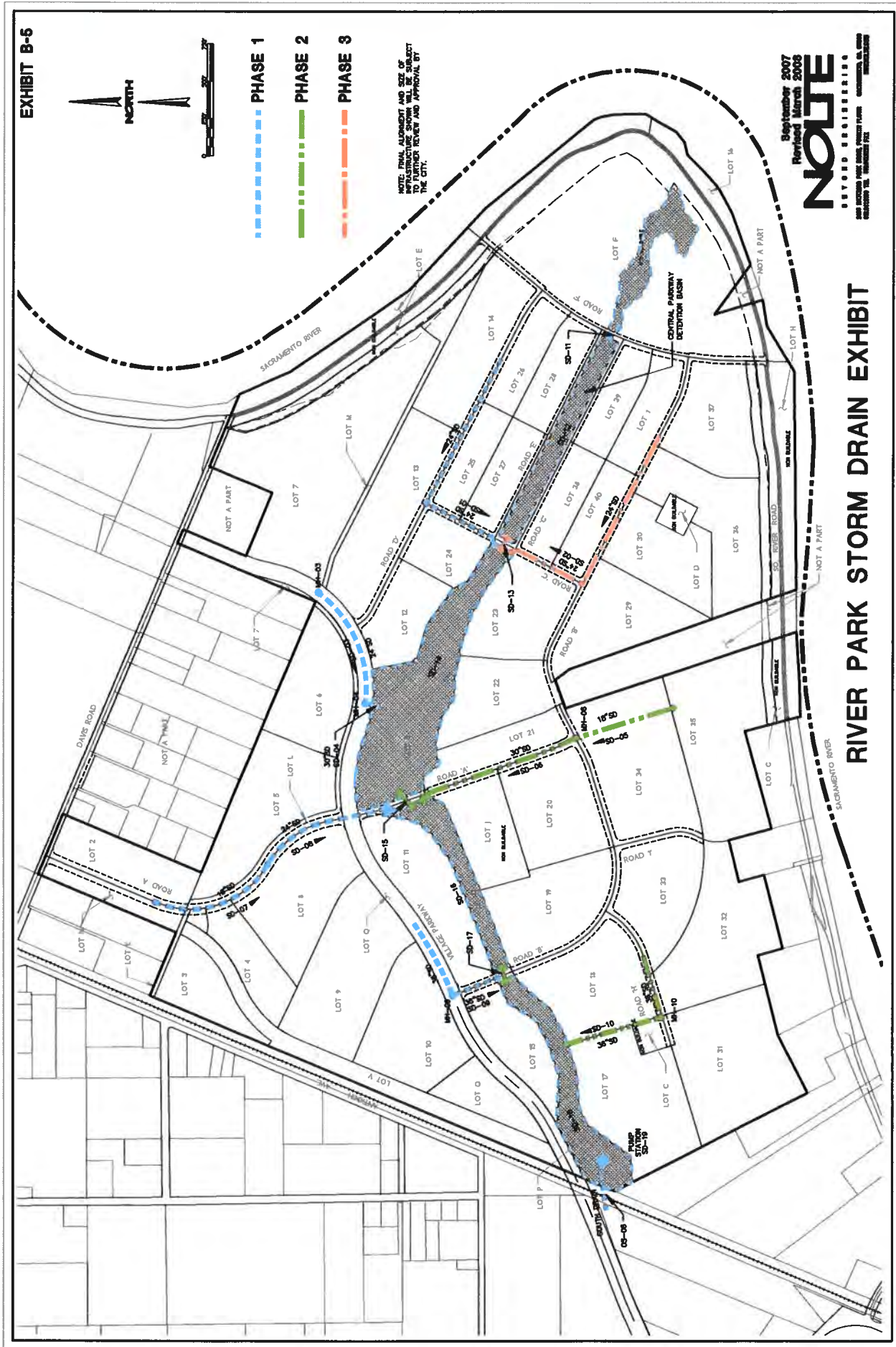
BEYOND ENGINEERING
 AND ARCHITECTURE
 1000 EAST 10TH AVENUE, SUITE 1000
 DENVER, CO 80202-1000
 TEL: 303.733.1000
 FAX: 303.733.1001

RIVER PARK SANITARY SEWER EXHIBIT

EXHIBIT B-6



NOTE: FINAL ALTERNATE AND USE OF INFRASTRUCTURE SHOWN WILL BE SUBJECT TO FURTHER REVIEW AND APPROVAL BY THE CITY.



September 2007
 Revised March 2008

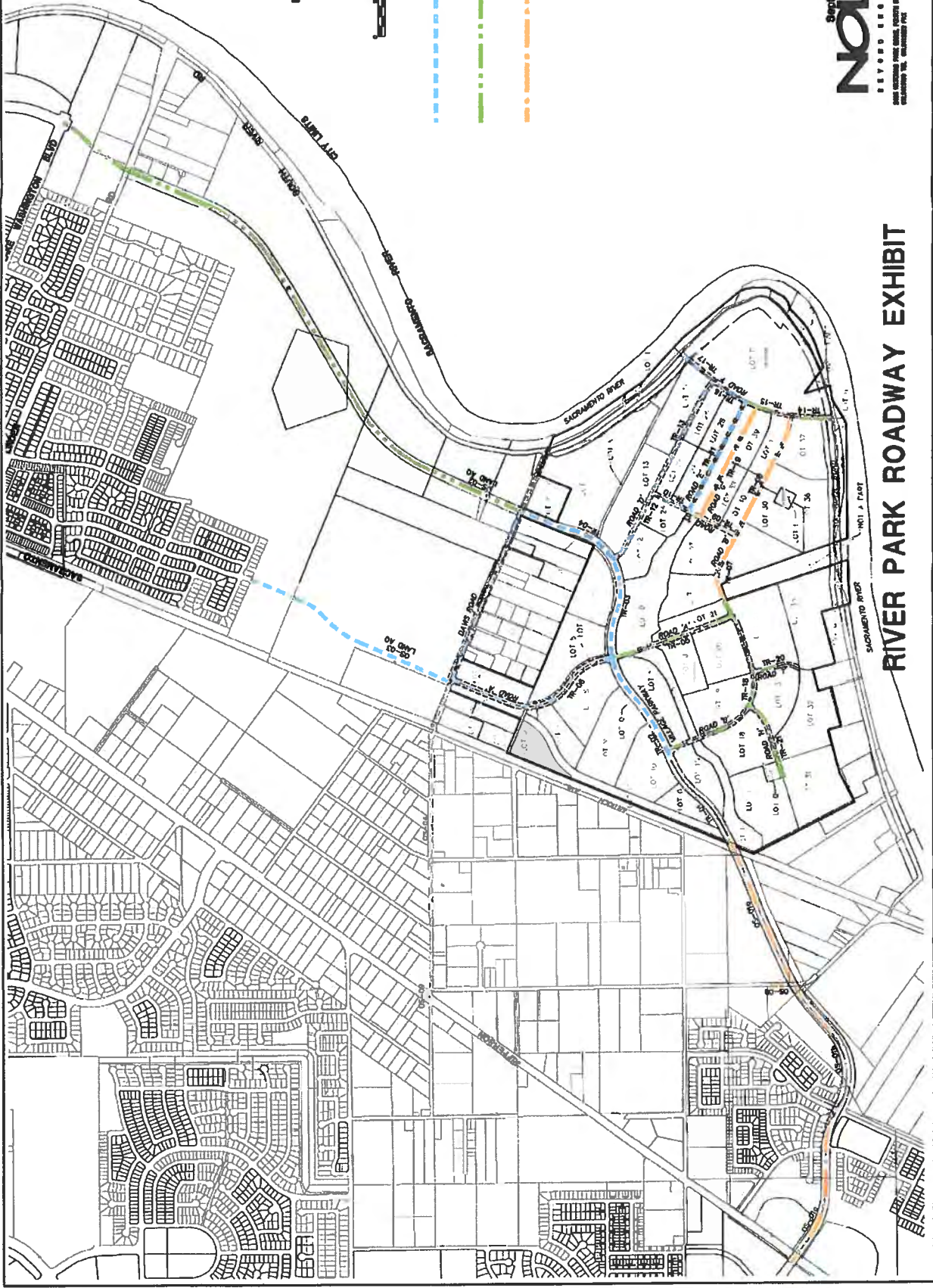
NOLTE

SEVERED ENGINEERING
 AND ARCHITECTURE
 1000 R STREET, SUITE 100
 SACRAMENTO, CA 95811
 TEL: 916.441.1111
 FAX: 916.441.1112

RIVER PARK STORM DRAIN EXHIBIT

JUL 08 2008

EXHIBIT B-6



- PHASE 1
- PHASE 2
- PHASE 3

September 2007
NOBLE
 BEYOND ENGINEERING
 2000 KENNEDY PARK BLVD., SUITE 1000 SACRAMENTO, CA 95811
 TEL: 916.441.1000 FAX: 916.441.1001

RIVER PARK ROADWAY EXHIBIT

Exhibit F

Comprehensive Recreational Phasing and Finance Plan

Prior to approval of the first tentative subdivision map for the Project, Landowner shall enter into the Comprehensive Recreational Phasing and Finance Plan with the City, to the satisfaction of the City.

EXHIBIT G

South River Road Bridge Project

The South River Road Barge Canal Crossing and Village Parkway Extension Project (the "South River Road Bridge") include the following, in addition to the right-of-way for each:

- Construction of a four (4) lane bridge over the Yolo Barge Canal (approximately 460 feet long).
- Extension of the four (4) lane Village Parkway from Stonegate Boulevard to the new canal crossing.
- Widening South River Road to three lanes (north of Barge Canal to the US-50 highway off-ramp).
- Lineal footage of the roads (+/- 7,200).

The widening of South River Road to three lanes north of the Barge Canal is considered interim due to existing right-of-way constraints along this segment, enabling earlier implementation of the project. As the South River Road industrial area redevelops, the ultimate widening of South River Road to four lanes will be required. Additionally, the project will include a two-way left-turn lane, median islands, bike lanes, traffic signals, curb, gutter, sidewalk, storm drainage, and landscaping.

Exhibit H

Traffic Improvements and Funding Commitments

Unless otherwise indicated, the following improvements and funding commitments shall be at the sole expense of the Landowner and not eligible for credits or reimbursements by the City.

IMPROVEMENT	TIMING	NOTES
Extend Stonegate Drive from its southerly terminus (Parlin Ranch) to Davis Road.	Prior to any improvements or grading within project boundaries.	Road to be limited to construction traffic only. Damage from construction vehicles must be repaired prior to City acceptance. No final lift should be installed while road is limited to construction traffic only.
Install a traffic signal at the Jefferson Boulevard/Davis Road intersection.	With Davis Road reconstruction and improvements to Davis/Gregory/Jefferson Blvd. intersection	Yarbrough to share in costs. Intersection improvements are funded through City's CIP.
Reconstruct Davis Road to latest Rural Road Standards, both within the Project and to the west of Project to Jefferson Blvd., including traffic calming measures.	Prior to issuance of any building permits.	Construction concurrent with water line construction of water line. Repair any construction damage to Davis Rd. Install signal infrastructure.
Redesign and reconstruct Davis Road/Gregory Avenue/Jefferson Blvd. intersection.	Prior to approval of the first small lot final map.	Design must be approved by City.

Exhibit H-1

Traffic Impact Fee Study Requirements

The following improvements shall be included in the update to the Traffic Impact Fee study:

IMPROVEMENT	TIMING
The realignment of the Harbor Blvd./Industrial Blvd. Intersection to three (3) legs.	Needed at combined development of 6,300 residential units in the Southport Area beyond those identified as Existing Plus Approved.
The construction, striping, and signage of a free right-turn lane on the westbound approach to Gateway Drive at the Jefferson Boulevard intersection.	Needed at combined development of 350 residential units in the Southport Area beyond those identified as Existing Plus Approved.
The construction, striping, and signage of a free right-turn lane on westbound Linden Road (north) at the Jefferson Boulevard intersection.	Needed at combined development of 2,650 residential units in the Southport Area beyond those identified as Existing Plus Approved.
The construction, striping, and signage of an additional left-turn lane on 15th Street at Jefferson Boulevard.	Needed at combined development of 2,750 residential units in the Southport Area beyond those identified as Existing Plus Approved.
The construction, striping, and signage of a third left-turn lane and expansion of the intersection by converting the dedicated northbound right-turn lane to a combined through/right-turn lane at the Jefferson Blvd./Lake Washington Blvd. intersection. Improvements shall include signal timing interconnect at the Southport Parkway/Lake Washington Blvd. intersection.	Needed at combined development of 3,900 residential units in the Southport Area beyond those identified as Existing Plus Approved.
The widening of Jefferson Boulevard from Linden Road (south) to Marshall Road.	Needed prior to any residential development in the Southport Area beyond those identified as Existing Plus Approved.

EXHIBIT I

Form of Assignment

OFFICIAL BUSINESS
Document entitled to free recording
Government Code Section 6103

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:
City of West Sacramento
1110 West Capitol Avenue
West Sacramento, CA 95691
Attn: City Clerk

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

RIVER PARK ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS RIVER PARK ASSIGNMENT AND ASSUMPTION AGREEMENT ("Agreement") is made by and between SCL West Sac Holdings, LLC, a Delaware limited liability company ("SCL West Sac"), and _____, a _____ ("Assignee").

RECITALS

1. On _____, 2008, the City of West Sacramento and SCL West Sac entered into that certain "River Park Development Agreement" (the "Development Agreement"). Pursuant to the Development Agreement, SCL West Sac agreed to develop the Property (as that term is defined in the Development Agreement) as set forth in the Development Agreement. The Development Agreement was recorded against the Property in the Official Records of Yolo County on _____, 2008, as Instrument No. 200_-_____.
2. SCL West Sac intends to convey a portion of the Property to Assignee, commonly referred to as Parcel _____, and more particularly identified and described in Exhibit A attached hereto and incorporated herein by this reference (the "Assigned Parcel").
3. SCL West Sac desires to assign and Assignee desires to assume all of SCL West Sac's right, title, interest, burdens and obligations under the Development Agreement with respect to and as related to the Assigned Parcel.

ASSIGNMENT AND ASSUMPTION

NOW, THEREFORE, SCL West Sac and Assignee hereby agree as follows:

1. SCL West Sac hereby assigns, effective as of its conveyance of the Assigned Parcel to Assignee, all of the rights, title, interest, burdens and obligations of SCL West Sac under the Development Agreement with respect to the Assigned Parcel. SCL West Sac retains all the rights, title, interest, burdens and obligations under the Development Agreement with respect the Property other than the Assigned Parcel.

2. Assignee hereby assumes all of the rights, title, interest, burdens and obligations of SCL West Sac under the Development Agreement with respect to the Assigned Parcel, and agrees to observe and fully perform all of the duties and obligations of SCL West Sac under the Development Agreement with respect to the Assigned Parcel. The parties intend hereby that, upon the execution of this Agreement and conveyance of the Assigned Parcel to Assignee, Assignee shall become substituted for SCL West Sac as the "Landowner" under the Development Agreement with respect to the Assigned Parcel.

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

4. The Notice Address described in the River Park Development Agreement for SCL West Sac with respect to the Assigned Parcel shall be:

5. This Agreement may be signed in identical counterparts.

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of this ____ day of _____, 2008.

SCL WEST SAC:

ASSIGNEE:

a _____

a _____

By: _____

By: _____

Print Name:

Print Name: _____

Title: _____

Title: _____



Yolo Recorder's Office
 Freddie Oakley, County Recorder
DOC- 2008-0020526-0
 Acct 117-West Sac - NC
 Tuesday, JUL 01, 2008 14:52:00
 Ttl Pd \$0.00 Nbr-00007740
 VRB/R6/

Exhibit J

Memorandum of Development Agreement

Recording Requested by and
 When Recorded Return to:

City of West Sacramento
 1110 West Capitol Avenue
 West Sacramento, California 95691

No recording fee required pursuant to Government Code Section 27383
 SPACE ABOVE THIS LINE FOR RECORDER'S USE

MEMORANDUM OF DEVELOPMENT AGREEMENT

THIS MEMORANDUM OF DEVELOPMENT AGREEMENT is made this 18th day of June, 2008, by and between the CITY OF WEST SACRAMENTO ("City") and SCL West Sac Holdings ("Landowner"), collectively referred to as the "Parties."

City and Landowner are Parties to that certain "Development Agreement" dated June 18, 2008 (the "Development Agreement"), the terms and conditions of which are hereby incorporated by this reference as if set forth in full herein. The Development Agreement controls the development of that certain real property, including improvements thereto, situated in the County of Yolo, State of California, and described as follows (the "Property"):

[See Exhibit A]

"CITY" "LANDOWNER"

CITY OF WEST SACRAMENTO

SCL WEST SAC HOLDINGS, LLC
 A Delaware limited liability company

By: [Signature]

By: [Signature]

Name: Christopher L. Cabaldon

Name: STEPHEN J. THANE

Its: Mayor

Its: Senior Vice President

Dated: June 18, 2008

Dated: June 18, 2008

ATTEST:

[Signature]
 Kryss Rankin,
 City Clerk

APPROVED AS TO FORM:
[Signature]
 Robert E. Murphy,
 City Attorney

to

6

State of California }
County of Yolo }

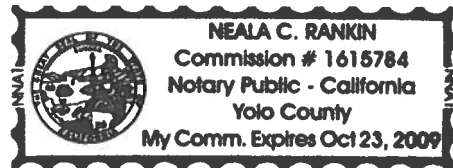
On June 18, 2008, before me, Neala C. Rankin, Notary Public, personally appeared Christopher L. Cabaldon, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person 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.



Neala C. Rankin, Notary Public



THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW:

Title or type of document: **Memorandum of Agreement –SCL West Sac Holdings**

Date of Document – June 18, 2008

JUL 08 2008

2

State of CALIFORNIA

County of PLACER

On JUNE 18, 2008 before me, KIRA GRIFFITH, a Notary Public, personally appeared STEVE THURTELL

STEVE THURTELL, 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 [Handwritten Signature]

Name: KIRA GRIFFITH
(typed or printed)



(Area reserved for official notarial seal)

JUL 08 2008

Exhibit A

Legal Description of the Property

All that certain real property situated in the County of Yolo, State of California and approximately described as follows:

Beginning at the most northerly corner of Parcel D, as said Parcel is shown on Parcel Map No. 2903, filed for record in Book 4 of Parcel Maps, Page 100, Official Records of said County; Thence from said Point of Beginning along the northerly line of said Parcel Map No. 2903 the following twelve (12) courses and distances:

1. South 67°13'01" East a distance of 434.60 feet;
2. South 22°46'59" West a distance of 1000.00 feet;
3. South 67°13'01" East a distance of 1101.20 feet;
4. South 67°13'01" East a distance of 860.00 feet;
5. North 22°46'59" East a distance of 1000.00 feet;
6. South 67°13'01" East a distance of 88.00 feet;
7. South 22°15'05" East a distance of 16.98 feet;
8. South 22°42'51" West a distance of 444.79 feet to a point situate on the North line of Parcel E, as shown on said Parcel Map No. 2903;
9. Along said North line, South 67°13'01" East a distance of 455.62 feet;
10. North 22°46'59" East a distance of 456.78 feet;
11. South 67°15'52" East a distance of 349.68 feet; and
12. South 67°07'14" East a distance of 172.62 feet to a point on the bank of the Sacramento River;

Thence along said bank the following sixteen (16) courses and distances:

1. South 24°13'13" East a distance of 365.80 feet;
2. South 34°14'37" East a distance of 963.05 feet;
3. South 47°29'29" East a distance of 746.03 feet;
4. South 39°05'43" East a distance of 937.44 feet;
5. South 22°05'26" East a distance of 48.80 feet;
6. South 09°55'45" East a distance of 93.24 feet;
7. South 01°16'54" East a distance of 204.40 feet;
8. South 32°11'22" West a distance of 94.95 feet;
9. South 29°32'54" West a distance of 139.87 feet;
10. South 51°09'16" West a distance of 91.50 feet;
11. South 77°04'21" West a distance of 85.69 feet;
12. South 44°29'47" West a distance of 164.49 feet;
13. South 48°28'21" West a distance of 143.23 feet;
14. South 60°52'54" West a distance of 190.19 feet;
15. South 70°21'44" West a distance of 236.78 feet; and
16. South 69°46'40" West a distance of 130.56 feet;

Thence North 53°50'18" West a distance of 409.63 feet; Thence South 16°54'00" East a distance of 336.50 feet to the bank of the Sacramento River; Thence along said bank the following four (4) courses and distances:

1. South 81°28'56" West a distance of 176.93 feet;
2. South 58°34'28" West a distance of 351.66 feet;

A-1

889284.10

JUL 08 2008

- 3. South 89°22'36" West a distance of 1459.10 feet; and
- 4. North 19°22'24" West a distance of 205.91 feet to the East line of Lot 3 as said Lot is described in the Grant Deed recorded as Document No. 2004-44745, Official Records of said County;

Thence along said East line North 19°22'24" West a distance of 1394.24 feet; Thence North 36°02'54" West a distance of 119.41 feet; Thence leaving said East line South 70°13'29" West a distance of 202.40 feet to the West line of Lot 2 as said Lot is described in said Grant Deed; Thence along said West line South 18°18'50" East a distance of 1435.69 feet to the bank of the Sacramento River; Thence along said bank South 18°18'50" East a distance of 185.58 feet; Thence South 86°14'11" West a distance of 294.58 feet; Thence leaving said bank South 87°46'11" West a distance of 270.26 feet; Thence North 14°58'38" West a distance of 19.90 feet; North 14°58'38" West a distance of 359.83 feet; South 74°56'04" West a distance of 673.33 feet; Thence North 15°03'56" West a distance of 295.46 feet; Thence South 75°46'34" West a distance of 284.90 feet; Thence South 15°12'01" East a distance of 172.02 feet; Thence South 75°46'34" West a distance of 506.50 feet; Thence North 15°12'41" West a distance of 172.03 feet; Thence South 75°46'34" West a distance of 549.25 feet; Thence South 63°03'04" West a distance of 433.63 feet; Thence North 26°56'56" West a distance of 1444.46 feet; Thence North 22°44'34" East a distance of 141.90 feet; Thence North 22°43'33" East a distance of 831.49 feet; Thence North 22°46'58" East a distance of 2398.35 feet to the northerly line of aforementioned Parcel D; Thence along said northerly line South 67°13'01" East a distance of 455.60 feet; Thence continuing along said northerly line North 22°47'07" East a distance of 1000.00 feet to the Point of Beginning and containing 452 acres of land, more or less.

Exhibit K

Greenhouse Gas Emissions Reduction Strategies

The following measures to reduce greenhouse gas emissions are in addition to those set forth in the River Park Final EIR:

- Require all heating and cooling systems, as well as installed appliances, be Energy Star certified. The City will require compliance with this measure prior to issuance of final occupancy of any residential or commercial structure.
- All residences, including multi-family residences, and commercial developments shall install water-efficient landscapes, meeting the minimum standards to be established by the Model Water Efficient Landscape Ordinance being prepared by the Department of Water Resources. The City will require compliance with this measure prior to issuance of final occupancy of any residential or commercial structure.
- Expand MM AIR-7a to require bicycle racks within all commercial and retail areas. Bicycle spaces would be required at the ratio of at least one bike rack space per 20 vehicle parking spaces. Also, require all apartment complexes or condominium projects without garages to provide one long-term bicycle parking space for each unit without a garage. Long-term parking would consist of a bicycle locker or a locked room with bicycle racks within the complex that can be accessed by bicycle owners only.
- Expand MM AIR-7c to require residential development to meet the Leadership in Energy and Environment Design or "Build It Green" standards. Require that all building plans submitted to the City for plan check include evidence of their compliance.
- Rooftop photovoltaic arrays shall be available as an option on all residences. The array shall provide at least 50 percent of the projected electrical energy needs of the residence.
- Bus shelters shall be installed at each bus stop to be designated by YoloBus within the development, and along the project's Village Parkway frontage. The shelters shall meet the requirements of YoloBus.
- The design of commercial parking lots shall include clearly marked and shaded pedestrian pathways between parking areas and building entrances, and between transit facilities and building entrances, if applicable. Shade trees installed within the project shall be selected from those species identified as "water-wise trees" on the Master Tree List in the City's Landscape Development Guidelines.

ORDINANCE 23-7

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST SACRAMENTO
APPROVING THE FIRST AMENDMENT TO DEVELOPMENT AGREEMENT BY AND
BETWEEN THE CITY OF WEST SACRAMENTO AND SUN M CAPITAL, LLC, A
CALIFORNIA LIMITED LIABILITY COMPANY**

The City Council of the City of West Sacramento does ordain as follows:

Section 1. Purpose And Authority. The purpose of this Ordinance is to amend that certain Development Agreement by and between the City of West Sacramento and Sun M Capital, A California Limited Liability Company, dated June 18, 2008 (“Development Agreement”).

Section 2. Amendments. The City and Sun M Capital, LLC, successor to the developer parties to the Development Agreement, hereby amend the Development Agreement according to the terms and provisions of the First Amendment, attached hereto as Attachment A.

Section 3. Severability. If any provision of this Ordinance, or the application of any such provision to any person or circumstance shall be held invalid, the remainder of this Ordinance, to the extent it can be given effect, or the application of those provisions to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby, and to this end the provisions of this chapter are severable.

Section 4. Effective Date and Publication. This Ordinance shall take effect 30 days after its adoption, and pursuant to Resolution 99-46 was published in summary format prior to adoption, and a summary will be published within 15 days after adoption in a paper of general circulation published and circulated within the City of West Sacramento.

PASSED AND ADOPTED by the City Council of the City of West Sacramento this ___ day of _____ 2023, by the following votes:

- AYES:**
- NOES:**
- ABSENT:**
- ABSTAIN:**

Martha Guerrero, Mayor

ATTEST:

APPROVED AS TO FORM:

Jennifer Cusmir, City Clerk

Jeffrey Mitchell, City Attorney

CODIFY ___ UNCODIFY X

Attachment A

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF WEST SACRAMENTO AND SUN M CAPITAL, A CALIFORNIA LIMITED LIABILITY COMPANY

This FIRST AMENDMENT to the DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF WEST SACRAMENTO AND SUN M CAPITAL, LLC dated June 18, 2008, is entered into by and between SUN M CAPITAL, LLC (“**Developer**”) and the City of West Sacramento, a municipal corporation (“**City**”) is entered pursuant to the authority of Government Code Sections 65864 through 65869.5 and shall be deemed to have an Effective Date of _____, 2023.

RECITALS

This First Amendment is predicated upon the following facts and findings:

- A. The City and Developer entered into a Development Agreement on June 18, 2008 (“**Development Agreement**”) relative to the River Park project (the “**Project**”) as approved on that date by City Ordinance 08-05, a memorandum of which was recorded by the Yolo County Recorder on July 1, 2008.
- B. The Project encompasses approximately 452 acres and is located in the southeast village of Southport and generally bound by the Clarksburg Branch Line Trail to the west, Davis Road to the north and the Sacramento River to the east and south. The project will support a balanced mixed of land uses including approximately 2,284 residential uses in varying densities and a small commercial component.
- C. The ownership is now solely comprising of one party, Sun M Capital, A California Limited Liability Company.
- D. Section 19 of the Development Agreement provides for amendments to such Agreement pursuant to state law and the West Sacramento Municipal Code.
- E. Over the course of the last several years, the real estate market has suffered, and the Project has been delayed for a variety of reasons, including disruptions to work schedules and supply chain interruptions caused by the COVID-19 pandemic and projects to mitigate flooding in the City.
- F. As a result of these delays, Developer and the City wish to amend the Development Agreement for an extension to enable the Parties to evaluate the Project’s status, determine if any substantive changes to the Project are necessary to best serve the respective needs of the Parties, and to consider the timeline of the Project going forward.
- G. To accommodate these evaluations, the Parties wish to extend the term of the Development Agreement for one year, until July 18, 2024.
- H. On April 6, 2023, the Planning Commission conducted a public hearing on this First Amendment and recommended approval to the City Council.
- I. On May 17, 2023, the City Council conducted a public hearing on this First Amendment and the adoption of Ordinance 23-7.

- J. The Developer and the City both desire to amend Section 4.2 the Development Agreement to extend the Development Agreement, based on the conditions contained in this First Amendment.

NOW THEREFORE, the parties agree to amend the Development Agreement as follows:

1. Amendment of Section 4.2. Section 4.2 of the Development Agreement shall be amended to read as follows:

“4.2 **Term.** The term of this Agreement shall commence on the Effective Date and shall end on July 18, 2024, unless said term is terminated, modified, or extended by circumstances set forth in this Agreement.

4.2.1 **Tolling.** The term of this Agreement shall be tolled if and for as long as City determines development within the Southport area is infeasible due to State, Federal, or local health and safety requirements; provided, however, that under this circumstance the term of this Agreement shall not be tolled for longer than five (5) years.

Following the expiration of the Term, this Agreement shall be deemed terminated and of no further force and effect, except as described in Section 23.”

2. Remainder of Provisions of Development Agreement. Except as expressly provided herein, nothing in this First Amendment shall be deemed to waive or modify any of the other provisions of the Development Agreement.
3. Interpretation of Conflicts. In the event that any provisions of this First Amendment conflict with the provisions of the Development Agreement, the terms of this First Amendment shall prevail.
4. Memorandum of First Amendment. Contemporaneously herewith, the City and Developer shall execute a notarized Memorandum of First Amendment in the form attached hereto as Exhibit A, which Memorandum shall be recorded with the Yolo County Recorder.

IN WITNESS WHEREOF, this First Amendment has been executed by the parties on the day and year first written above.

CITY OF WEST SACRAMENTO
A municipal corporation

Sun M Capital
A California Limited Liability Company

By: _____
Martha Guerrero, Mayor

By: _____

Print Name: _____

ATTEST:

By: _____
Jennifer Cusmir, City Clerk

APPROVED AS TO FORM:

KRONICK, MOSKOVITZ, TIEDMAN & GIRARD
A professional corporation

By: _____
Jeffrey Mitchell, City Attorney

EXHIBIT A

Memorandum of Agreement

**RECORDING REQUESTED BY AND WHEN
RECORDED RETURN TO:**

City of West Sacramento
1110 West Capitol Avenue
West Sacramento, CA 95691

NO RECORDING FEE REQUIRED PURSUANT TO GOVT CODE § 27383

SPACE ABOVE LINE FOR RECORDER'S USE ONLY

**MEMORANDUM OF FIRST AMENDMENT TO
DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF WEST SACRAMENTO
AND SUN M CAPITAL, A CALIFORNIA LIMITED LIABILITY COMPANY**

THIS MEMORANDUM OF FIRST AMENDMENT TO DEVELOPMENT AGREEMENT is made this ___ day of _____, 2023, by and between the CITY OF WEST SACRAMENTO ("City") and SUN M CAPITAL ("Developer").

City and Developer are parties to that certain "DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF WEST SACRAMENTO AND SUN M CAPITAL LLC, A CALIFORNIA LIMITED LIABILITY COMPANY dated June 18, 2008. The City and Developer are also parties to that certain "FIRST AMENDMENT TO DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF WEST SACRAMENTO AND SUN M CAPITAL, A CALIFORNIA LIMITED LIABILITY COMPANY," ("First Amendment") dated _____, 2023. The terms and conditions of the First Amendment are incorporated herein by this reference. The Development Agreement as amended by the First Amendment controls the development of the certain real property, including improvements thereto, situated in the County of Yolo, State of California, and described as follows:

SEE EXHIBIT "1"

Dated: _____ THE CITY OF WEST SACRAMENTO	Dated: _____ Sun M Capital, LLC
By: _____ Martha Guerrero, Mayor	By: _____
Attest: _____ Jennifer Cusmir, City Clerk	Print name: _____
	Title: _____

Exhibit 1

Legal Description

MEETING DATE: June 7, 2023

ITEM # 9

SUBJECT:



CONSIDERATION OF FLOOD PROTECTION IN-LIEU FEE INDEXING DATE ADJUSTMENT

INITIATED OR REQUESTED BY:

- Council Staff
- Other

REPORT COORDINATED OR PREPARED BY:

Candido Ramirez, Senior Civil Engineer
Community Development Department

ATTACHMENT Yes No Information Direction Action

OBJECTIVE

This item requests the Council’s consideration to modify the month of the Engineering News Record Construction Cost Index (ENR CCI) to which the Flood Protection In-lieu Fee is adjusted.

RECOMMENDED ACTION

Staff respectfully recommends that the City Council:

1. Adopt Resolution 23-38 Adjusting the Flood Protection In-Lieu Fee Indexing Date; and
2. Direct staff to adjust the Flood Protection In-Lieu Impact fees using July instead of December as the month to modify the Engineering News Record Construction Cost Index.

BACKGROUND

On April 18, 2007, the City Council approved Resolution 07-34 establishing an In-Lieu Flood Protection Fee. Related Ordinance 07-11 was concurrently adopted. Impact fees were intended to help pay for flood protection projects along the perimeter of the City. The resolution and ordinance were supported by the “West Sacramento 200 Year Flood Protection In-Lieu Fee Study”, hence nexus study. Page 41 of the nexus study prescribes an indexing method as follows:

“The in-lieu fee shall be adjusted each succeeding January 1st commencing January 1, 2008, to reflect inflationary costs. The fees shall be increased by a ratio which the Engineering News Record’s Construction Cost Index (20 cities) for the most recent December bears to the December index”

ANALYSIS

The Community Development Department and Finance Department staff collaborate to update fees which become effective on January 1st of every year. Fourteen (14) of the City’s fifteen (15) impact fees are adjusted using July Engineering News Record Construction Cost Index (ENR CCI). One (1) impact fee, the Flood Protection In-Lieu Fee is adjusted using December ENR CCI. This delay has led to numerous questions and confusion.

The Community Development Department proposes that all impact fee adjustments be based on July ENR CCI. The effective date of the fee adjustments would not change and would still be effective on January 1st of each year. The only proposed modification is to use the July (not December) ENR CCI index of the previous year. This proposed change would have the following effects:

1. The proposed transition to a synchronized index date would cause the first adjustment to be calculated based on 7 months of inflation (December to July), resulting in a lower increase than the current method of using December as the indexing date.
2. The subsequent, synchronized adjustment would occur in July and then annually each July, at a rate that is consistent with the City’s other indexed impact fees.

This proposed change does not increase fees beyond what the nexus study allows.

Environmental Considerations

Action on this item is not subject to the California Environmental Quality Act (CEQA) because it is not an activity that may cause either a direct or reasonably foreseeable indirect physical change in the environment. (Pub. Resources Code, §21065; CEQA Guidelines §§15060(c), 15378(a).)

Commission Recommendation

N/A

Strategic Plan Integration

The original Flood In-Lieu Impact Fee supported the 2007 West Sacramento Strategic Plan specifically related to Flood Protection Strategy and Funding. The proposed minor indexing adjustment does not substantially change the purpose of the impact fee.

Alternatives

The City Council may:

1. Adopt Resolution 23-38 allowing Flood Protection In-Lieu Impact Fees to be adjusted using July ENR CCI from this date forward.
2. Request additional information.
3. Decline to approve the recommended action and not proceed with the Resolution at this time.

Coordination and Review

Community Development and Finance Department staff initially discussed this item and its benefits. We then contacted WSAFCA staff which have indicated they will notify the board. The City legal counsel confirmed that the proposed change needs to be approved by City Council.

Budget/Cost Impact

The proposed item would have an impact that is likely to be small. Fees paid in 2024 would be based on fees calculated using 7 months of inflation versus the normal 12 months. Subsequent years would not be affected because they would be calculated based on a full year of inflation as we currently do for all the other impact fees. Adoption of the proposed resolution would improve efficiency and allow staff to update all impact fee indexes at the same time every year.

ATTACHMENTS

1. Resolution 23-38
2. City of West Sacramento Book of Fees for Flood Protection In-Lieu Fee

RESOLUTION 23-38

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST SACRAMENTO
ADJUSTING THE FLOOD PROTECTION IN-LIEU FEE INDEXING DATE**

WHEREAS, on April 18, 2007, the City Council approved Resolution 07-34 establishing an In-Lieu Flood Protection Fee. Related Ordinance 07-11 was concurrently adopted. Impact fees were intended to help pay for flood protection projects along the perimeter of the City. The resolution and ordinance were supported by the “West Sacramento 200-Year Flood Protection In-Lieu Fee Study”, hence nexus study. Page 41 of the nexus study prescribes an indexing method as follows:

“The in-lieu fee shall be adjusted each succeeding January 1st commencing January 1, 2008, to reflect inflationary costs. The fees shall be increased by a ratio which the Engineering News Record’s Construction Cost Index (20 cities) for the most recent December bears to the December index”; and

WHEREAS, adjusting this impact fee using December index is inconsistent with adjusting other impact fees which use July index, and

WHEREAS, City staff has concluded that it would be beneficial and more efficient if all impact fees are adjusted using the July index; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the City Council of the City of West Sacramento hereby approve and adopt revision to the City of West Sacramento Book of fees Flood Protection In-Lieu Fee to read:

"The fees shall be increased by the ratio which the Engineering News-Record’s Construction Cost Index (20 cities) for the most recent July index.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of West Sacramento on this 7th day of June 2023, by the following vote:

**AYES:
NOES:
ABSENT:**

Martha Guerrero, Mayor

ATTEST:

Jennifer Cusmir, City Clerk

CITY OF WEST SACRAMENTO
BOOK OF FEES

Description	Authority	Effective Date
FLOOD PROTECTION IN-LIEU FEE	Resolution 07-34 Resolution 22-84 Inflationary Adjustment Resolution 23-38	Jul. 2, 2007 Sept. 19, 2022 Jan. 1, 2023 June 7, 2023

Fee Schedule

Chapter 15.50 of the City of West Sacramento Municipal Code provides that developers demonstrate that, prior to occupancy, new structures have two-hundred-year flood protection through either: (i) the construction of flood improvements or other mitigation measures beyond those otherwise required by the City's Flood Plan Management Ordinance (Title 18); or (ii) the payment to the City of an in-lieu fee.

The various amounts of these in-lieu fees are supported by a study entitled *West Sacramento Flood Protection In-Lieu Fee Study*, by Economic & Planning Systems, dated April 11, 2007. Fees in this study shall be adjusted each succeeding January 1st, commencing January 1, 2008, to reflect inflationary costs. The fees shall be increased by the ratio which the Engineering News-Record's Construction Cost Index (20 cities) for the most recent July Index.

A. FEES

Land Use ³	Summary of Flood Protection In-Lieu Fees (2023)		
	Zone 1 ¹	Zone 2 ¹	WD and CBD ¹
Residential	<i>Per Dwelling Unit</i>		
Single-Family ²			
<1,100 sq. ft.	\$372	\$1,877	\$750
1,101-2,500 sq. ft.	\$610	\$3,073	\$1,230
>2,500 sq. ft.	\$847	\$4,268	\$1,707
Multi-Family ⁴			
<900 sq. ft.	\$129	\$1,513	\$605
>900 sq. ft.	\$192	\$2,270	\$908
Commercial	<i>Per 1,000 Building Square Feet</i>		
Retail	\$777	\$3,905	\$3,905
Office	\$503	\$3,646	\$2,041
Industrial	\$185	\$1,750	\$1,750

1 Zone 1 includes the Triangle Area and Pioneer Bluff east of South River Road (high ground) and Zone 2 is the rest of the City except Washington District and Central Business District.

2 Gross building square feet

3 Land uses are defined as follows:

Single-Family- This designation provides for single-family homes and duplexes, and similar uses.

CITY OF WEST SACRAMENTO
BOOK OF FEES

Description	Authority	Effective Date
FLOOD PROTECTION IN-LIEU FEE	Resolution 07-34 Resolution 22-84 Inflationary Adjustment Resolution 23-38	Jul. 2, 2007 Sept. 19, 2022 Jan. 1, 2023 June 7, 2023

Fee Schedule

Multi-Family-	This designation provides for multi-family units, triplex units, higher density housing, and similar uses.
Retail-	This designation provides for light retail, including but not limited to eating and drinking establishments, grocery stores, and general merchandise, and similar uses.
Office-	This designation provides for professional and administrative offices, medical and dental clinics, laboratories, financial institutions, and similar uses.
Industrial-	This designation provides for industrial parks, heavy retail, sales, services, wholesale commercial, warehouses, distribution centers, fuel storage, trucking terminals, railroad facilities, manufacturing, and similar uses.
Mixed Use-	This designation provides for development projects that are a combination of the other land use classifications. Mixed use development will be proportionally computed to the percentage of land use in each category.

- 4 Varying the multi-family fee for two-unit sizes is calculated by dividing the multi-family fee by the average size of multi-family units (900 sq. ft.) and applying that amount to a 600 sq. ft. unit, which is reflective of an average size unit in the under 900 sq. ft. category.

HISTORY:

AUTHORITY	DATE	ACTION
Res. 06-5	1/18/06	Adopt fee schedule
Res. 22-84	9/19/22	Adoption of targeted impact fee reform program in Central Business District and Washington District
Res. 23-38	6/7/23	Update indexing from December ENR to July ENR

MEETING DATE: June 7, 2023

ITEM # 10

SUBJECT:



CONSIDERATION OF APPROVAL OF CONTRACT WITH STUDIO KLY FOR THE FIRE STATION 41 BENCH PUBLIC ART INSTALLATION PROJECT

INITIATED OR REQUESTED BY:

- Council Staff
- Other

REPORT COORDINATED OR PREPARED BY:

Connie Leek, Recreation Manager
Parks and Recreation Department

ATTACHMENT Yes No Information Direction Action

OBJECTIVE

The objective of this report is to provide the Council with the necessary information to approve the contract with Studio KLY LLC, for the West Sacramento Fire Station 41 Bench Public Art Installation Project.

RECOMMENDED ACTION

Staff respectfully recommends that the City Council authorize the City Manager or designee to execute a contract with Studio KLY LLC for the Fire Station 41 Bench Public Art Installation Project in an amount not to exceed \$42,000 in the form substantively attached.

BACKGROUND

West Sacramento Fire Station 41 is located at 132 15th Street and is the City’s oldest operating fire station, built originally in 1938 with funds from the Volunteer Fire Department. The original station was a community gathering place with significant historical relevance and roots in the West Sacramento Community. Fire Station 41 underwent a major renovation in 2006, and the aesthetics of the facility renovation were selected to honor and reflect the people, efforts, and history of the original building. The renovation also included the installation of a large bench for seating and a small parking area located directly across the street from the station (see Attachment 1). The bench was constructed of hay bales, several layers of rebar, and cement. Designed to be of a hearty construction that would last many decades, the bench was intended to serve as the foundation for a future public installation project. Based on staffing changes, funding limitations, and a lack of in-house public art expertise, the project was never completed.

More recently, at the February 22, 2021, Arts, Culture, and Historic Preservation (ACHP) Commission meeting, the Commission requested that staff provide an update on the Station 41 Bench Project. On April 26, 2021, staff provided information on the history of project to the ACHP Commission, including building and site plans, as well as options for securing art consultation assistance to provide appropriate expertise to help execute a new public art solicitation and installation effort.

At the June 28, 2021, ACHP Commission meeting, the Commission unanimously recommended that the West Sacramento Fire Station 41 Bench Public Art Project be completed using up to \$50,000 of Public Art Fund money. The Commission further recommended contracting with Art Consultant Shelly Willis to help complete the public art solicitation, artist selection, fabrication, and installation of the Project. Staff applied for, and received, a \$5000 grant award from the West Sacramento Foundation Infrastructure and Amenities Fund In September 2021, upon the City approving the Project design.

On January 19, 2022, City Council authorized staff to initiate the West Sacramento Fire Station 41 Bench Art Installation Project and adopted Resolution 22-11 authorizing the use of Public Art Funds (Fund 271) and the West Sacramento Foundation Infrastructure and Amenities grant award to complete the Project in an amount not to exceed \$50,000.

ANALYSIS

Since City Council authorization, staff worked with Public Art Consultant Shelly Willis to complete a formal Request for Qualifications (RFQ) for the Fire Station 41 Bench Public Art Project. The RFQ was made available to artists in the immediate region, Yolo County, and neighboring counties such as Sacramento, El Dorado, Placer, Sutter, Yuba, Nevada, and Solano. Staff shared the RFQ with artists, galleries, art organizations, list

servers, and art supporters by email and social media. The RFQ opened on April 8, 2022, and closed on May 25, 2022. Final analytics of the RFQ in the City's E-Procurement Portal show an impressive final project view count of 1,259, with 25 downloads, 16 applicants, and 9 complete submissions.

An artist Selection Panel comprised of two (2) ACHP Commissioners, a community representative, and three (3) City staff met with the Public Art Consultant for the Project to evaluate qualifications of the RFQ submissions. Five (5) of the highest-ranking submissions were selected as finalists to receive a \$500 honorarium and to prepare a project design concept. The five finalists were invited to participate in an in-person site visit to review the Fire Station 41 Bench Project and were given six (6) weeks to develop their final design concept. Each finalist was also given access to West Sacramento Historical Society archive photos related to Station 41 and firefighting in our community over the years. The proposals of the five (5) finalists were: Studio KLY LLC (Attachment 2), Calderon Studio (Attachment 3), Indar Mosaic (Attachment 4), Wes Horn (Attachment 5), and Garr Ugalde (Attachment 6).

On September 7, 2022, the Selection Panel convened to interview artists, review submissions, and score each proposal (see Attachment 7, Finalist Interviews/Artist Selection Agenda). Each of the artist interviews lasted approximately 30 minutes and the Panel members had the opportunity at the end of each interview to ask questions. At the completion of the interviews, an open discussion, led by the Public Art Consultant, was held between the Panel members to further discuss, and score each proposal (see Attachment 8 - Selection Criteria for Artists and Artwork). The Panel unanimously ranked Studio KLY LLC's proposal the highest. The panel noted that Studio KLY LLC's proposal meets all Panel review criteria categories, reflects original ideas, is made with durable materials, keeps within the approved project budget, and includes a strong community engagement component. They also emphasized that Studio KLY LLC's proposal honors the past, present, and future of the neighborhood surrounding Station 41.

Artists Kristina Young and Sam Tubiolo of Studio KLY LLC propose a colorful tile mosaic for the bench. The design highlights nostalgic and contemporary images that are familiar to residents of West Sacramento. On the front "Old Mary", our beloved historical firetruck, with one of our contemporary fire prevention "West Sac Goats" riding atop. Studio KLY LLC has been extremely receptive to additional feedback received following their initial proposal, from Commission and other community members, resulting in a public art project that provides an opportunity for "instagrammable moments" where anyone in the community can capture a photo with our historical gem "Old Mary" and our "West Sac Goats". Included on the front of the bench are images of homes to represent the community, built environment, and residents that the fire department protects. Studio KLY, LLC's proposal also includes a community workshop at the bench site for public engagement in the creative process, and an opportunity to create tiles to be included in the "skirt" surrounding the base of the bench. A contract with Studio KLY LLC for the Fire Station 41 Bench Public Art Installation Project is included as Attachment 9.

Environmental Considerations

This action is not a project that is subject to CEQA because it is not an activity that may cause either a direct or reasonably foreseeable indirect physical change in the environment. (Pub. Resources Code, § 21065; CEQA Guidelines §§ 15060(c), 15378(a).

Commission Recommendation

On October 24, 2022, the Arts, Culture, and Historic Preservation Commission unanimously voted to recommend to City Council the Selection Panel's highest ranked Artist Proposal for Fire Station 41 Bench Public Art Project by Studio KLY LLC for acquisition.

Strategic Plan Integration

The Project will contribute toward the City's Vision 2022 Principal E: Creating Vibrant Neighborhoods by creating walkable and secure neighborhoods with adequate circulation and civic improvements.

Alternatives

In addition to the recommended action, the Council could:

- 1) Elect to not approve the contract with Studio KLY LLC for the Fire Station 41 Bench Public Art Installation Project at this time; or
- 2) Overturn the Selection Panel and ACHP Commission's recommendation and recommend a different art proposal.

These alternatives are not recommended as considerable time has already been spent by City staff, the artists and ACHP Commission members to develop a thoughtful approach and funding strategy to procuring art for this

long overdue project. Additionally, all artists that participated in the Fire Station 41 Bench Public Art Installation Project were also invited to submit concepts for other City public art projects underway. To date, one of the artists, Wes Horn, submitted a proposal for the Southport Levee Trailhead and has been recommended by the ACHP Commission to be considered by City Council for that project at a future date.

Coordination and Review

The work referenced in this report was coordinated with the Economic Development and Housing Department, the Finance and Technology Department, the Fire Department, and the City Manager's Office.

Budget/Cost Impact

There is no new budget impact associated with approving staff's recommended action. On January 19, 2022, City Council adopted Resolution 22-11 authorizing the use of Public Art Funds (Fund 271) and the West Sacramento Foundation Infrastructure and Amenities grant award to complete the Project in an amount not to exceed \$50,000.

ATTACHMENT(S)

1. Fire Station 41 Bench Photos
2. Proposal by Studio KLY
3. Proposal by Calderon Studio
4. Proposal by Indar Mosaics
5. Proposal by Wes Horn
6. Proposal by Garr Ugalde
7. Finalist Interviews/Art Selection Agenda
8. Selection Criteria for Artists and Artwork
9. Contract with Studio KLY LLC



Sam Tubiolo & Kristina Young: FS41 Art Bench Proposal Project Narrative

Summary

Kristina Young and Sam Tubiolo will work together to create a colorful clay tile mosaic for the FS41 art bench. The design will highlight nostalgic and contemporary images familiar to residents of West Sacramento. On the front: "Old Mary", the beloved historical firetruck, with one of the firefighting "West Sac Goats" riding atop; and on the back: waves of blue water spraying from a fire hose held by another West Sac Goat.

Design Statement

Utilizing the long shape of the existing bench, Kristina and Sam will recreate "Old Mary" on the front of the bench, using photographic reference provided by the local Historical Society. Behind Old Mary the artists will include a simple line drawing of the landscape to represent the surrounding residential community. The firetruck will follow the shape of the bench, making it slightly distorted to create an approachable, fun design.

The truck's firehose will extend from the top of the reel and curve around the bench to the back where a "West Sac Goat" will be holding it in his mouth. The hose will appear to provide a long spray of blue water, emulating a river, covering the back side of the bench. The "West Sac Goats" are a herd of goats regularly employed by the City of West Sacramento to help keep the grasses and weeds down in fire prone neighborhoods. They are popular in the community and even have their own hashtag (#westsacgoats). Sam and Kristina want to include them in the imagery to honor this contemporary method of fire prevention and include a note of charm and whimsy to the design.

On the ground surrounding the front of the bench, the artists will install a 'skirt' of hand cut tiles that will be created at a free community workshop.

Along the bottom of the bench's front side, the artists will offer the option to include the words "West Sacramento Fire Station 41 – Community Built in 1938" in mosaic tile and "#westsacgoats" on the back.

Materials + Collaboration

Sam and Kristina will create the imagery using 4" square hand cut, sculpted (low relief) and glazed clay tiles. These will be permanently attached with professional grade thin set cement and grout to the bench surface.

Both artists create large scale murals for a variety of surfaces: Sam by sculpting and hand cutting bas-relief clay tiles out of Soldate 60 Stoneware Clay and Kristina by traditional glass and ceramic tile mosaic methods. Each artist has completed numerous public art projects and as studiomates since 2018, they have also frequently supported each other's work with production assistance and technical guidance.

They plan to create the tiles and mosaic in their Napa studio and deliver in sections to the bench site for professional installation, grouting and sealing.

Maintenance

In general, very little maintenance will be required. Any graffiti or other stains should be removed as soon as possible. For dirt, use warm water and a neutral sulphate-free detergent (not household cleaners which can leave residue and dull the surface). For pen, use a solvent like white spirit or alcohol. For paint, use paint remover. Excessive use of these cleaning materials may result in damage to the grout which may need to be touched up afterwards.

For any impact or other serious damage, please contact the artists for repair.

Community Participation

Sam and Kristina also both have extensive experience leading community build art installations, where they invite the public to be part of the creative process. As a continuation of the way FS41 was originally built in 1938, the artists propose holding a community workshop onsite for the public to come and participate in the tile creation.

At the workshop, residents will have the opportunity to create and decorate clay tiles that will be used in the final composition. The artists will provide participants with all the materials, tools and direction necessary to hand build the clay tiles. This workshop will be free and open to all members of the public. They will work with City staff on a public outreach effort to reach local residents.

Local participation engenders community pride, understanding and ownership of collaboratively-built public art projects.

Optional Additions

To enhance the design and comfort of the bench, the artists propose that the City add another easily maintained tree planted near the bench to add much needed shade to the area and provide an even more welcoming place to relax.

Kristina Young & Sam Tubiolo

Artist Team Introduction





West Sacramento Fire Station #41 Art Bench Project Proposal

Artist Team: Kristina Young & Sam Tubiolo



West Sacramento Fire Station 41
Community Built in 1938

Inspiration

- Old Mary
- Nostalgia + Local History
- Patwin Basket Design
- Contemporary #WestSacGoats



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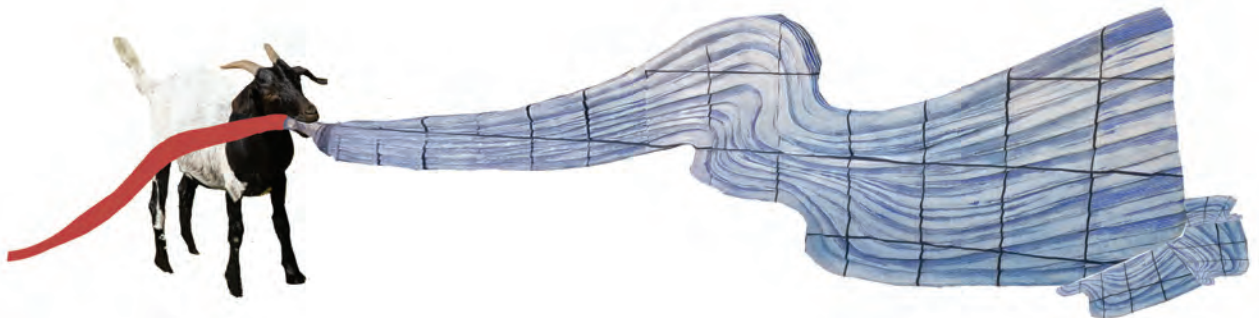
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Project Details

Front



Back









Process

Sam & Kristina's Studio





Community Involvement

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Maintenance

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Project Timeline

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'A History in Tile and Stone'

West Sacramento Fire Station 41

Public Art Bench Proposal



Rude Calderón (team Leader)
626 673 0955
calderonsculpt@gmail.com
www.rudecalderon.com

Roberto Delgado
323.273.3059
titodelgado@sbcglobal.net
www.titodelgado.com

The Design

We are proposing to artistically embellish the bench incorporating glazed ceramic tiles in-set into approximately twenty stone slabs that are attached to the cement bench and as pavers. This will create an overall sculptural relief.

Several of the slabs will be pavers placed in front of the bench to create a unified composition with the surrounding environment.

The ceramic glazed tile inset into the stones are designed and created using high fire glazes.

Tiles are cut into shapes of ancient global symbols, and the fire station bell.

Several techniques are applied and layered, including photo-silkscreen, with airbrush and slip trailing highlights and mosaic.

Historical photos are printed onto the tiles using the photo-silkscreen technique.

Our method combines stone sculpture with glazed tiles, creating a symbiotic dialogue between the stone and the narrative of photo-silkscreen and airbrushed glazes.

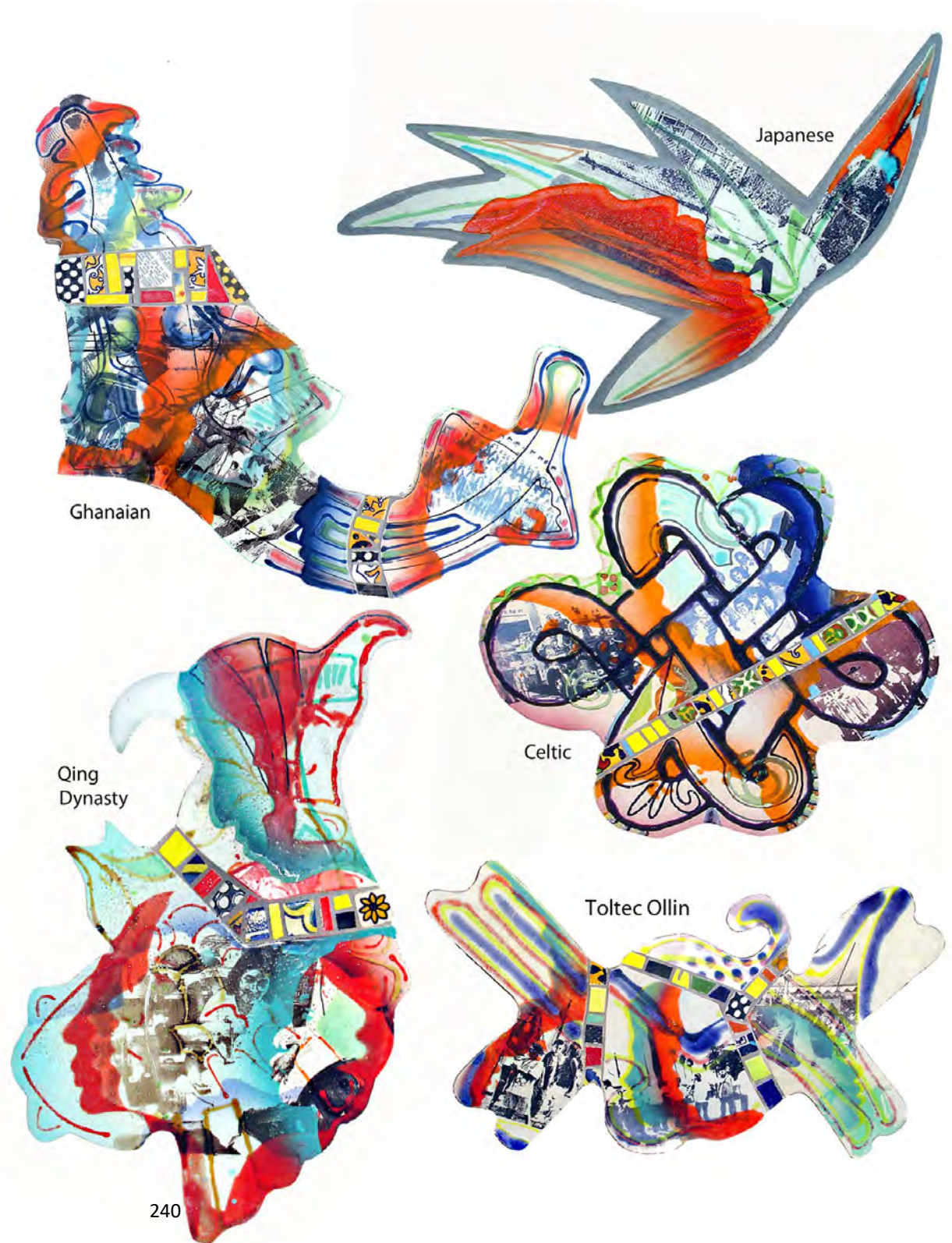






Tiles are cut into shapes of ancient global symbols.

Several techniques are applied and layered, including photo-silkscreen, with airbrush and slip trailing highlights and mosaic.



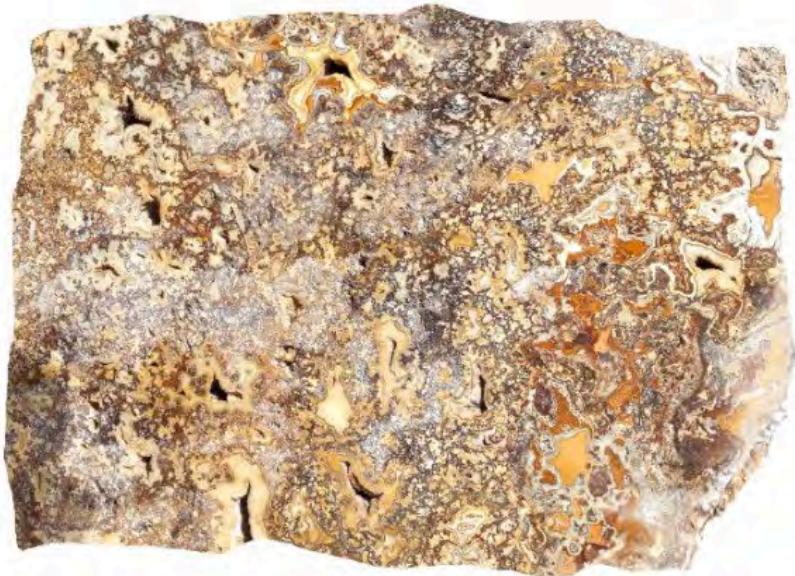
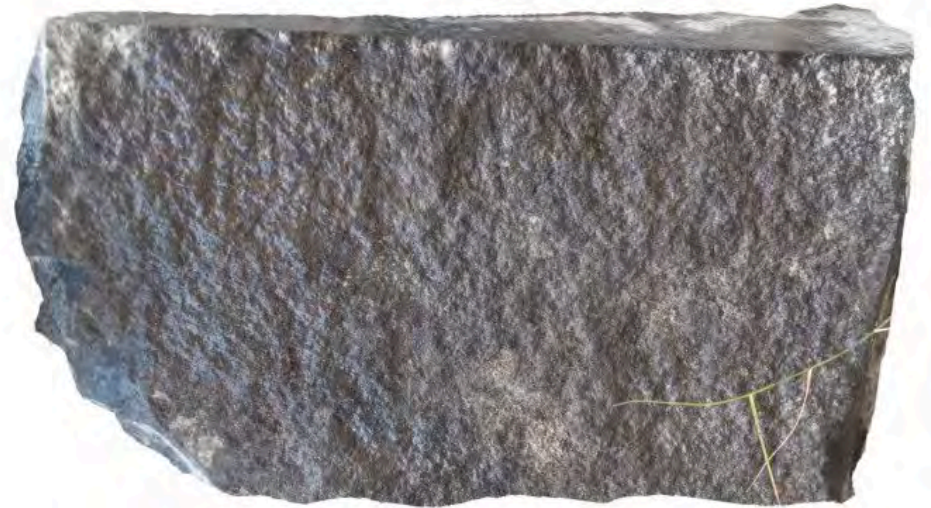
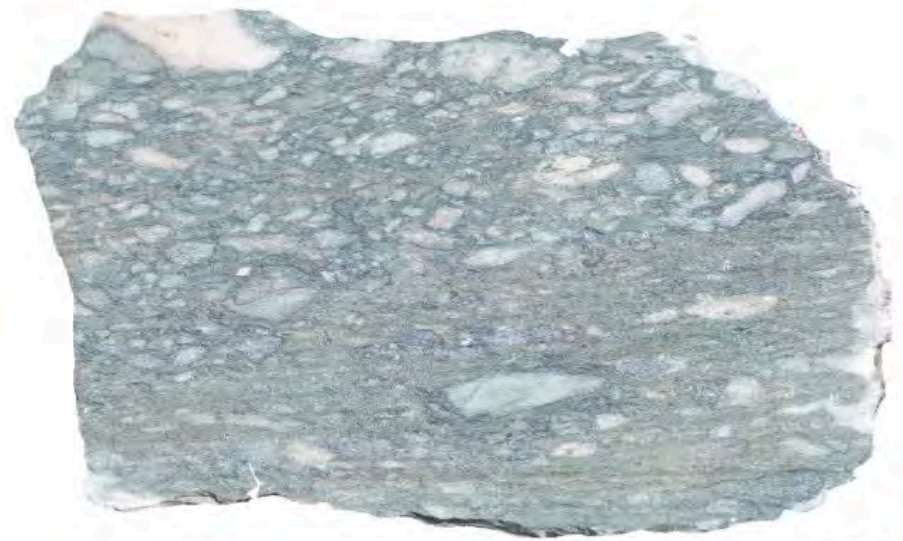


Historical photos are printed onto the tiles using the photo-silkscreen technique.

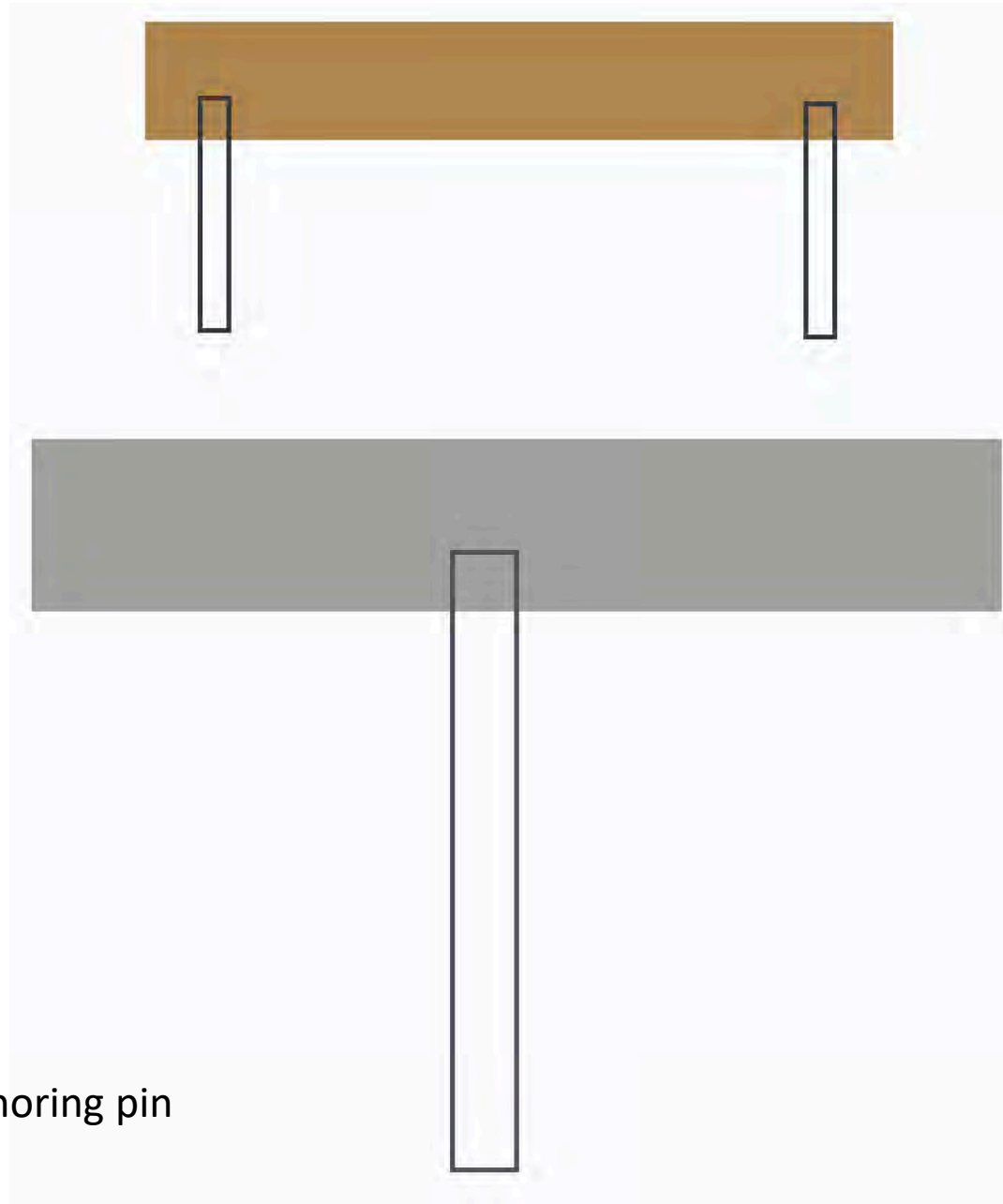








ANCHORING PINS



1.5 inches thick
bench stone slabs

5/8 dia. stainless steel
anchoring pins

2 inches thick
stone pavers

1"dia. x 18" long
stainless steel anchoring pin

Budget

Design (research, photography, Photoshop processing, design, travel)_____ **\$4,500**

Stone and Tile Fabrication

Artist Fee (prep to design and code specifications, carving of form, preliminary and final evaluation and touchup)_____ **\$22,000**

Materials

- Stones (Travertine, basalt, marble, sandstone), tiles, glazes_____ **\$7,600**
- Stainless steel pins_____ **\$1,500**
- Adhesives (epoxy, tile thin set, tile grout)_____ **\$2,000**

Installation

Crating (wood, hardware)_____ **\$800**
Shipping and shipping insurance_____ **\$2,200**
Site prep, forklift rental and installation)_____ **\$4,400**

Total sculptural forms_____ **\$45,000**

TIMELINE [L] [SEP]

Development of preliminary design phase.....15 days

- Preliminary discussion of specific design proposal with Project Team and community, research for design
- Take photographs of the site
- Create and submit preliminary design
- Make modifications to preliminary design as requested

Design phase.....20 days

- Zoom meetings and e-mail with architects, planners, and Project Team for specific design proposal, design-to-cost budget, and code specifications
- Analysis of special code requirements, and troubleshooting
- Final Design presentation
- Client approval and notice to proceed with fabrication of artwork [L]
[SEP]

Fabrication.....150 days

- Fabrication of sculpture includes carving the stones
- Midpoint review of fabrication phase
- Inlay the tiles
- Drill the stones
- Apply pins and sleeves
- Adhere stone and stainless steel elements
- Preliminary and final evaluation and touchup

Installation Phase as weather permits.....20 days

Project total time.....²⁴⁸ 205 days

Thank you for your time and consideration!



West Sacramento Neighborhood Bench Upgrade Proposal



By Robin Indar
INDAR MOSAICS



Ready for an upgrade!

Blank slate bench begs for tile!



INDAR MOSAICS

- 20+ years experience
- Woman Owned
- Handmade tiles
- Extensive public art portfolio

Malibu Legacy Park

This 17 acre park in Malibu, California, opened in October 2010. Along the pedestrian and bike paths are eight large mosaic covered sculptures of wild animals native to California.



Malibu Legacy Mosaic Animals



Coyote



Red-Legged Frog



Red-Tail Hawk

Malibu Legacy Mosaic Animals



Blue Belly Lizard



California Newt



California Kingsnake

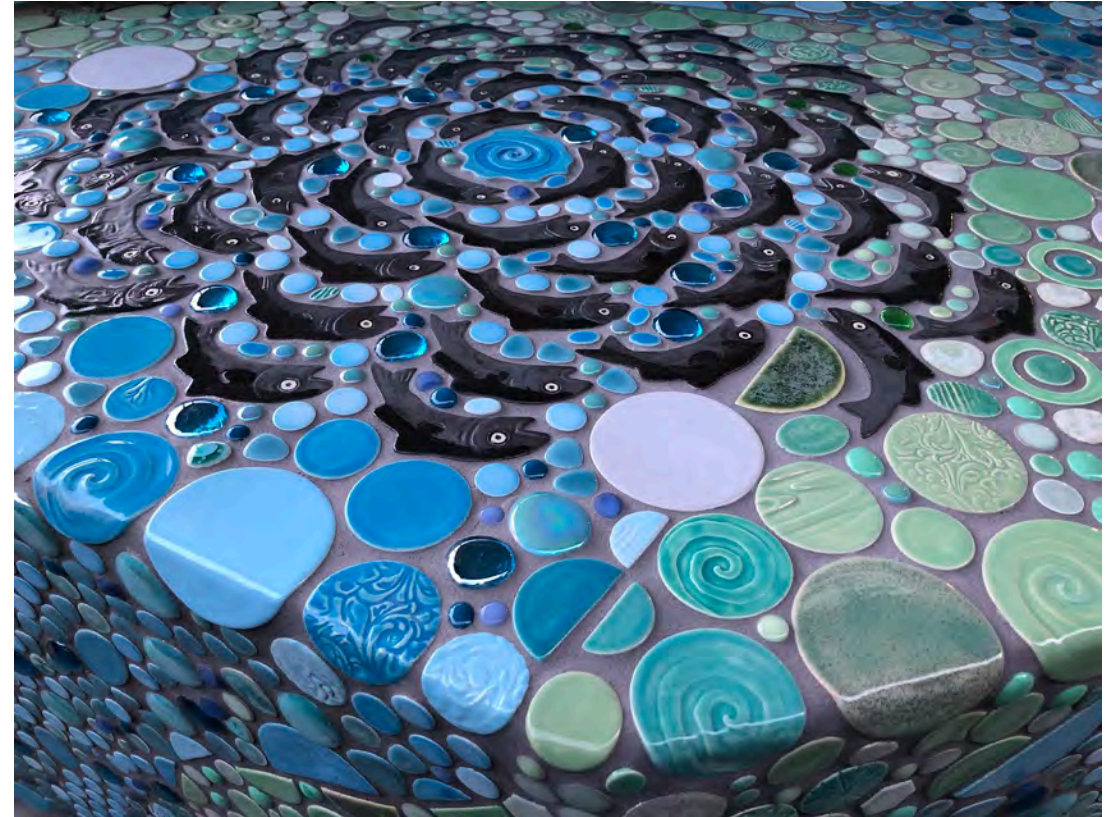


Western Toad

Sea Bench at South Bay Shores theme park

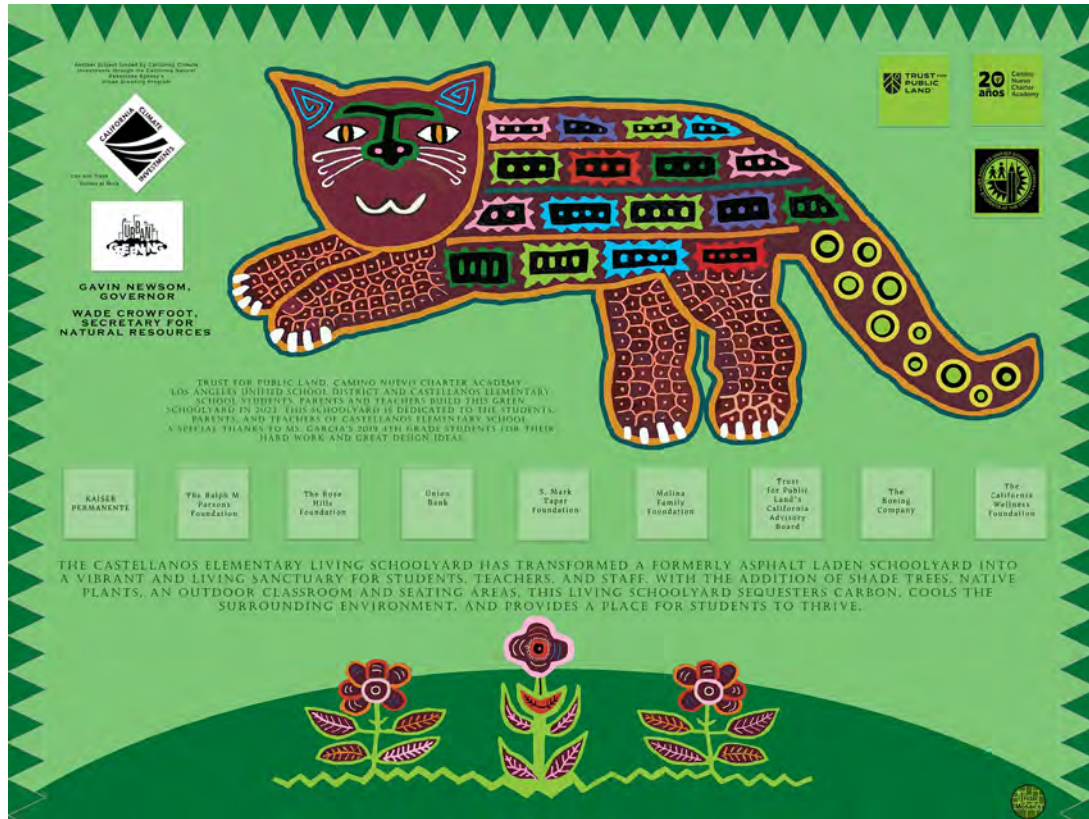


13' long curved bench



Custom curved edge tiles

Handmade Tiles Make Mosaics Pop!



Design for a 6' x 8' mosaic at an Elementary School in L.A.



Handmade tile flower from the design

Screen Printed Tiles!



Screen printing on to rolled out wet clay



<<Raw clay with freshly screen printed logo on it



Screen printed logo tile fired and glazed

Front of bench design

Seat portion not shown as this is the view straight on from the front



Front and right side of bench





Left side of bench design





Back side of bench design

Budget Breakdown

Indar Mosaics Budget for W. Sac Bench Project	
Design: \$100/hr x 60 hours	\$6,000
Fabrication of tiles and mosaic: 200 hours x \$100/hr	\$20,000
Contingency (10% of total)	\$4,300
Transportation, gas: 178 miles RT x 10 x \$.625/mile	\$1,113
Accommodations: motel x 8 nights (3 weekends) of installation at \$210/night	\$1,687
Materials: clay, glazes, thinset, grout, sponges, floats, tiles	\$4,000
\$1M Gen. Liability Insurance	\$500
Installation: \$400/day mosaic lead x 6 days	\$2,400
Installation \$250/day mosaic assistants x 2 ppl x 6 days	\$3,000
	\$43,000

West Sacramento Station 41 Bench Wes Horn Concept Design September 7, 2022

This design for the existing bench at Fire Station 41 takes imagery from West Sacramento's natural and human-made landscape and combines them in a unique expression of the immediate community. The entirety of the bench will be surfaced in a combination of mosaic tile and handmade ceramic relief to create a colorful, vibrant, and supremely durable surface that invites touch and reflection.



Open-Studio

ART CLASSES

CERAMICS + MOSAIC

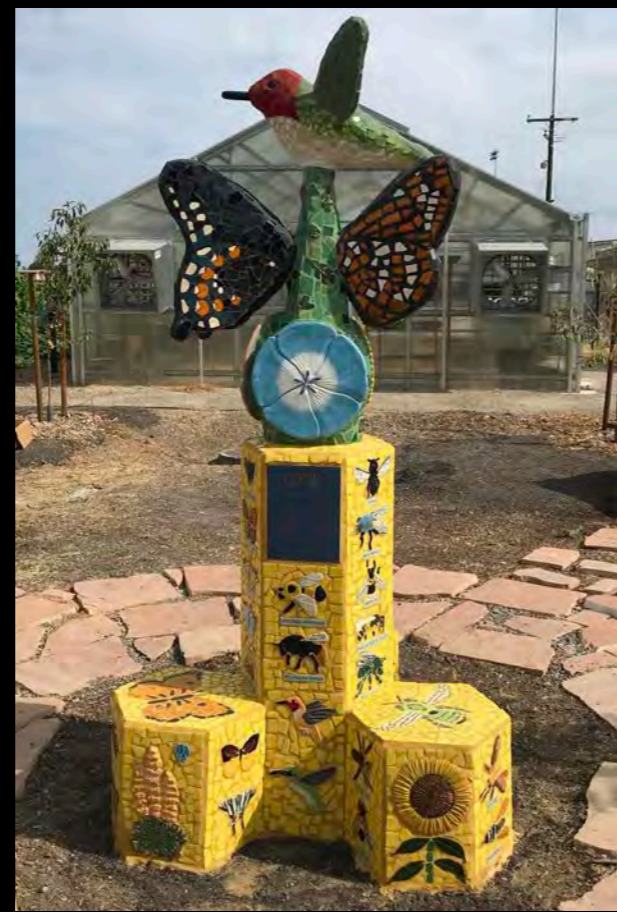
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+3000 SQFT PROFESSIONAL ART STUDIO
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AND PROJECT GUIDANCE

\$30/PERSON PER SESSION

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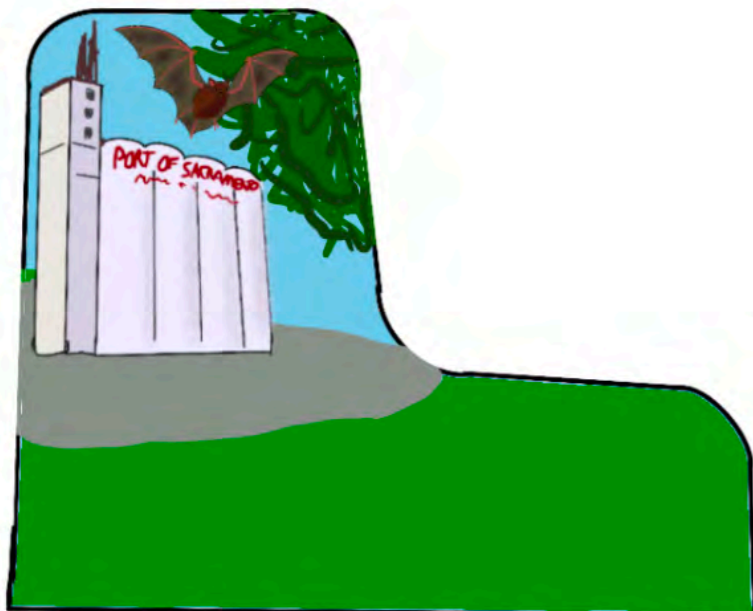




FRONT VIEW



BACK VIEW



SIDE VIEW

CITY OF WEST SAC.
 FIRE STATION #41
 PUBLIC ART BENCH
 WES HORN '22



FRONT VIEW



BACK VIEW

TEEN







Wes Horn
 35301 County Road 31
 Davis, CA 95616
[530.304.6445](tel:530.304.6445)
weshornart.com

Station 41 Bench

Bill To City of West Sacramento

Invoice Number 2001358

Date 9/4/2022

Due Date

Terms

Description	Quantity	Unit price	Amount
Artwork Fabrication, Design, Workshops	1	\$20,000.00	\$20,000.00
Materials	1	\$10,000.00	\$10,000.00
Installation cost	1	\$4,000.00	\$4,000.00
Studio cost, insurance	1	\$3,600.00	\$3,600.00
Contingency	1	\$4,400.00	\$4,400.00
Total Due			\$42,000.00

Estimated Schedule

December 2022: Final design drawing approval. Artist under contract. Work begins.

March 2023: First studio visit to confirm full-sized layout and materials. Consider and schedule initial community build clay workshop dates. In-studio progress continues.

April-June 2023: Schedule and advertise additional community build clay workshops.

August 2023: Final studio visit to share assembled components. Installation begins.

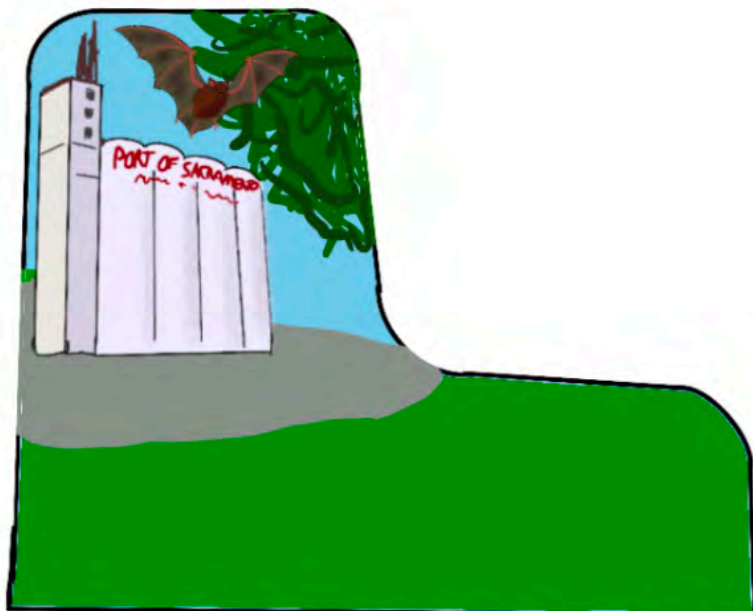
September 2023: Work site secured. Ceramics and mosaic transported and installed on-site. Work completed.



FRONT VIEW



BACK VIEW



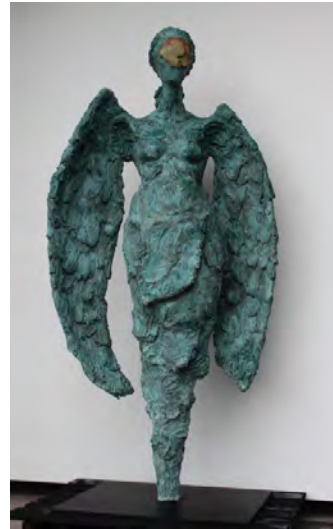
SIDE VIEW

CITY OF WEST SAC.
 FIRE STATION #41
 PUBLIC ART BENCH
 WES HORN '22

Garr Ugalde-Artworks



1. Textures



2. Angelus



3. Agora's Light II



4. NLCP-Coyote IV



5. Anansi's Web

Fire Station 41 Bench Project Proposal

“Wildflowers Upon the Channel”



Presented by
Garr Ugalde

September 7, 2022

“Wildflowers Upon the Channel”

The Fire Station 41 Bench Project presented me with several questions and potential obstacles with developing a design plan for this site. Upon visiting the site with members of West Sacramento’s Art Commission and Parks and Recreation I had a conversation with my contractor, Matt Thompson of Odin One Construction, who accompanied me for the tour.

My conversation with Matt revealed two very important things. One, originally, I had in my head that I wanted to create a sculptural enhancement onto the form of the existing bench. After talking with Matt, he was adamant that the surface of the bench should not be breeched with any kind of anchoring bolts or screws due to the original construction of the bench. He informed me that the bench could and probably would start “egg shelling”, layers of the surface would start falling off, imperially the integrity of the bench as a whole.

Two, not many people in the neighborhood ever stopped to sit at the bench. The bench is partially shaded in the morning and late afternoon from two small oak trees on either end of the bench. For most of the day, however, the bench is bathed in direct sunlight. Those in the neighborhood usually take their lunch or noonday walks in Willie DaPrato Park. In a sense DaPrato Park is the competition for anyone strolling the neighborhood and looking for somewhere sit down to take a rest, have lunch or to play a game of chess with a friend.

As you may know, I had lived in that very neighborhood for several years and used to walk daily an elderly bull terrier around that very bench. The dog and I would make our way one block away to Willie DaPrato Park. The dog, Miss Purdy, and I would spend some time there circling the park. The park is amply shaded with several picnic tables and benches.

With that in mind, I had to rethink my original approach to this project. What became evident for me was that the bench not only needed an artistic enhancement but that a shade structure should be a major component in the design.

“Wildflowers Upon the Channel” depicts wildflowers, the grasses, nature and the distant bluffs in the western skyline and, of course, the deep-water channel of West Sacramento. My thought was to depict something that people passing by would be moved to become engaged with. The overhead panels depict the shapes of oak leaves, harkening the two oak trees that bookend the existing bench. The graphic design is plasma-cut into the panels, basically cutting out shapes in the metal. The Corten steel has a rust-red that will complement the color of the bench and complement the red elements of the fire station. Once the panels are installed and the work complete, the sun will cast moving patterns over the bench from the overhead and back panels as the sun moves across the sky east to west.

The shade structure, which is the main component for this project, will be made up of four (4) 1/8 in. thick Corten steel plates/panels (two back panels and two overhead panels) and three (3) 4 in. diameter Corten steel tubes/support posts. The steel tubes/support posts shall be anchored into the ground; two behind the bench at both ends of the bench and one center support which also has an angled support beam and support gusset for the overhead shade plates. The support posts will be 7 ft. in height. The center support post, with its additional angled support, will at its apex have a height of approximately 9 ft. from ground level.

The design consists of two (2) 4' x 7' x 1/8" steel panels that are rolled to follow the contour of the back of the bench. The overhead panels follow the same contour of the back panels and mimics in shape the front curvature that come to points on the outer support posts.

In addition to the shade structure, I am proposing to install three (3) small gaming tables with two (2) free standing seats in front of the bench. This will activate the site, inviting people to enjoy the bench; have a meal, take coffee, play a game or just interact with a neighbor. The tabletops will have mosaic tiling. As one stands in front of the bench, from left to right, the left end table shall have the initials "WS", for West Sacramento, the middle table shall have the emblem "41", in honor of Fire Station 41 and the third table shall have the initials of "FD", for Fire Department.

The tabletops will be 24" in diameter and have a height of 24" from ground level. The two outer tables shall have two small seats 12" in diameter and rising 14" up from ground level. The center "41" table will not have a seat installed leaving space for a wheelchair or a stroller to be pulled up close to the table.

As for the bench itself, should I be the selected artist, I would patch and re-surface any cracking or pock marks in the existing bench. I would prime the surface and use a "Teal Green" cement paint for the finish coat. The teal green is an inviting and soothing color that will give the bench a cooling presence. Heeding the words of my contractor I feel that this is the best approach for dealing with the bench which, on its own terms, is quite comfortable to sit upon.

Once the components of the shade structure are complete, I believe that those strolling the neighborhood with their dog, their children in a stroller or just walking the block with a coffee in hand, the bench will not be the "slug", as it was once known, but will be an inviting spot to take a rest, read a book or play a game of chess with an old friend.





Fire Station 41 Bench Project Budget*

1. Artist Design/ Project Management Fee	\$ 8,400
2. Contractor-Odin One Construction (Includes Fabrication, Installation, Coating of Steel Elements, Equipment Rental, Artwork Transportation, Site Prep & Site Clean Up)	\$21,000
3. Paint Bench & Mosaic Tabletops/Seats	\$ 1,000
4. Materials (Steel Plates, Steel Tubing, Cement Compounds, Paint & Misc. Hardware)	\$ 2,500
5. Engineering Drawings/Specs-Response Engineering	\$ 4,000
6. Insurance-General Liability	\$ 600
7. Documentation of Project-Video/Photograph	\$ 300
8. Contingency (10% of Budget)	\$ 4,200

TOTAL **\$42,000**

Maintenance

Maintenance for the shade structure and mosaic tabletops and seats will, for all intents and purposes, will be very minimal. Corten steel is virtually maintenance free, and the bench and tables and seats may need rinsing occasionally. Very low maintenance.

*Permits & Inspection costs are incurred by the City of West Sacramento.



AGENDA

CITY OF WEST SACRAMENTO

Fire Station 41 Public Art Bench Finalist Interviews/Artist Selection

September 7, 2022, noon – 4:00 p.m.

City of West Sacramento Community Center

1075 West Capitol Ave., West Sacramento

1. Process overview: noon – 12:15 a.m. (Shelly Willis)
(Working lunch. Lunch will be provided)
2. Interviews:
 - Studio KLY: 12:15 – 12:45
 - Calderon Studio: 12:45 – 1:15
 - Indar Mosaic: 1:15 – 1:45
 - Wes Horn: 1:45 -2:15
 - Garr Ugalde: 2:15 – 2:45

Break: 2:45 – 3:00

3. Discussion and scoring: 3:00 – 3:45
4. Selection and approval: 3:45 – 3:55
5. Next steps 3:55 – 4:00 (Connie Leek)

Artist/Atwork Selection Panelists:

- *Denice Domke, West Sacramento Arts, Culture, and Historic Preservation Commissioner*
- *Cheryl Gleason, West Sacramento Arts, Culture, and Historic Preservation Commissioner*
- *Pat Flint, West Sacramento Community Representative*

City of West Sacramento Parks Department Staff:

- *Ciara Cumiskey, Recreation Coordinator*
- *Connie Leek, Recreation Manager*
- *Chris Surawski, Senior Project Manager*

*City of West Sacramento
Fire Station #41 Public Art Project*

Selection Criteria for Artists and Artwork
September 6, 2022

Criteria to consider when ranking the artist's proposal:

- **Artistic Merit:** Including the originality of the concept and artistic vision; the degree to which the work engages the viewer emotionally, intellectually, spiritually; the quality of craftsmanship or mastery of skills and techniques.
- **Meet Project Goals:** The proposed artwork meets the specific goals of the project as defined below.

The proposed artwork considers Fire Station #41 and/or the surrounding neighborhood and community. Even though the Fire Station is located in one of the City's older neighborhoods, the artwork does not need to specifically consider the historic nature of the site. The artwork could be about the past or present. In general it should be timeless. It should not emphasize what the City of West Sacramento has been more broadly known for (the confluence of the rivers, the Sacramento Bridge, Sandhill Cranes), but truly reflect the site, and the immediate surrounding area.

- **Relevant Skills & Experience:** The ability of the artist(s) to successfully implement the proposed project, such as the ability to work constructively with other project stakeholders, meet deadlines, willingness to resolve issues as they arise, and generally manage the demands of the project.
- **The Artwork is Appropriate to the Site:** The proposed artwork is appropriate for its intended display location in terms of scale, media, design or imagery and is judged to be relevant within the context of the surrounding community.
- **Feasibility/Maintainability:** The production of the proposed artwork is feasible as evidenced of the artist's ability to successfully complete the work as proposed. Factors to be considered include, but are not limited to: project budget, timeline, and the artist's experience. Due consideration shall be given to the structural and surface soundness, and to inherent resistance to theft, vandalism and weathering, and to the cost and amount of ongoing maintenance and/or repair anticipated.

ARTIST	Rank	Notes
Studio KLY		
Calderon Studio		
Indar Mosaic		
Wes Horn		
Garr Ugalde		

CONTRACT TO PURCHASE ARTWORK

THIS CONTRACT is made on June 7th, 2023, by and between the City of West Sacramento ("City") and Studio KLY LLC ("Artist").

Studio KLY LLC
1830 Georgia Street
Napa, CA 94559

WITNESSETH

WHEREAS, the City desires the selection, purchase and placement of artwork to be affixed to and installed on the existing bench located at Fire Station 41, 132 15th Street in West Sacramento, California ("Work");

WHEREAS, on June 28, 2021, the City of West Sacramento Arts, Culture, and Historic Preservation Commission (ACHP Commission) voted to approve a recommendation to City Council that up to \$50,000 of the Public Art Fund (Fund 271) be appropriated to complete Fire Station 41 Art Bench as a Public Art Installation;

WHEREAS, on January 19, 2022, City Council authorized staff to initiate the West Sacramento Fire Station 41 Bench Art Installation Project and adopted Resolution 22-11 authorizing the use of Public Art Funds and the West Sacramento Foundation Infrastructure and Amenities Fund grant award to complete the project in and amount not to exceed \$50,000;

WHEREAS, on April 8, 2022, the City opened a formal Request for Qualifications (RFQ) for the project.

WHEREAS, on June 24, 2022, an artist Selection Panel comprised of two City ACHP Commissioners, and a community representative met with City Staff and the Public Art Consultant for the project to evaluate qualifications of the RFQ submissions. Five (5) of the highest ranking submissions were selected as finalists to receive a \$500 honorarium and prepare a project design concept.

WHEREAS, on September 7, 2021 the Selection Panel once again convened to interview five finalist artists, review designs, and score each of the artist's proposals. Studio KLY LLC's proposal was unanimously ranked the highest by the selection panel. (Exhibit A)

WHEREAS, on October 24, 2022 the City of West Sacramento Arts, Culture, and Historic Preservation (ACHP Commission) unanimously voted to recommend that City Council approve a contract for the Work proposed by Artist for acquisition and installation;

NOW THEREFORE, the parties mutually agree as follows:

1. **Scope of Work.** Subject to the terms and conditions set forth in this Contract, Artist shall:
 - A. Purchase on Artist's account all labor, supplies, services, materials and equipment required to design and furnish, fabricate, deliver and install the Work to the satisfaction of City and in substantial conformance with Artist's Proposal.
 - B. Artist shall not commence performance of any of the services identified in section 1.A until receiving a written "Notice to Proceed" from the City for each Phase and Milestone of this project.

2. **Payment.** City shall pay Artist forty two thousand dollars (\$42,000.00). Payments to Artist shall be made within 21 days after receipt of Artist's invoices. Artist shall be responsible for the cost of supplying all documentation necessary to verify the billings to the satisfaction of City. Artist agrees that City has no obligations regarding commissions or any Contracts with galleries or agents with whom Artist may have contracted. City shall not be responsible for paying sales tax. Payments to Artist will be made as follows:
 - A. Seven thousand and five hundred dollars (\$7,500) upon submission of certificates of insurance acceptable to City, execution of this Contract, and dispatch of Notice to Proceed.
 - C. Fifteen thousand dollars (\$15,000) upon completion of Phase 2.a milestone: Production of community workshop.
 - C. Ten thousand dollars (\$10,000) upon completion of Phase 2.b milestone: 100% complete and approval by City of West Sacramento staff before transportation to site.
 - F. Eight thousand dollars (\$8,000) upon completion of Phase 3: Artist will transport and install the Work.
 - G. One thousand and five hundred dollars (\$1,500) upon completion of Phase 4: Acceptance of the Work by City, satisfactory completion and submission of the Maintenance Report attached hereto as Exhibit B, submission of 20 high resolution (300 dpi minimum) digital images of completed Work on CD and submission of replacement components for maintenance of Work.

Provided, however, that no payment shall be made if Artist is in default of this Contract or if any milestone or Phase is not completed to the satisfaction of City. City shall be the sole determiner of when a milestone or Phase has been completed to its satisfaction.

- **Time of Performance & Documentation of Work.** Time is of the essence in this Contract. Artist shall dedicate such time and effort as is necessary to fulfill Artist's obligations to completely finish and install the Work to the satisfaction of City within the timelines set forth in the Schedule of Performance, attached hereto and incorporated herein by this reference as **Exhibit B**, except as the Work may be delayed by circumstances described in section 19, below. City shall make its staff and contractors reasonably available to Artist for consultation and assistance in order to achieve the purposes of this Contract. Artist shall provide to the City twenty (20) high resolution (300 dpi minimum) digital images documenting the processes of Work fabrication and installation. Artist shall also provide City with a complete schedule for the maintenance of the Work in the form reflected in **Exhibit C** hereto.

4. **Artist Warranties.**

- A. **Restoration of Work Site.** Artist agrees and warrants that, within 30 days after the Work is accepted by the City, Artist shall restore the Work site (including the entire area affected by the fabrication and installation of the Work) to a state and condition that is substantially similar to that which existed when the Work was begun. Artist further agrees and warrants that, within the period specified herein, Artist shall repair or replace, as is determined necessary by City, and to the reasonable satisfaction of City, all property (real, personal or otherwise), which has been damaged, injured or otherwise adversely affected by the acts or omissions of Artist, Artist's agents, contractors, or employees. Artist shall be solely responsible for all expenses and costs which may be necessary to comply with the requirements of this paragraph, and City shall have no responsibility or liability therefore.
- B. **Originality of Work.** Artist warrants that the Work is original and is solely the product of Artist's own creative efforts and does not infringe the rights of any person or entity. Artist also warrants that, unless otherwise provided in an amendment to this Contract, the Work is original, that it is an edition of one (1), and that Artist shall not sell, license, perform or reproduce a substantially similar copy of the Work without the prior written consent of City. However, nothing contained herein shall prevent the Artist from creating future works in the Artist's style and manner of working.
- C. **Work Free from Defects.** Artist shall warrant and maintain the Work free from all faults or defects related to material or workmanship for a period of two years after the Work is accepted by City.
- D. **Compliance with all Laws.** Artist agrees to fabricate and install the Work in conformance with all applicable laws.

5. **Transfer of Title to Work.** Title to the Work shall remain with Artist until City has accepted the Work as completed and it is installed to the satisfaction of City. When City has so certified, title shall transfer to City. Artist shall bear all risk of loss of the Work until title has been transferred to City, and City agrees to inspect Work and accept Work within thirty (30) days of Artist's notification of completion, unless the provisions of 7.A. or 7.B apply.

6. **Performance Made Impossible.** In the event it shall become impossible for Artist to complete the Work because of illness, death or injury, this Contract may be terminated at the sole discretion of City, and, in such event, all completed work, materials, and supplies related to the Work shall be delivered to City and shall, along with the Proposal, become City's sole property. City shall thereafter have no obligation to make any additional or further payments to Artist, and Artist shall have no further or additional claims against City with respect to the Work or such portion thereof as may be completed, or the Proposal, or with respect to any matter whatsoever pertaining to, affected by or embodied in this Contract. In the event of such termination, City may take such action as may appear to it appropriate under the circumstances, including, without limitation of the generality of the foregoing, commissioning another artist to complete the Work. In the event that City completes the Work or arranges to have it completed, Artist's name shall be publicly displayed at, on or near the Work, unless Artist and City mutually agree otherwise.

7. **Acceptance of Work.** City agrees to accept the completed Work unless:
 - A. The Work was not completed in substantial conformance with the Proposal or the specifications, or
 - B. The Work as completed or any portion thereof does not conform to a reasonable standard of artistic or technical quality. City shall provide its reasons for this finding to Artist in writing no later than ten (10) days after Artist has tendered the Work to the City for City's acceptance. Where the Artist disputes this finding, the dispute may, if the Parties so agree, be submitted to Arts Arbitration and Mediation Services ("A.A.M.S.") of California Lawyers for the Arts, Sacramento for resolution and any decision by A.A.M.S. shall be binding upon City and Artist and neither shall have any further recourse or cause of action regarding the matters so resolved.
 - C. Upon the City's refusal to accept the Work for the reasons stated in subparagraphs 7.A or 7.B, City shall have the right to: 1) request that Artist correct the deficiencies in the Work within a reasonable time, or 2) terminate this Contract and recover all sums previously paid to Artist. Both remedies shall be independent and cumulative and in addition to any other remedy available to the City at law or equity. Enforcement of one such remedy shall not be exclusive nor shall it be deemed an election of such remedy to the

exclusion of any other or further remedy. However, nothing contained herein shall limit City's available remedies at law and equity.

- D. No payments to Artist shall be deemed as a waiver of City's right to refuse to accept the Work.
8. **City Maintenance of Work.** City agrees to reasonably ensure that the Work is properly maintained and protected. City agrees that it will not intentionally destroy, damage, alter, modify or change the Work in any way. If an alteration should occur, either intentionally or unintentionally, the Work will no longer be represented as the work of the Artist without his or her written permission. City shall in such case consult with Artist and the parties shall in good faith attempt to agree on a permanent solution in order to preserve the artistic value of the Work. Such solution may involve Artist making author's modifications to the Work or other repairs for a reasonable fee, but nothing herein obligates the City to agree to such modifications or other work or to compensate Artist. This does not preclude the City's right to move or remove the Work from display or deaccession the Work. In the event it becomes necessary to change the placement of the Work, City shall confer with Artist concerning placement.
9. **Repair of Work.** In the event repair of the Work is required, City may give Artist the opportunity to perform the repairs for a reasonable fee. In the case of disagreement between City and Artist as to what constitutes a reasonable fee, the fee determined by an independent conservator selected by City shall be considered a reasonable fee. In the event Artist refuses to make the repairs for such fee, City may arrange for repairs by another qualified person. When emergency repairs are necessary in order to prevent the loss of or further damage to the Work, such repairs shall be undertaken or arranged by City without advance notice to Artist, and such repairs shall not constitute an artistic alteration. City shall thereafter notify Artist as soon as is practicable. Artist has agreed to provide the City with supplies and instructions needed for minor repairs and replacement of reflective material at the time of installation.
10. **Work Authorship.** Artist shall retain the copyright to the Work and the right to claim authorship of the Work. City shall ensure that Artist's name is publicly displayed on, at, or near the Work. In the event the Work is substantially damaged or altered, City shall no longer represent the Work to be the Work of Artist if Artist gives written notice to City that Artist denies authorship of the Work on the grounds stated in this paragraph. In the event City disputes the right of Artist to deny authorship, the matter may be submitted to A.A.M.S for mediation or arbitration. If the parties select arbitration, the determination by A.A.M.S shall be binding upon City and Artist and neither shall have any further recourse or cause of action regarding the matters so determined.
11. **Artist Payment of Contractors and Employees.** In the event Artist hires or contracts with employees, subcontractors, or material suppliers, Artist shall pay

these employees, subcontractors, or material suppliers out of the payments made to Artist by City for completion of the phase of work for which the employees, subcontractors, or material suppliers provided labor or materials and provide proof of payment to the City and lien releases, as City deems appropriate, prior to completion of the next phase of work. In the case of nonpayment of wages or other amounts due the employees, subcontractors, or material suppliers herein, City may withhold from Artist out of payments due a sum sufficient to pay such persons the amounts owed by Artist absent evidence satisfactory to the City of a legal basis for such nonpayment. All subcontractors engaged by Artist in the territory of California shall be properly licensed pursuant to the Contractors State License Law (Business and Professions Code sections 7000 et seq.). Before performing any work, each subcontractor shall provide to the City and Artist evidence that the subcontractor has workers' compensation insurance coverage if this insurance is required by state law.

12. **Indemnity.** Artist shall defend, hold harmless and indemnify City, its officers and employees, and each and every one of them, from and against any and all claims, actions, damages, costs, liabilities, demands, losses, judgments, penalties and expenses of every type and description including, but not limited to, any fees and/or costs reasonably incurred by City's attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Claims"), including but not limited to Claims arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, that arise out of, pertain to or relate to any negligent act or omission, recklessness or willful misconduct of Artist, its subcontractors or agents, and their respective officers and employees, in connection with performance of or failure to perform this Contract, whether or not such Claims are litigated, settled or reduced to judgment; provided that the foregoing indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, damage or expense to the extent arising from the sole negligence or willful misconduct of City, its subcontractors or agents, and their respective officers and employees. The existence or acceptance by City of any of the insurance policies or coverages described in this Contract shall not affect or limit any of City's rights under this Section 12, nor shall the limits of such insurance limit the liability of Artist hereunder. The provisions of this Section 12 shall survive any expiration or termination of this Contract.

13. **Insurance.** During the entire term of this Contract (i.e. until acceptance of the Work by the City), Artist shall maintain the insurance coverage described in this Section 13.

Full compensation for all premiums that Artist is required to pay for the insurance coverage described herein is included in the compensation paid to Artist under this Contract. No additional compensation will be provided for Artist's insurance premiums.

It is understood and agreed by the Artist that its liability to the City shall not in any way be limited to or affected by the amount of insurance coverage required or carried by the Artist in connection with this Contract.

A. Minimum Scope & Limits of Insurance Coverage

- (1) Commercial General Liability Insurance, providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than one million dollars (\$1,000,000) per occurrence. The policy shall provide contractual liability and products and completed operations coverage for the term of the policy.

- (2) Automobile Liability Insurance providing coverage at least as broad as ISO Form CA 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than one million dollars (\$1,000,000) per occurrence. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the Artist.

No automobile liability insurance shall be required if Artist completes the following certification:

“I certify that a motor vehicle will not be used in the performance of any work or services under this Contract.” _____ (Artist initials)

- (3) Workers' Compensation Insurance with statutory limits, and Employers' Liability Insurance with limits of not less than one million dollars (\$1,000,000). The Worker's Compensation policy shall include a waiver of subrogation for contracts involving construction or maintenance, or if required by the City by selecting the option below:

____ Workers' Compensation waiver of subrogation in favor of the City is required for all work performed by the Artist.

____ No Workers' Compensation insurance shall be required if Artist completes the following certification:

“I certify that my business has no employees, and that I do not employ anyone. I am exempt from the legal requirements to provide Workers' Compensation insurance.” _____ (Artist initials)

- (4) Professional Liability Insurance providing coverage on a claims made basis for errors, omissions or malpractice with limits of not less than one million (\$1,000,000) dollars if required by the City by selecting the option below:

_____ Professional liability insurance is required and must be continued for at least _____ year(s) following the completion of all Services and Additional Services under this Contract.

B. Additional Insured Coverage

- (1) Commercial General Liability Insurance: The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects general liability arising out of activities performed by or on behalf of Artist, products and completed operations of Artist, and premises owned, leased or used by Artist. The general liability additional insured endorsement must be signed by an authorized representative of the insurance carrier. If the policy includes a blanket additional insured endorsement or contractual additional insured coverage, the above signature requirement may be fulfilled by submitting that document with a signed declaration page referencing the blanket endorsement or policy form.
- (2) Automobile Liability Insurance: The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects auto liability.

C. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

- (1) Except for professional liability, Artist's insurance coverage shall be primary insurance as respects City, its officials, employees and volunteers. Any insurance or self-insurance maintained by City, its officials, employees or volunteers shall be in excess of Artist's insurance and shall not contribute with it.
- (2) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its officials, employees or volunteers.
- (3) Coverage shall state that Artist's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- (4) City will be provided with thirty (30) days written notice of cancellation

or material change in the policy language or terms.

D. Acceptability of Insurance

Insurance shall be placed with insurers with a Bests' rating of not less than A:V. Self-insured retentions, policy terms or other variations that do not comply with the requirements of this Section 13 must be declared to and approved by the City's Risk Management Division in writing prior to execution of this Contract.

E. Verification of Coverage

- (1) Artist shall furnish City with certificates and required endorsements evidencing the insurance required. The certificates and endorsements shall be forwarded to the City of West Sacramento, City Clerk. Copies of policies shall be delivered to the City on demand. Certificates of insurance shall be signed by an authorized representative of the insurance carrier.
- (2) The City may withdraw its offer of contract or terminate this Contract if the certificates of insurance and endorsements required have not been provided prior to execution of this Contractor when demanded by City. The City may withhold payments to Artist and/or terminate the Contract if the insurance is canceled or Artist otherwise ceases to be insured as required herein.

F. Subcontractors

Artist shall require and verify that all subcontractors maintain insurance coverage that meets the minimum scope and limits of insurance coverage specified in subparagraph A, above.

14. **Copyright.** Artist expressly reserves every right available to Artist at common law or under the Federal Copyright Act to control the making and dissemination of copies or reproduction of the Work except as those rights are limited by this Contract. Artist agrees to give a credit substantially in the following form: "Original owned by the City of West Sacramento" in any public showing of reproductions of the Work. Artist authorizes City and its assigns to make photographs, drawings, and other two-dimensional reproductions of the Work without prior consent of Artist if used solely for non-commercial purposes, advertising, descriptive brochures, and similar purposes. All reproductions by City shall contain a copyright notice substantially in the following form: "©, Artist's name, date", in such a manner and location as shall comply with the U.S. Copyright laws.

15. **Waiver of VARA and CAPA Rights.** With the exception of Artist's rights as to third parties, Artist waives any and all rights Artist may have with respect to the Work under the federal Visual Artists Rights Act of 1990 (17 U.S.C. §§106A and 113(d)), the California Art Preservation Act (Cal. Civil Code §§987 et seq.), and any other local, state, federal or international laws that convey rights of the same nature as those conveyed under 17 U.S.C. §106A, Cal. Civil Code §§987 et seq., or any other type of moral right protecting the integrity of works of art.
16. **Location of Work.** The final location of the Work shall be determined by the City's architect or engineer following consultation with Artist.
17. **Dispute Resolution.** If any dispute is submitted to a third party for resolution, all fees, expenses, and costs connected therewith shall be borne jointly and equally by City and Artist. The previous sentence notwithstanding, each party shall bear their own attorneys' fees and costs. Each and every obligation under this Contract to submit any matter to a third party for resolution is conditioned upon the foregoing two sentences of this paragraph. If any matter is to be submitted to A.A.M.S, and if at the time such submission is called for, A.A.M.S is not in existence or is not able or willing to provide such resolution service, then the matter shall be submitted for resolution to the American Arbitration Association in accordance with their procedures then in use.
18. **Artist Change of Address.** Artist shall notify City in writing of any change of address. Failure to do so shall constitute a waiver of Artist's rights under this Contract during the time of the omission. Any waiver of a right pursuant to this Contract for failure to maintain Artist's current address may be cured prospectively only by notifying CITY of Artist's current address. All rights of Artist pursuant to this Contract shall be personal to Artist and shall terminate upon either the legal disability or incompetence of Artist or upon the death of Artist, except as provided Artist under copyright laws.
19. **Excuse from Performance.** In the event Artist's performance of any of his obligations or undertakings under this Contract is delayed, interrupted, or prevented by an act of God, unforeseen conditions, unusually severe weather, or occurrences that are beyond the control of either party to this Contract, Artist shall be excused from any further performance for whatever period of time after the occurrence necessary to remedy the effects of that occurrence. Artist shall notify City in writing within ten (10) days after any occurrence described in this section that may delay Artist performance. City shall amend the Schedule when, in its determination, Artist's performance has been excused, and the delay or interruption has resulted in a material change in the time for performance.
20. **Public Lecture.** As part of his Contract, Artist will give one public art lecture regarding the Work after the installation of the Work is completed. Arrangements are to be approved in advance by the City of West Sacramento. In case Artist

would not be at such time of the public lecture present in California, City shall cover Artist's reasonable travel and accommodation costs.

21. **Conceptual Drawing.** As part of this Contract, Artist will provide the City of West Sacramento one (1) original conceptual drawing of the proposed artwork.
22. **Exhibits.** All exhibits referred to herein are attached hereto and are by this reference incorporated as if set forth fully herein.
23. **Entire Contract.** This document, including all exhibits, contains the entire Contract between the parties and supersedes whatever oral or written understanding they may have had prior to the execution of this Contract. No alteration to the terms of this Contract shall be valid unless approved in writing by Artist, and by City.
24. **Severability.** If any portion of this Contractor the application thereof to any person or circumstance shall be held invalid or unenforceable, the remainder of this Contract shall not be affected thereby and shall be enforced to the greatest extent permitted by law.
25. **No Waiver.** Neither City acceptance of, or payment for, any work performed by Artist, nor any waiver by either party of any default, breach or condition precedent, shall be construed as a waiver of any provision of this Contract, nor as a waiver of any other default, breach or condition precedent or any other right hereunder.
26. **Choice of Law & Venue.** This Contract shall be governed, construed and enforced in accordance with the laws of the State of California. Venue of any litigation arising out of or connected with this Contract shall lie exclusively in the state trial court or Federal District Court located in, or with jurisdiction over, Yolo County in the State of California, and the parties consent to jurisdiction over their persons and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.
27. **Assignment Prohibited.** The expertise and experience of Artist are material considerations for this Contract. Artist shall not assign any right or obligation pursuant to this Contract without the written consent of the City. Any attempted or purported assignment without City's written consent shall be void and of no effect.
28. **Binding Effect.** This Contract shall be binding on the heirs, executors, administrators, successors and assigns of the parties, subject to the provisions of Section 27, above.
29. **Term & Suspension & Termination.**
 - A. This Contract shall become effective on the date that it is approved by both parties, set forth on the first page of the Contract, and shall continue in

effect until both parties have fully performed their respective obligations under this Contract, unless sooner terminated as provided herein.

- B. City shall have the right at any time to temporarily suspend Artist's performance hereunder, in whole or in part, by giving a written notice of suspension to Artist. If City gives such notice of suspension, Artist shall immediately suspend its activities under this Contract, as specified in such notice.
- C. City shall have the right to terminate this Contract at any time by giving a written notice of termination to Artist. If City gives such notice of termination, Artist shall immediately cease rendering services pursuant to this Contract. If City terminates this Contract:
 - (1) Artist shall, not later than five days after such notice of termination, deliver to City copies of all information prepared pursuant to this Contract.
 - (2) City shall pay Artist the reasonable value of services rendered by Artist prior to termination; provided, however, City shall not in any manner be liable for lost profits that might have been made by Artist had the Contract not been terminated. In this regard, Artist shall furnish to City such financial information as in the judgment of the City is necessary for City to determine the reasonable value of the services rendered by Artist. The foregoing is cumulative and does not affect any right or remedy that City may have in law or equity.

CITY OF WEST SACRAMENTO
A Municipal Corporation

ARTIST:

By: _____
Aaron Laurel, City Manager

Kristina Young, Studio KLY LLC

APPROVED TO AS FORM:

Federal I.D. or Passport No.

City Attorney

Date of Birth

ATTEST:

TYPE OF BUSINESS ENTITY (*check one*):

City Clerk

____ Individual/Sole Proprietor
____ Partnership

_____ Corporation (may require 2 signatures)
_____ Limited Liability Company
_____ Other (please specify: _____)

Attachments

Exhibit A: Artist Proposal

Exhibit B: Schedule for Performance

Exhibit C: Maintenance Report

EXHIBIT A

Artist Proposal

ARTWORK DESCRIPTION

KLY Studio will create a colorful clay tile mosaic for the FS 41 art bench. The design will highlight nostalgic and contemporary images familiar to residents of West Sacramento: Old Mary, the beloved historical firetruck, with one of the firefighting "West Sac Goats" riding atop. The back of the bench will feature a three dimensional ceramic tile mosaic of waves of blue water spraying from a fire hose held by another West Sac Goat.

WORKSHOP

KLY Studio has extensive experience leading community build art installations, where the public is invited to be part of the creative process. As a continuation of the way FS 41 was originally built in 1938, KLY Studio proposes holding a community workshop onsite for the public to come and participate in the tile creation.

At the 2 hour workshop, up to 50 residents will have the opportunity to create and decorate clay tiles that will be used in the final composition. KLY Studio will provide participants with all the materials, tools and direction necessary to hand build the clay tiles. This workshop will be free and open to all members of the public. KLY Studio will work with City staff on a public outreach effort to reach local residents.

KLY Studio Biographies

Kristina Young is an artist and community leader living in Napa, California who studied art and design at the University of British Columbia (Vancouver, BC), California College of the Arts (San Francisco, CA) and received her BFA from Richmond College (London, UK). Since 2000, she has worked with non-profit, private and government and educational entities to develop, manage and advocate for arts programming and accessibility. She specializes in collaborative, large-scale murals and mosaic art for private and public spaces. She is currently the lead artist for the Napa Quake Mosaic, a collaborative public art project planned to be installed in the downtown Napa's Rail Arts District.

Sam Tubiolo is a visual artist and arts educator whose primary art forms include ceramic murals, public art and sculpture. His work revolves around themes of landscape, human presence, passage of time, and sense of place. He has taught ceramics as well as sculpture, papermaking, printmaking, drawing and painting at many different levels, including universities, community colleges, neighborhood art workshops, public schools, centers for developmentally disabled, and correctional facilities. Mr. Tubiolo has worked as an Artist/Educator with The California Arts Project (TCAP) and as an Artist-in-Residence with the California Arts Council and the New Mexico Arts Division. Art in Public Places programs in New Mexico and California feature a number of his works. Mr. Tubiolo holds a BFA from Rochester Institute of Technology, and MA and MFA from the University of New Mexico. He is a retired Professor of Art from Sierra College in Rocklin and Grass Valley, CA. He currently teaches art at California Medical Facility in Vacaville and produces his art and public works in Napa, CA.

Sam and Kristina have been studio mates since 2018 and have frequently supported each other's work with production assistance and technical guidance. They plan to co-teach the community workshop as well as create the tiles and mosaic work for this project in their Napa studio and deliver in sections to the bench site for professional installation.

ARTWORK RENDERINGS

FRONT OF BENCH



BACK OF BENCH



CONCEPT DESIGN AND LOCATION OF GROUND SURFACE



West Sacramento FS41 Bench Project Budget Total: \$42,000

Item	Amount	Note
Studio Costs		
Artists's Fee (design and project managemer	\$8,400.00	20% of total
Studio Overhead (rental, stoarge)	\$5,500.00	\$500/mo x 11 months
Insurance	\$1,000.00	\$500/year x 2
Photo/video documentation	\$500.00	Israel Valencia
Travel Cost	\$530.00	\$53/trip x 10 trips (92 miles round trip)
Fabrication		
Studio Production + Community Workshop	\$9,750.00	labor
Materials + Supplies	\$2,000.00	clay, glaze, firing cost, mosaic tiles
Installation		
Installation Team	\$8,000.00	labor + materials (thin set, grout, sealer)
Ground tile substructure	\$2,000.00	concrete work
Site preparation and clean up	\$0.00	City to power wash and apply ARDEX to strengthen surface
Engineering, permits, and inspections	\$120.00	
Subtotal	\$37,800.00	
Contingency	\$4,200.00	10% of total
Total	\$42,000.00	
Optional		
Shade tree	\$500.00	provided by City

EXHIBIT B

Schedule of Performance

The following schedule shall be adhered to in the design, fabrication and installation of Work:

Start Date: Upon receipt of a Notice to Proceed (purchase order) from City.

Phase 1:

- Timing: Phase 1 to be completed by four months after Contract execution and after City payment, upon execution of this Contract, has been received by Artist.
- Description: Artist shall produce a workshop in collaboration with the City for up to 25 participants.

Phase 2:

- Timing: Phase 2 to be completed and invoiced by October 30, 2023 (provided the Start Date will occur no later than on July 1, 2023) and after completion of a workshop and after City payment for completion of Phase 1 has been received by Artist. Phase 2 will include multiple milestones, each with their own deliverables. The Description section below will describe each of these milestones within Phase 2 and the associated deliverables for each.
- Description: Fabrication of the work as described below.
 - Milestone 2-A:
 - Artist shall submit a detailed written description of the fabrication and installation methods (“Installation Specifications”).
 - Artist shall submit a detailed fabrication and installation schedule (“Installation Schedule”), describing Artist’s specific timelines for completing the Work including the definition for 50% completion for the Work.
 - Artist recognizes and agrees that the City will review the Installation Specifications and Installation Schedule and may make additional requests for changes. Artist will need to receive City approval of the Installation Specifications and Installation Schedule.
 - Milestone 2-B:
 - Includes 100% completion of the Work and approval by City before transportation to site.
 - Artist shall fabricate the Work in accordance with the proposal attached hereto in Exhibit A and approved by the City. To the extent that any specification for the Work is not identified in the Final Design, Artist shall seek the City’s prior approval of these specifications before commencing with fabrication of the Work.
 - Artist shall notify the City when the Work is at 100%

Phase 3

- Timing: Phase 3 to be completed by June 1, 2024 (provided the Start Date will occur no later than November 1, 2023) and after City payment for completion of Phase 2 is received by the Artist.
- Description: Artist will transport and install the Work per the Installation Specifications and Installation Schedule approved by the City.

Phase 4

- Timing: Phase 4 to be completed by July 1, 2024 one month after completion of Phase 3
- Description:
 - Artist will need to receive acceptance of the installed Work by the City;
 - Complete and submit to City staff the Maintenance Report (Exhibit C); and
 - Submit 20 high resolution (300 dpi minimum) digital images documenting the processes of Work fabrication and installation and completed work.

In no event shall Artist begin work on any Phase or Milestone without first receiving a written Notice to Proceed from City.

The Notice to Proceed, or any approvals or other cooperation of City pursuant to this Contract, having an effect on creation and manufacturing of the Work, shall not be unreasonably withheld or delayed by City.

In case the Start Date occurs later than on July 1, 2023 or City is withholding or delaying its approvals or other cooperation of City pursuant to this Contract, all fixed dates in this Contract shall be re-scheduled accordingly.

EXHIBIT C
Maintenance Report

Artist: _____

Address: _____

Home Phone: _____ Work Phone: _____

Studio Phone: _____ Email Address: _____

1. Title of the Artwork: _____

2. Medium or material: _____

3. Edition information, if applicable: _____

4. Date and place executed: _____

5. Collaborating artist(s), if applicable. _____

6. Maker(s) other than Artist (fabricators, technicians), if applicable. Include names, addresses, phone numbers and element worked on.

7. Location of signature and copyright mark, if it occurs.

8. Exhibitions pertaining only to the above-named work, if any.

9. Published reviews or articles concerning the above named work.

10. Dimensions (please measure in both inches and centimeters; record height first, then width, then depth if needed or diameter; if a work is irregular or circular in shape, state as such in parenthesis; if work involves multiple pieces, measure the significant parts as well as the whole; measure the work separately from the frame or pedestal; include the dimensions of the frame or pedestal.)

11. Materials used in the execution of the Artwork (be technical and specific).

12. Technique or construction methods used in the execution of the Artwork (attach fabrication drawings, if necessary).

13. Material finish on the Artwork (glaze, paint color and type, sanding, grit, tool pattern, patina, surface sealer, etc).

14. Foundation/installation structure (include armature bolt/pin size, grout, etc.).

15. Handling instructions.

16. Artist's statement about the Artwork (concept, message, relationship to site, etc.).

17. Describe recommended general routine maintenance and care for the Artwork (cleaning agent(s), procedure(s) timetable, etc.).

18. Special handling and/or storage instructions.

19. Special cautions or concerns regarding the Artwork.

20. Packing, shipping or storage instructions (should the need arise).

MEETING DATE: June 7, 2023

ITEM # 11

SUBJECT:



CONSIDERATION OF OBJECTION TO ABC LICENSE CONDITION REMOVAL OR MODIFICATION FOR KWIK MART LOCATED AT 1648 WEST CAPITOL AVENUE

INITIATED OR REQUESTED BY:

- Council Staff
- Other

REPORT COORDINATED OR PREPARED BY:

Dawna Jones, Senior Analyst
Police Department

ATTACHMENT Yes No Information Direction Action

OBJECTIVE

The objective of this report is to obtain City Council approval of an objection to a petition for removal or modification of ABC license conditions for Kwik Mart located at 1648 West Capitol Avenue.

RECOMMENDED ACTION

It is respectfully recommended that the City Council authorize the Mayor to sign a letter to the California Department of Alcoholic Beverage Control objecting to the Kwik Mart owner's petition for removal or modification of ABC license conditions based upon crime statistics surrounding Kwik Mart located at 1648 West Capitol Avenue.

BACKGROUND

On May 9, 2023, the Police Department received a petition from the ABC license-holder for the Kwik Mart, located at 1648 West Capitol Avenue, to remove the condition on its license prohibiting the sale of certain alcoholic beverages (e.g., beer in containers of 16 oz or less, wine coolers, pre-mixed cocktails) in quantities of fewer than three individual containers per sale. (Attachment 2.)

ANALYSIS

Kwik Mart is located in an area of concentrated criminal activity along West Capitol Ave in West Sacramento. The location of the business has generated 13 calls for service in the past 12 months, including public nuisance, suspicious subject and harassment, and the area directly around the business has generated over 1,000 calls for service in the same 12-month period. (See Attachment 3.) The types of calls in the area include driving under the influence, drunk in public, trespassing, battery and indecent exposure. The crime rate and activity in the area remains consistent, illustrating that there are no grounds to remove the single sales condition. Moreover, the license holder has not presented any information supporting a determination that the grounds that caused the imposition of the condition no longer exist, so it has not satisfied its burden under Section 23803 of the Business and Professions Code in requesting removal of the condition.

As such, staff recommends the City Council, as the local governing body for the City of West Sacramento, pursuant to Section 23803 of the Business and Professions Code, object to the removal of the condition on the license for Kwik Mart, which would allow sales of single beer and other alcoholic beverages. It is further recommended that the City Council authorize the Mayor to sign a letter to ABC objecting to the requested changes to the existing conditions. (Attachment 1.) Upon receipt of the City's objection, ABC is prohibited from removing the condition without first conducting a hearing before an administrative law judge.

Environmental Considerations

This action is not a project that is subject to CEQA because it is not an activity that may cause either a direct or reasonably foreseeable indirect physical change in the environment. (Pub. Resources Code, § 21065; CEQA Guidelines §§ 15060(c), 15378(a).)

Commission Recommendation

N/A

Strategic Plan Integration

This action supports the City's vision of people feeling safe and secure.

Alternatives

1. The Council may choose not to object to the owner's request to remove the conditions regarding single sale beverages for Kwik Mart.
2. The Council may choose to modify the conditions regarding single sale beverages for Kwik Mart.

Coordination and Review

This report was coordinated and reviewed by the Police Department and Community Development Department.

Budget/Cost Impact

There is no budgetary or cost impact associated with this item.

ATTACHMENTS

1. Letter to ABC regarding Kwik Mart
2. ABC Notification re: Kwik Mart Petition for Condition Removal
3. Calls for Service



June 7, 2023

Maggie DeSouza
ABC Licensing Representative II
Alcohol Beverage Control
2400 Del Paso Road, Suite 155
Sacramento, CA 95834

Subject: Objection to Petition for ABC License Condition Removal/Modification – Kwik Mart

Dear Ms. DeSouza

On May 9, 2023, the Police Department received a petition from the ABC license-holder for the Kwik Mart, located at 1648 West Capitol Avenue, to remove the condition on its license prohibiting the sale of certain alcoholic beverages (e.g., beer in containers of 16 oz or less, wine coolers, pre-mixed cocktails) in quantities of fewer than three individual containers per sale. At its regular meeting on June 7, 2023, the City Council reviewed the petition, along with information from the Police Department supporting a determination that the grounds that caused the condition to be imposed on the license continue to exist. In particular, Kwik Mart is located in an area of concentrated criminal activity along West Capitol Ave in West Sacramento. The location of the business has generated 15 calls for service in the past 12 months, including public nuisance, suspicious subject and harassment, and the area directly around the business has generated over 300 calls for service in the same 12-month period. The types of calls in the area include armed robbery, driving under the influence, drunk in public, trespassing, battery and indecent exposure. The crime rate and activity in the area remains consistent, illustrating that there are no grounds to remove the single sales condition. Moreover, the license holder has not presented any information supporting a determination that the grounds that caused the imposition of the condition no longer exist, so it has not satisfied its burden under Section 23803 of the Business and Professions Code in requesting removal of the condition.

As such, the City Council, as the local governing body for the City of West Sacramento, pursuant to Section 23803 of the Business and Professions Code, objects to the removal of the condition on the license for Kwik Mart which would allow sales of single beer and other alcoholic beverages and requests the ABC reject the petition to remove the condition.

Should you have any questions, please contact Dea Pugh at (916) 617-4967.

Sincerely,

Martha Guerrero
Mayor



cc: Rob Strange, Police Chief, West Sacramento Police

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
SACRAMENTO DISTRICT OFFICE
2400 DEL PASO ROAD, SUITE 155
SACRAMENTO, CA 95834
(916) 419-1319



May 3, 2023

West Sacramento City Council
KYRSS RANKIN, City Clerk
1110 W. Capitol Ave., 3rd Fl
West Sacramento, Ca 95691

**CERTIFIED MAIL
RETURN RECEIPT
REQUESTED**

KWIK MART INVESTMENTS LLC
KWIK MART
1648 W CAPITOL AVE
WEST SACRAMENTO, CA 95691-3220
File: 20-626714

Dear West Sacramento City Council:

This is to inform you that pursuant to an amendment to Section 23803 of the Business and Professions Code which became effective January 1, 1998, the Department is required to notify local governing bodies of any petition to remove or modify conditions on an alcoholic beverage license.

Please be advised that the above-referenced licensee, whose currently licensed premises is within your jurisdiction, has petitioned the Department to remove or modify certain conditions on their alcoholic beverage license. I have enclosed the following items for your information and consideration:

1. A copy of Section 23803 of the Business and Professions Code.
2. A copy of the existing Petition for Conditional License, which contains the license conditions, and the grounds for their original imposition.
3. A copy of the licensee's letter describing the conditions the licensee is seeking to remove or modify.

According to the provisions of Section 23803 BPC, you have thirty (30) days to file a written objection to the modification/removal of these conditions. If you have any questions or need any additional assistance in this matter, please do not hesitate to contact Licensing Representative II Maggie DeSouza at (916) 419-6445.

Sincerely,

Maggie DeSouza
Licensing Representative II

RECEIVED

MAY 09 2023

City of West Sacramento
City Manager's Office

§ 23803. Removal or modification of conditions; Notice and hearing (a) The department, upon its own motion or upon the petition of a licensee or a transferee who has filed an application for the transfer of the license, if it is satisfied that the grounds that caused the imposition of the conditions no longer exist, shall order their removal or modification, provided written notice is given to the local governing body of the area in which the premises are located. The local governing body has 30 days to file written objections to the removal or modification of any condition. The department may not remove or modify any condition to which an objection has been filed without holding a hearing as provided in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. (b) For purposes of this section, a situation in which the "grounds that caused the imposition of the conditions no longer exist" includes, but is not limited to, the situation in which there have been substantial changes in the totality of circumstances such that the department determines that the current circumstances reasonably justify the modification or removal of the conditions. (c) Any petition for the removal or modification of a condition pursuant to this section shall be accompanied by a fee of four hundred seventy-five dollars (\$475). This fee may be adjusted by the department pursuant to subdivisions (d) and (e) of Section 23320.

**BEFORE THE
DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
OF THE STATE OF CALIFORNIA**

IN THE MATTER OF THE APPLICATION OF

KWIK MART INVESTMENTS LLC
KWIK MART
1648 W CAPITOL AVE, WEST SACRAMENTO, CA
95691-3220

} FILE 20-626714

}

}

}

}

}

}

}

}

**PETITION FOR CONDITIONAL
LICENSE**

For Issuance of an Off-Sale Beer And Wine - License

Under the Alcoholic Beverage Control Act

WHEREAS, petitioner(s) has/have filed an application for the issuance of the above-referred-to license(s) for the above-mentioned premises; and,

WHEREAS, the (NAME OF LOCAL GOVERNING BODY OR ITS DESIGNEE), has provided the Department with substantial evidence of an identifiable problem, which exists at the premises or in its immediate vicinity, and that conditions will mitigate the problem; and,

WHEREAS, the issuance of an unrestricted license would be contrary to public welfare and morals;

NOW, THEREFORE, the undersigned petitioner(s) do/does hereby petition for a conditional license as follows, to-wit:

1. Sales and service of alcoholic beverages shall be permitted only between the hours of 6:00AM and 12:00 MIDNIGHT each day of the week.
2. No alcohol consumption shall be permitted at this location.
3. The petitioner(s) shall post a prominent, permanent sign stating, "NO LOITERING IS ALLOWED ON OR IN FRONT OF THESE PREMISES" in a place that is clearly visible to patrons of the licensed premises. The sign shall be at least two feet square with at least two inch block lettering.
4. The petitioner(s) shall post a prominent, permanent sign stating, "NO OPEN ALCOHOLIC BEVERAGE CONTAINERS ARE ALLOWED ON THESE PREMISES" in a place that is clearly visible to patrons of the licensed premises. The sign shall be at least two feet square with at least two inch block lettering.

Initials

ABC-172 (5/94)

5. Petitioner shall not permit any person to possess an open container or consume alcoholic beverages in or around the licensed premises as depicted on the most recently certified ABC-257 and ABC-253.
6. The petitioner(s) shall be responsible for maintaining free of litter the area adjacent to the premises over which they have control as depicted on the most recently certified ABC-257 and ABC-253.
7. Petitioner(s) shall actively monitor the area under their control in an effort to prevent the loitering of persons on any property adjacent to the licensed premises as depicted on the most recently certified ABC-253.
8. The parking lot of the premises shall be equipped with lighting of sufficient power to illuminate and make easily discernible the appearance and conduct of persons on or about the parking lot. Additionally, the position of such lighting shall not disturb the normal privacy and use of any neighboring residences.
9. No individual containers of beer or malt beverage products shall be sold, regardless of container size, unless the containers are in manufactured pre-packaged multi-unit quantities. This restriction applies to any beer that is not sold or marketed by the manufacturer in a multi-unit package quantity.
10. The following alcoholic beverages shall not be sold in quantities of fewer than three (3) individual containers per sale:
 1. Beer, including malt beverages and malt liquor products, in containers of 16 oz or less;
 2. Pre-mixed wine products commonly known as "wine coolers";
 3. Pre-mixed distilled spirits-based cocktails.
11. No wine shall be sold with an alcohol content of greater than 15% by volume.

This petition for conditional license is made pursuant to the provisions of Sections 23800 through 23805 of the Business and Professions Code and will be carried forward in any transfer at the applicant-premises.

Petitioner(s) agree(s) to retain a copy of this petition on the premises at all times and will be prepared to produce it immediately upon the request of any peace officer.

The petitioner(s) understand(s) that any violation of the foregoing condition(s) shall be grounds for the suspension or revocation of the license(s).

DATED THIS _____ DAY OF _____, 20_____.

Applicant/Petitioner

Applicant/Petitioner

To,

ABC District Office Sacramento,

Through this letter i want to request office to please remove restriction to sell single beer. I bought this store in May 2021 and my record is clear and have no violation. So i request the office to please consider it, it will help my business alot.

Regards

Kulwinder Lally

owner

530-370-3012

RECEIVED

APR 19 2023

**Dept. of Alcoholic Beverage Control
Sacramento**

KWIK MART (1648 WEST CAPITOL AVENUE)

May 30, 2022 – May 30, 2023

During the last 12 months there were 1,557 calls for service on West Capitol Avenue in the concentrated area shown below in red. Of those calls for service, 44% of the top 20 problem types are public nuisance related, which are often exacerbated by alcohol. These call types include 5150 Psych Patient, Trespassing, Fights, Thefts, and Homeless Complaints. In this same area are four different residential units, all within walking distance (~800 feet) of Kwik Mart.



Call Type	Total
MED Medical Aid	192
970 Follow Up	139
5150 Psych Patient	117
602 Trespassing	94
INFO Information for law	93
T Traffic Stop	60
W911A WIRELESS abandoned 911	59
415V Fight - Verbal	53
11-20 Parking Violation	42
980 Welfare Check	34
415T Disturbance - Threats	28
415P Fight - Physical	28
R10851 Stolen Vehicle Report	27
R484 Theft Report	26
SCIRS Suspicious Subject	24
370H Homeless complaint	22
W980 Welfare Chk WIRELESS	20
10-33C Audible Commercial	19
R242 Battery Report	18
903 Assist Outside Agency	18
Total	1113

<u>Address</u>	<u>Business Name</u>	<u>Total CFS</u>
1801 W Capitol Ave	Mercy Housing	715
1601 W Capitol Ave	Raley's	330
1700 W Capitol Ave	McDonalds	90
1705 W Capitol Ave	Sinclair Gas	65
1731 W Capitol Ave	Mercy Housing	65
1721 W Capitol Ave	Cheap Cigarettes	62
1724 W Capitol Ave	Sahara Motel	43
1550 W Capitol Ave	Fremont Motel	38
1600 W Capitol Ave	Bel Air Motel	33
1750 W Capitol Ave	Uhaul	32
1640 W Capitol Ave	Capitol Gyros	24
812 Westacre Rd	Kentucky Fried Chicken	24
1648 W Capitol Ave	KWIK	13
1620 W Capitol Ave	Water & Salt	6
1725 W Capitol Ave	Mercy Housing	4
1638 W Capitol Ave	Ariana Market	3
1627 W Capitol Ave	N/A	2
1701-1799 W Capitol Ave	N/A	2
820 Westacre Rd	Acme Dental	2
1629 W Capitol Ave	Raley's	1
1699 W Capitol Ave	N/A	1
1700-1798 W Capitol Ave	N/A	1
1701 W Capitol Ave	N/A	1
Total Calls for Service		1,557

MEETING DATE: June 7, 2023

ITEM # 12

SUBJECT:



CONSIDERATION OF PURCHASE OF A VARIABLE FREQUENCY DRIVE AT BRIDGEWAY LAKES PUMP STATION USING CIP 21007 (MAJOR WATER SYSTEMS REPAIRS)

INITIATED OR REQUESTED BY:

- Council Staff
- Other

REPORT COORDINATED OR PREPARED BY:

Lorianne Landsaw
Public Works Department

ATTACHMENT Yes No Information Direction Action

OBJECTIVE

The objective of this report is to request Council approval to purchase a Variable Frequency Drive (VFD) for a High Service Pump (HSP) at the Bridgeway Lakes pump station.

RECOMMENDED ACTION

Staff respectfully recommends that the City Council:

- 1) Find that the purchase, removal and replacement of a variable frequency drive is exempt from the California Environmental Quality Act (CEQA) under the General Rule exemption provided for in the CEQA Guidelines Section § 15061(b)(3); and
- 2) Authorize the use of CIP 21007 for Major Water System Repairs in the amount of \$70,000 for the removal and replacement of the variable frequency drive for a high service pump at the Bridgeway Lakes Pump Station.

BACKGROUND

The George Kristoff Water Treatment Plant (WTP) currently has a nominal treatment capacity of 58 million gallons per day (mgd), provides full conventional treatment, and is the only source of drinking water supply for the City of West Sacramento. The treatment plant is operated 24 hours per day, 365 days per year. The City utilizes pump stations to help transport potable water to its citizens and to maintain water pressure through the system. The Bridgeway Lakes Pump Station is designed to rotate through three variable frequency drives (VFD's) on a weekly basis. This is one of only two pump stations that provide water to the south side of the City. At this time, only one of the three VFD's is currently operational, supporting the continued water supply on the north side of the City, as well as maintaining water pressure necessary for fire suppression efforts.

ANALYSIS

The majority of VFD's used in the water treatment process are older and are at, or close to, the end of their useful life. To rectify this, staff has requested a multi-year replacement project in the CIP for fiscal years 2023/2024 and 2024/2025 which is anticipated to be approved by Council on June 28, 2023 with the full biennial budget.

However, staff is requesting that a VFD repair for this specific pump station be approved immediately, to allow staff to order the VFD and have it installed using funds from the Major Water Systems Repair CIP (21007) to complete the transaction. This project has sufficient budget to perform the work and was created for this type of transaction when a major water system repair is required for which a separate CIP has not been created. Staff issued an Invitation to Bid (23-028-ITB) on April 17, 2023 and had one approved response. The response is from an existing vendor who understands the needs of the City and the Water Treatment Plant, and staff recommended acceptance of this bid. As the purchase of the part is in excess of \$50,000, Council approval of the purchase is required.

Environmental Considerations

This action is not a project that is subject to CEQA because it is not an activity that may cause either a direct or reasonably foreseeable indirect physical change in the environment. (Pub. Resources Code, § 21065; CEQA Guidelines §§ 15060(c), 15378(a).)

Commission Recommendation

Not applicable

Strategic Plan Integration

This supports the City's vision and goal for a "West Sacramento: Preferred Place to Live, Work, Learn and Play."

Alternatives

The City Council may decide to:

- 1) Approve the recommended action; or
- 2) Direct staff to wait until the proposed CIP for the new budget years is approved.

Alternative 2 is not recommended due to the limited capacity and potential issues which would be experienced if the one remaining VFD were to experience a failure prior to the start of the new fiscal year.

Coordination and Review

This report has been coordinated with the Capital Projects Department and the Finance Department.

Budget/Cost Impact

CIP 21007 currently has sufficient funds available to cover the cost of this replacement.

ATTACHMENT

None

MEETING DATE: June 7, 2023

ITEM # 13

SUBJECT:



CONSIDERATION OF THE TREASURER’S QUARTERLY FINANCIAL REPORT ON THE CITY’S INVESTMENT PORTFOLIO FOR THE PERIOD ENDING MARCH 31, 2023 AND ANNUAL UPDATES TO THE CITY’S INVESTMENT POLICY

INITIATED OR REQUESTED BY:

- Council Staff
- Other

REPORT COORDINATED OR PREPARED BY:

Marc Rotteveel, Finance Analyst
Finance Department

ATTACHMENT Yes No Information Direction Action

OBJECTIVE

The purpose of this report is to provide the City Council with the treasurer’s quarterly report on the City’s investment portfolio for the quarter ending March 31, 2023 as outlined by the Government Code 53646(b) (1) and to propose updates to the City’s Investment Policy consistent with applicable Government Code.

RECOMMENDED ACTION

Staff respectfully recommends that the City Council receive and file the Treasurer’s Quarterly Financial Report on the City’s investment portfolio for the period ending March 31, 2023, and approve the recommended changes to the City’s investment policy.

BACKGROUND

All local agencies are required to file regular financial reports with their legislative body on the status of their investment portfolio. One of the roles of the City’s Finance Department is to manage investments of the City to ensure that cash flow needs are met while maximizing the investment portfolio.

The funds invested in the City’s treasury are made up of pooled cash from all Funds in the City’s general ledger, including funds held in Trust for other agencies (i.e., the Yolo-Sacramento Port District and West Sacramento Flood Control Agency (WSAFCA) JPA). City staff structure investment maturities in such a way to optimize return while ensuring enough liquid funds are available to meet the operating and capital needs of the City and agencies for which the City acts as Treasurer. The pooled cash also includes impact fee revenues collected from developers and set aside until sufficient funds are available to implement the capital projects for which they were collected, and reserve funds for budget stabilization to ensure fiscal stability of the City and its various services to the community.

It should be noted that the majority of the funds held in the City’s treasury are legally restricted and may only be used for the purposes for which they are collected. Moreover, the funds may only be invested in investments permitted by California Government Code 53600 (Code) et. al, and the City’s investment policy.

Under section 53646(b)(1) of the Government Code, the City Treasurer may prepare and transmit a quarterly financial report to the City Council on the City’s investment portfolio. This report includes:

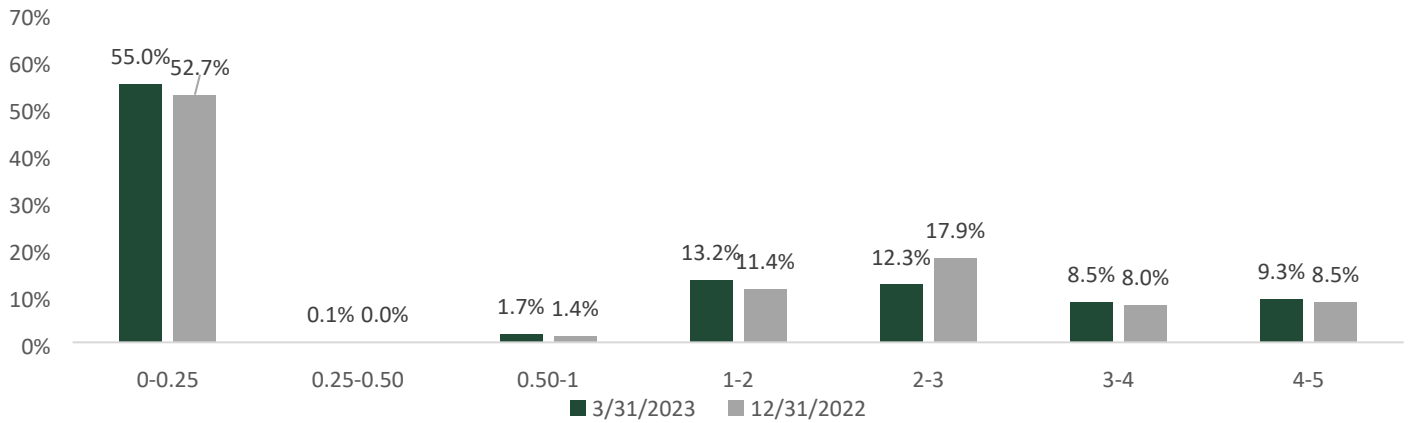
1. The type of investment, issuer, date of maturity, and par and dollar amount invested on all securities, investments and funds held by the City;
2. A current market value as of the date of the report;
3. A stated compliance of the portfolio to the statement of the City’s adopted investment policy, or manner in which the portfolio is not in compliance; and
4. A statement denoting the ability of the local agency to meet its pool’s expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall or may not be available. Once a year, the statement of investment policy is included in the report.

This quarterly report is produced in a format designed to provide stakeholders with a broad profile of the City’s Investment Portfolio. While staff is only transmitting portions of the report with key investment results, a full report with additional detail is available upon request.

ANALYSIS

This quarterly financial report summarizes the status of pooled treasury investments as of March 31, 2023. For the quarter-end, the City's treasury investments comprised investments with a book value of \$275,574,350.63, and a market value of \$270,767,237.38. These figures do not include accrued interest of \$1,214,391.30, which represents interest income the City has earned but not yet received. The Book Value represents the carrying value of the securities and is based on what the City paid for the security, net of amortization of premiums or accretion of discounts to date, whereas Market Value is a constantly changing amount based on how the securities markets value our portfolio. Market values fluctuate with changes in interest rates, and price has an inverse relationship to interest rates.

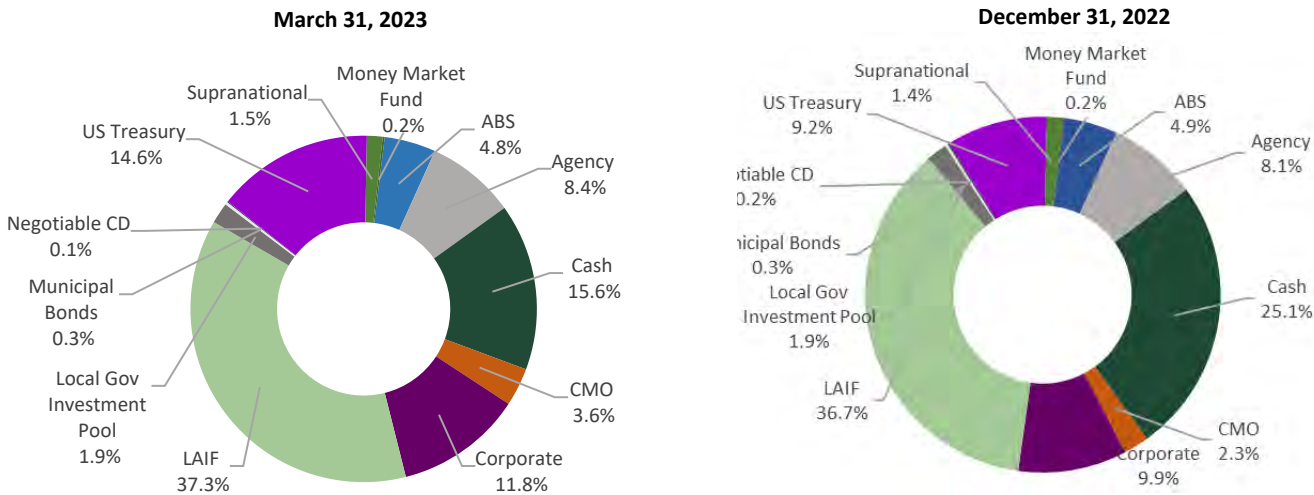
City of West Sacramento Consolidated Maturity Distribution



The City continues to maintain sufficient liquidity to meet its expenditure requirements for the next six months. Local Agency Investment Fund (LAIF), which is the California State Treasurer's investment pool, and California Asset Management Program (CAMP), a local government investment pool, comprised the City's most liquid funds, and totaled 37.29% of the investment portfolio. These funds are available to the City within one day. Additionally, the City held \$42.2 million in its operating bank account, which fluctuates depending on cash needs to meet City obligations. Those funds not held in the short-duration investment pools or cash are invested in a diversified portfolio of securities as allowed by Code and the City's investment policy. The portfolio's duration, sector allocation, and maturity structure are actively managed throughout the quarter. In total, the City's consolidated investments maintain an average maturity of 352 days.

The City's portfolio is designed to provide safety and liquidity and continues to meet its goals. City staff and the City's investment adviser continue to focus on any market dynamics that pose risks to the portfolio.

City of West Sacramento Consolidated Sector Allocation



The City's portfolio of securities (excluding cash, LAIF, and CAMP) maintains its duration in line with its performance-measuring benchmark. Duration is a risk measure indicating the portfolio's fair value sensitivity to changes in interest rates. As of March 31, 2023, portfolio duration was 2.34 years, which is 96% of its duration target, as measured by the portfolio's risk and performance-measuring benchmark (which had a duration of 2.48 years). The portfolio continues to maintain strong diversification in sectors, issuers, and maturities.

Economic Outlook

Economic trends have been decelerating along with tighter financial conditions and restrictive monetary policy. Recent data suggests positive but below trend growth this year. Although the pace of job growth is moderating, labor markets remain solid, and the U.S. consumer has demonstrated resiliency. Market participants and the Federal Reserve are maintaining very divergent views regarding the future trajectory of monetary policy. Given the cumulative effects of tighter monetary policy and stress in the banking sector, the Federal Reserve is likely near a pause in their rate hiking campaign. If moderate growth continues, the Fed may likely maintain the Federal Funds rate in restrictive territory until inflationary pressures subside.

At the March meeting, the Federal Open Market Committee voted unanimously to raise the target federal funds rate by 0.25% to a range of 4.75 – 5.00%. Fed Chair Powell reiterated the committee's focus on bringing down inflation to their 2% target; however, the committee softened language about "ongoing increases" in rates in the prior statement to "some additional policy firming may be appropriate". The statement also emphasized that the U.S. banking system is "sound and resilient" and acknowledged the tightening of financial conditions.

In March, the yield curve inversion narrowed. The 2-year Treasury yield plummeted 79 basis points to 4.03%, the 5-year Treasury yield plunged 61 basis points to 3.58%, and the 10-year Treasury yield fell 45 basis points to 3.47%. The inversion between the 2-year Treasury yield and 10-year Treasury yield declined to -56 basis points at March month-end versus -90 basis points at February month-end. There was no spread between the 2-year Treasury and 10-year Treasury yield one year ago – the yields were approximately equal. The inversion between 3-month and 10-year Treasuries widened to -128 in March from -89 basis points in February. The shape of the yield curve indicates that the probability of recession is increasing.

Discussion of Performance

The following is a summary of the City's holdings by investment type, including each sector's yield to maturity. Yield to maturity measures the interest income the City is expected to earn for the coming 12 months, assuming nothing in the portfolio changes. As of March 31, 2023, the weighted average yield to maturity of the City's consolidated investments was 2.23%:

Investment Type	Par Value	Market Value	Book Value	% of Portfolio	Days to Maturity	Yield to Maturity
ABS	\$13,340,670.91	\$12,995,563.58	\$13,295,155.14	4.80%	1,055	2.15%
Agency	\$24,010,000.00	\$22,612,872.51	\$24,037,951.26	8.35%	690	0.97%
Cash	\$42,173,873.26	\$42,173,873.26	\$42,173,873.26	15.58%	1	0.28%
CMO	\$9,972,621.58	\$9,643,457.64	\$9,797,298.27	3.56%	1,139	3.41%
Corporate	\$34,050,000.00	\$32,076,692.89	\$33,691,371.14	11.85%	1,018	2.53%
LAIF	\$100,959,757.36	\$100,959,757.36	\$100,959,757.36	37.29%	1	2.88%
Local Gov Investment Pool	\$5,269,627.21	\$5,269,627.21	\$5,269,627.21	1.95%	1	4.92%
Municipal Bonds	\$730,000.00	\$707,829.90	\$735,102.93	0.26%	551	1.91%
Negotiable CD	\$248,000.00	\$246,480.50	\$248,000.00	0.09%	139	3.40%
US Treasury	\$40,880,000.00	\$39,620,502.36	\$40,548,958.58	14.63%	449	2.61%
Supranational	\$4,325,000.00	\$3,957,010.40	\$4,313,675.71	1.46%	1,029	0.78%
Money Market Fund	\$503,569.77	\$503,569.77	\$503,569.77	0.19%	1	4.70%
Grand Total	\$276,463,120.09	\$270,767,237.38	\$275,574,340.63	100%	352	2.23%

The portfolio's return comprises interest income as well as fair value appreciation, both of which are a function of movements in interest rates available in the capital markets. Interest income continues to be robust (the investment portfolio of securities is expected to earn 2.24% for the next year (up from 2.13% last quarter; when LAIF, CAMP and cash are included the expected earnings are 2.23%). Staff continues to work closely with the City's investment adviser to diversify the portfolio in order to improve safety, liquidity, and return. In the current quarter, staff will continue to evaluate liquidity needs and, where possible, continue the investment in longer-duration securities.

Investment Policy

Senate Bill 1489 (SB 1489) recently made changes to the sections of California Government Code which governs the investment of public funds. Though none of the changes require the City to update its investment policy, staff believe that the safety and liquidity of the City's investment portfolio would be enhanced by adopting the recent changes to California Government Code, as well as select best practices:

- Pursuant to Senate Bill 1489, effective January 1, 2023, the Code specified that an investment's term or remaining maturity shall be measured from settlement date to final maturity rather than from trade date. City staff is recommending adding the change in the Maximum Maturities and Mitigating Market Risk in the Portfolio sections.
- City staff is also recommending augmenting the description of Investment Types Under Section E, Suitable and Authorized Investments, to recognize that minimum credit quality requirements apply at the time of purchase. This change will give the City the flexibility to avoid selling an investment at a loss if holding the investment is a prudent decision. Finance staff works closely with the City's investment advisor to assess these rare occurrences on a case-by-case basis.

Environmental Considerations

Not applicable

Commission Recommendation

Not applicable

Strategic Plan Integration

The City's mission includes a *City Government that is Financially Sound*, and the Council's goal for achieving a *Financially Sound City Government* is furthered by investing the City treasury in a manner that ensures safety and liquidity first, and where possible a yield on "excess cash". The preparation of regular quarterly reports on the City's investments supports the mission and this goal.

Alternatives

Since this agenda report transmits a quarterly financial report pursuant to Government Code section 53646(b) (1), alternatives have not been presented. The City Council may choose to reject or amend the recommended changes to the investment policy.

Coordination and Review

Not applicable

Budget/Cost Impact

The investment portfolio, as a whole, earned returns at least consistent with the revenue estimates contained in the budget.

ATTACHMENTS

1. Excerpts from Chandler Asset Management Investment Report (March 31, 2023)
2. Proposed Investment Policy (IV-C-2) – Redline
3. Proposed Investment Policy (IV-C-2) - Clean

Compliance

City of West Sacramento Consolidated Portfolio

This portfolio is a consolidation of assets managed by Chandler Asset Management and assets managed internally by City of West Sacramento. Chandler relies on City of West Sacramento to provide accurate information for reporting assets and producing this compliance statement.

Category	Standard	Comment
Treasury Issues	No limitations; Full faith and credit of the U.S. are pledged for payment of principal and interest.	Complies
U.S. Agencies	25% max per single Agency/GSE issuer; 20% max agency callable securities; Federal Agencies or U.S. Government Sponsored Enterprises (GSE), participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or U.S. GSEs.	Complies
Supranational Obligations	"AA" rating category or better by a Nationally Recognized Statistical Rating Organization ("NRSRO"); 30% maximum; 10% max per issuer; U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development ("IBRD"), the International Finance Corporation ("IFC") or the Inter-American Development Bank ("IADB")	Complies
Municipal Securities	"A" rating category or better by a NRSRO; 30% maximum; 5% max per issuer; Obligations of the City, State of California and any local agency within the State of California; 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.	Complies
Corporate Medium Term Notes	"A" rating category or better by a NRSRO; 30% maximum; 5% max per issuer; Issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S.	Complies
Asset Backed/ Mortgage Backed/ Mortgage Passthrough/Collateralized Mortgage Obligation	"AA" rating category or better by a NRSRO; 20% maximum (combined); 5% max per issuer on Asset-Backed or Commercial Mortgage security issuer; From Issuer not defined in sections 3 and 4 of the Authorized investment section of the policy	Complies
Negotiable Certificates of Deposit (NCD)	No rating required if amount of the NCD is covered by FDIC insured limit; If above FDIC insured limit, requires "A-1" short-term rated or "A" long-term issuer rating category or better by a NRSRO; 30% maximum (combined with CDARS); 5% max per issuer; 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.	Complies
Non-negotiable Certificates of Deposit	20% maximum (combined FDIC and collateralized); If issued in excess of the FDIC insurance limit, must be fully collateralized with securities in accordance with California law.	Complies
Banker's Acceptances	"A-1" or higher short-term rating by a NRSRO or "A" category or higher long-term rating by a NRSRO; 40% maximum; 5% max per issuer; 180 days max maturity	Complies
Commercial Paper	"A-1" rated or better by a NRSRO; and "A" long-term rating category or better by a NRSRO; 25% maximum; 5% max per issuer; 270 days max maturity; Issuer is a corporation organized and operating in the U.S. with assets > \$500 million; 10% max of the outstanding commercial paper of any single issuer.	Complies
Money Market Mutual Funds	Highest rating or "AAA" rated by two NRSROs; SEC registered adviser with AUM > \$500 million and experience > 5 years; 20% maximum in Mutual Funds and Money Market Mutual Funds; 20% per one Money Market Mutual Fund; 10% max per one Mutual Fund	Complies

Compliance

City of West Sacramento Consolidated Portfolio

This portfolio is a consolidation of assets managed by Chandler Asset Management and assets managed internally by City of West Sacramento. Chandler relies on City of West Sacramento to provide accurate information for reporting assets and producing this compliance statement.

Category	Standard	Comment
Local Agency Investment Fund (LAIF)	Maximum amount permitted by LAIF; Not used by investment adviser	<i>Complies</i>
Local Government Investment Pools	No issuer limitation	<i>Complies</i>
Repurchase Agreements	102% collateralized; 1 year max maturity; Not used by investment adviser	<i>Complies</i>
Prohibited Securities	Inverse floaters; Ranges notes, Mortgage-derived, Interest-only strips; Zero interest accrual securities; Futures and Options; Purchasing/ Selling securities on margin; Reverse repurchase agreements; Foreign currency denominated securities	<i>Complies</i>
Minimum Budgeted Operating Expenditures in Short Term Investments	Minimum 6 months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements	<i>Complies</i>
Max Per Issuer	5% max per single issuer, unless otherwise specified in the policy	<i>Complies</i>
Maximum Maturity	5 years maximum maturity	<i>Complies</i>



Account #10677

As of March 31, 2023

PORTFOLIO CHARACTERISTICS

Average Modified Duration	1.06
Average Coupon	2.10%
Average Purchase YTM	2.22%
Average Market YTM	3.21%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	1.23 yrs
Average Life	1.13 yrs

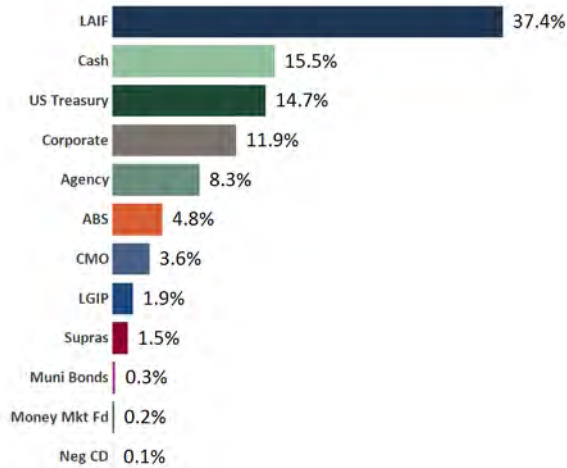
ACCOUNT SUMMARY

	Beg. Values as of 12/31/22	End Values as of 3/31/23
Market Value	278,141,579	270,767,237
Accrued Interest	871,838	1,214,391
Total Market Value	279,013,418	271,981,629
Income Earned	1,254,771	1,321,800
Cont/WD		
Par	285,603,989	276,463,120
Book Value	284,763,435	275,574,341
Cost Value	285,023,734	275,773,079

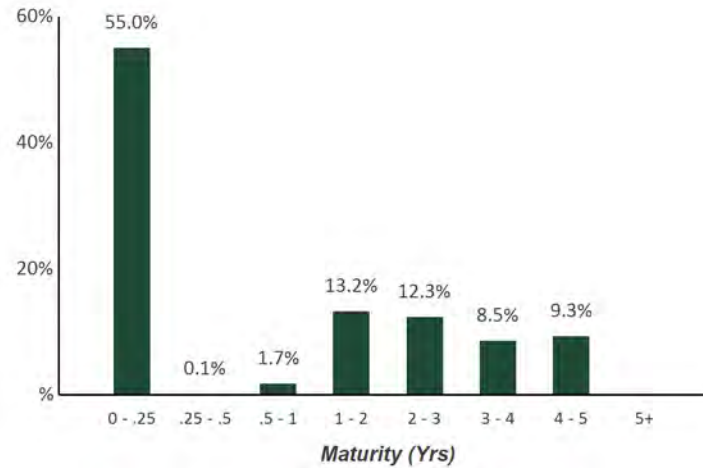
TOP ISSUERS

Local Agency Investment Fund	37.4%
Bank Cash Account	15.1%
Government of United States	14.7%
Federal Home Loan Mortgage Corp	5.4%
Federal National Mortgage Assoc	5.0%
CAMP	1.9%
Federal Home Loan Bank	0.9%
John Deere ABS	0.8%
Total	81.1%

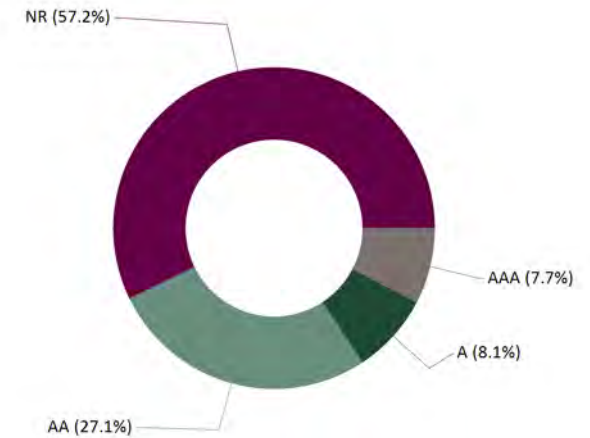
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



Portfolio Characteristics

City of West Sacramento Operating Portfolio

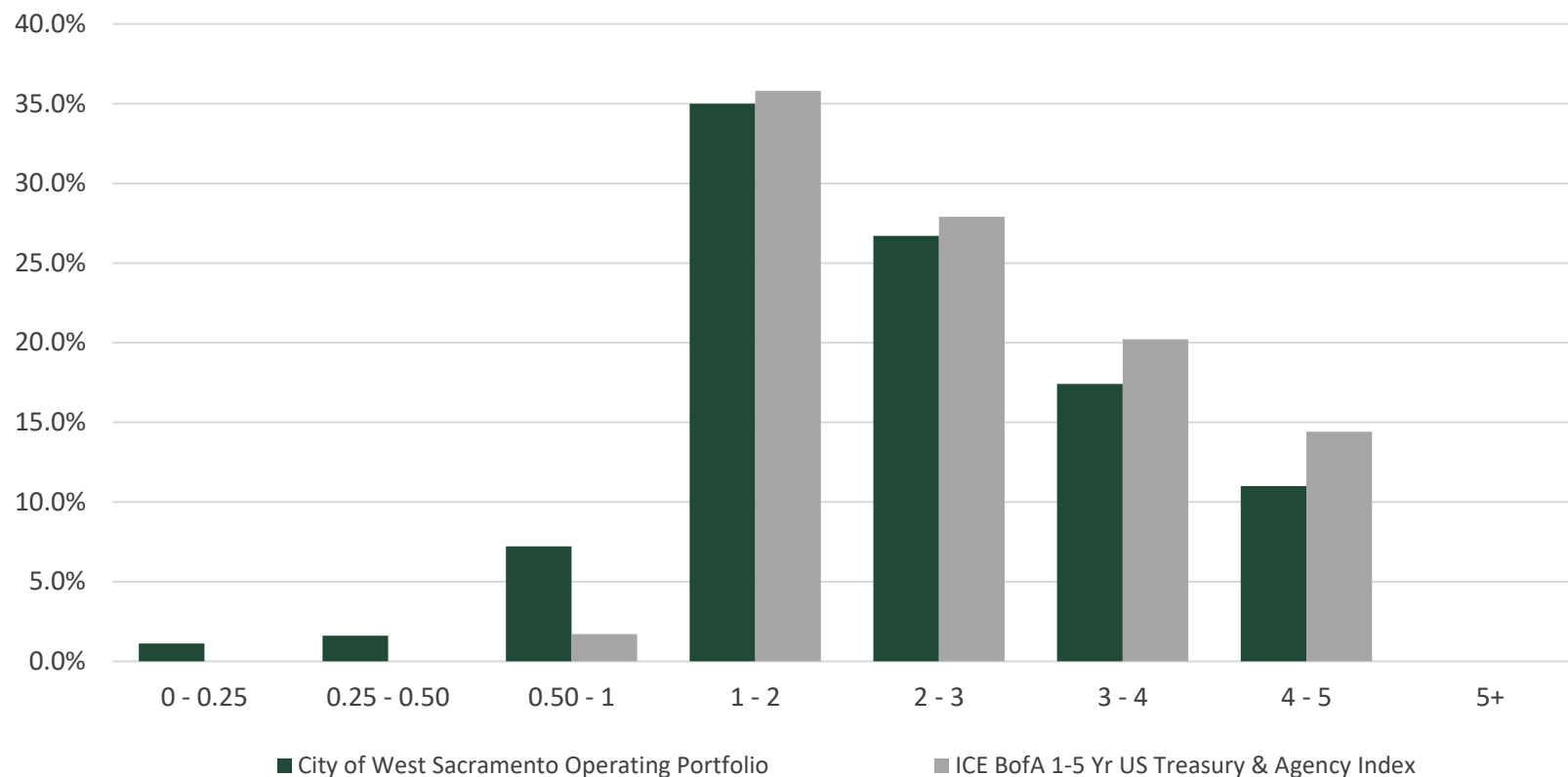
	03/31/23		12/31/22
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	2.62	2.72	2.74
Average Modified Duration	2.50	2.34	2.37
Average Purchase Yield	n/a	2.24%	2.13%
Average Market Yield	4.02%	4.42%	4.62%
Average Quality**	AAA	AA/Aa1	AA/Aa1
Total Market Value		122,930,586	120,935,241

*ICE BofA 1-5 Yr US Treasury & Agency Index

**Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

Duration Distribution

**City of West Sacramento Operating Portfolio
Portfolio Compared to the Benchmark**



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	1.1%	1.6%	7.2%	35.0%	26.7%	17.4%	11.0%	0.0%
Benchmark*	0.0%	0.0%	1.7%	35.8%	27.9%	20.2%	14.4%	0.0%

*ICE BofA 1-5 Yr US Treasury & Agency Index

Portfolio Characteristics

City of West Sacramento Consolidated Portfolio

	03/31/23 Portfolio	12/31/22 Portfolio
Average Maturity (yrs)	1.23	1.31
Modified Duration	1.06	1.13
Average Purchase Yield	2.22%	2.03%
Average Market Yield	3.21%	3.21%
Average Quality*	AA/Aa1	AA+/Aa1
Total Market Value	271,981,629	253,958,826

*Portfolio is S&P and Moody's, respectively.

Holdings Report

City of West Sacramento Operating Portfolio - Account #10675

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
44891VAC5	Hyundai Auto Lease Trust 2021-B A3 0.330% Due 06/17/2024	441,801.75	06/08/2021 0.34%	441,735.48 441,788.27	98.80 5.96%	436,500.57 64.80	0.36% (5,287.70)	Aaa / AAA NR	1.22 0.21
65479JAD5	Nissan Auto Receivables Owner 2019-C A3 1.930% Due 07/15/2024	19,147.29	10/16/2019 1.94%	19,146.28 19,147.01	99.86 6.61%	19,120.52 16.42	0.02% (26.49)	Aaa / AAA NR	1.29 0.03
43813DAC2	Honda Auto Receivables 2020-2 A3 0.820% Due 07/15/2024	32,782.31	05/18/2020 0.83%	32,779.73 32,781.51	99.00 5.34%	32,454.78 11.95	0.03% (326.73)	Aaa / AAA NR	1.29 0.22
47789KAC7	John Deere Owner Trust 2020-A A3 1.100% Due 08/15/2024	28,157.81	03/04/2020 1.11%	28,156.09 28,157.28	99.57 5.28%	28,035.52 13.77	0.02% (121.76)	Aaa / NR AAA	1.38 0.10
43813KAC6	Honda Auto Receivables Trust 2020-3 A3 0.370% Due 10/18/2024	197,159.00	09/22/2020 0.38%	197,130.05 197,153.16	98.22 5.37%	193,648.78 26.34	0.16% (3,504.38)	NR / AAA AAA	1.55 0.35
36262XAC8	GM Financial Auto Lease Trust 2021-3 A2 0.390% Due 10/21/2024	665,132.33	08/10/2021 0.39%	665,123.28 665,129.32	97.98 5.51%	651,705.97 79.26	0.53% (13,423.35)	NR / AAA AAA	1.56 0.39
47787NAC3	John Deere Owner Trust 2020-B A3 0.510% Due 11/15/2024	57,069.42	07/14/2020 0.52%	57,060.71 57,067.44	99.01 4.91%	56,501.64 12.94	0.05% (565.80)	Aaa / NR AAA	1.63 0.22
09690AAC7	BMW Vehicle Lease Trust 2021-2 A3 0.330% Due 12/26/2024	232,308.19	09/08/2021 0.34%	232,284.22 232,300.46	98.01 5.83%	227,679.45 12.78	0.19% (4,621.01)	Aaa / NR AAA	1.74 0.36
89236XAC0	Toyota Auto Receivables 2020-D A3 0.350% Due 01/15/2025	146,876.64	10/06/2020 0.36%	146,849.27 146,865.11	98.39 5.80%	144,517.50 22.85	0.12% (2,347.61)	NR / AAA AAA	1.80 0.29
44891WAC3	Hyundai Auto Lease Trust 2022-A A3 1.160% Due 01/15/2025	410,000.00	01/11/2022 1.16%	409,990.94 409,995.79	97.25 5.60%	398,718.03 211.38	0.32% (11,277.76)	Aaa / AAA NR	1.80 0.62
92290BAA9	Verizon Owner Trust 2020-B A 0.470% Due 02/20/2025	253,275.50	08/04/2020 0.48%	253,222.31 253,253.27	98.86 5.33%	250,385.12 36.37	0.20% (2,868.15)	Aaa / NR AAA	1.90 0.23
89238LAC4	Toyota Lease Owner Trust 2022-A A3 1.960% Due 02/20/2025	875,000.00	02/23/2022 1.98%	874,862.28 874,927.14	97.04 5.54%	849,068.50 524.03	0.69% (25,858.64)	NR / AAA AAA	1.90 0.83
36265MAC9	GM Financial Auto Lease Trust 2022-1 A3 1.900% Due 03/20/2025	715,000.00	02/15/2022 1.91%	714,993.85 714,996.99	97.34 5.41%	695,986.72 415.10	0.57% (19,010.27)	Aaa / NR AAA	1.97 0.76
05601XAC3	BMW Vehicle Lease Trust 2022-1 A3 1.100% Due 03/25/2025	940,000.00	Various 2.26%	924,128.86 931,863.52	97.50 5.66%	916,531.02 172.33	0.75% (15,332.50)	NR / AAA AAA	1.99 0.55
89240BAC2	Toyota Auto Receivables Owners 2021-A A3 0.260% Due 05/15/2025	520,380.29	02/02/2021 0.27%	520,283.71 520,350.49	97.46 5.57%	507,154.82 60.13	0.41% (13,195.67)	Aaa / NR AAA	2.13 0.48
44933LAC7	Hyundai Auto Receivables Trust 2021-A A3 0.380% Due 09/15/2025	346,580.38	04/20/2021 0.38%	346,543.92 346,566.95	97.24 5.26%	337,016.15 58.53	0.27% (9,550.80)	NR / AAA AAA	2.46 0.56
43815GAC3	Honda Auto Receivables Trust 2021-4 A3 0.880% Due 01/21/2026	350,000.00	11/16/2021 0.89%	349,926.22 349,956.91	95.51 5.26%	334,284.30 85.56	0.27% (15,672.61)	Aaa / NR AAA	2.81 1.03

Holdings Report

City of West Sacramento Operating Portfolio - Account #10675

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
47789QAC4	John Deere Owner Trust 2021-B A3 0.520% Due 03/16/2026	440,000.00	07/13/2021 0.52%	439,960.75 439,978.98	95.67 5.59%	420,932.60 101.69	0.34% (19,046.38)	Aaa / NR AAA	2.96 0.86
89238JAC9	Toyota Auto Receivables Trust 2021-DA3 0.710% Due 04/15/2026	325,000.00	11/09/2021 0.71%	324,993.08 324,996.00	95.33 5.42%	309,822.83 102.56	0.25% (15,173.17)	NR / AAA AAA	3.04 1.00
44935FAD6	Hyundai Auto Receivables Trust 2021-C A3 0.740% Due 05/15/2026	250,000.00	11/09/2021 0.75%	249,944.20 249,968.36	95.40 5.49%	238,504.75 82.22	0.19% (11,463.61)	NR / AAA AAA	3.13 0.97
43815BAC4	Honda Auto Receivables Trust 2022-1 A3 1.880% Due 05/15/2026	560,000.00	02/15/2022 1.89%	559,915.78 559,944.55	95.88 4.95%	536,906.72 467.91	0.44% (23,037.83)	Aaa / AAA NR	3.13 1.36
05602RAD3	BMW Vehicle Owner Trust 2022-A A3 3.210% Due 08/25/2026	360,000.00	05/10/2022 3.23%	359,981.28 359,986.53	97.71 4.90%	351,771.48 192.60	0.29% (8,215.05)	Aaa / AAA NR	3.41 1.38
362554AC1	GM Financial Securitized Term 2021-4 A3 0.680% Due 09/16/2026	265,000.00	10/13/2021 0.68%	264,993.24 264,996.11	94.86 5.77%	251,390.13 75.08	0.20% (13,605.98)	Aaa / AAA NR	3.47 1.02
47787JAC2	John Deere Owner Trust 2022-A A3 2.320% Due 09/16/2026	430,000.00	03/10/2022 2.34%	429,904.88 429,933.22	96.65 5.05%	415,608.33 443.38	0.34% (14,324.89)	Aaa / NR AAA	3.47 1.24
448977AD0	Hyundai Auto Receivables Trust 2022-A A3 2.220% Due 10/15/2026	765,000.00	03/09/2022 2.23%	764,970.55 764,980.00	96.14 5.00%	735,440.40 754.80	0.60% (29,539.60)	NR / AAA AAA	3.55 1.41
380146AC4	GM Financial Auto Receivables 2022-1 A3 1.260% Due 11/16/2026	225,000.00	01/11/2022 1.27%	224,980.45 224,987.49	95.01 5.68%	213,779.25 118.13	0.17% (11,208.24)	NR / AAA AAA	3.63 1.14
47800AAC4	John Deere Owner Trust 2022-B A3 3.740% Due 02/16/2027	445,000.00	07/12/2022 3.77%	444,957.50 444,965.80	98.07 4.89%	436,423.96 739.69	0.36% (8,541.84)	Aaa / NR AAA	3.88 1.72
02582JIT8	American Express Credit Trust 2022-2 A 3.390% Due 05/17/2027	940,000.00	05/17/2022 3.42%	939,792.07 939,851.75	97.66 4.60%	917,975.80 1,416.27	0.75% (21,875.95)	NR / AAA AAA	4.13 1.99
47800BAC2	John Deere Owner Trust 2022-C A3 5.090% Due 06/15/2027	715,000.00	10/12/2022 5.15%	714,944.52 714,951.34	100.81 4.74%	720,803.66 1,617.49	0.59% 5,852.32	Aaa / NR AAA	4.21 1.98
92348KAV5	Verizon Master Trust 2022-5 A1A 3.720% Due 07/20/2027	390,000.00	08/02/2022 3.75%	389,982.84 389,986.79	98.64 5.10%	384,677.28 443.30	0.31% (5,309.51)	NR / AAA AAA	4.31 1.32
02582JIV3	American Express Credit Trust 2022-3 A 3.750% Due 08/16/2027	1,000,000.00	11/03/2022 5.58%	960,000.00 963,327.60	98.22 4.59%	982,217.00 1,562.50	0.80% 18,889.40	Aaa / NR AAA	4.38 2.21
TOTAL ABS		13,340,670.91	2.15%	13,283,538.34 13,295,155.14	5.24%	12,995,563.58 9,942.16	10.58% (299,591.56)	Aaa / AAA AAA	2.89 1.10
Agency									
3133EMRZ7	FFCB Note 0.250% Due 02/26/2024	1,720,000.00	02/22/2021 0.26%	1,719,380.80 1,719,812.83	96.16 4.64%	1,653,953.72 418.06	1.35% (65,859.11)	Aaa / AA+ AAA	0.91 0.88
3135G0V75	FNMA Note 1.750% Due 07/02/2024	2,000,000.00	09/25/2019 1.64%	2,010,440.00 2,002,746.42	96.48 4.67%	1,929,608.00 8,652.78	1.58% (73,138.42)	Aaa / AA+ AAA	1.26 1.21

Holdings Report

City of West Sacramento Operating Portfolio - Account #10675

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3130A2UW4	FHLB Note 2.875% Due 09/13/2024	2,000,000.00	09/13/2019 1.79%	2,103,380.00 2,030,095.82	98.07 4.26%	1,961,428.00 2,875.00	1.60% (68,667.82)	Aaa / AA+ AAA	1.46 1.40
3135G0W66	FNMA Note 1.625% Due 10/15/2024	1,945,000.00	Various 1.73%	1,935,854.05 1,942,100.03	96.09 4.28%	1,868,944.67 14,574.00	1.53% (73,155.36)	Aaa / AA+ AAA	1.55 1.48
3130AQF40	FHLB Note 1.000% Due 12/20/2024	650,000.00	12/21/2021 1.02%	649,577.50 649,757.08	94.61 4.28%	614,962.40 1,823.61	0.50% (34,794.68)	Aaa / AA+ AAA	1.73 1.67
3135G0X24	FNMA Note 1.625% Due 01/07/2025	2,170,000.00	Various 1.17%	2,216,515.70 2,187,050.02	95.59 4.24%	2,074,376.78 8,227.91	1.69% (112,673.24)	Aaa / AA+ AAA	1.78 1.71
3137EAEPO	FHLMC Note 1.500% Due 02/12/2025	2,280,000.00	02/13/2020 1.52%	2,278,244.40 2,279,342.97	95.19 4.21%	2,170,325.16 4,655.00	1.77% (109,017.81)	Aaa / AA+ AAA	1.87 1.80
3135G03U5	FNMA Note 0.625% Due 04/22/2025	1,795,000.00	04/22/2020 0.67%	1,791,302.30 1,793,475.51	92.98 4.22%	1,668,915.61 4,954.95	1.36% (124,559.90)	Aaa / AA+ AAA	2.06 2.00
3135G04Z3	FNMA Note 0.500% Due 06/17/2025	2,100,000.00	Various 0.51%	2,098,880.25 2,099,572.53	92.41 4.13%	1,940,633.11 3,033.33	1.58% (158,939.42)	Aaa / AA+ AAA	2.22 2.15
3137EAEU9	FHLMC Note 0.375% Due 07/21/2025	1,200,000.00	07/21/2020 0.48%	1,194,024.00 1,197,241.34	92.00 4.04%	1,104,036.00 875.00	0.90% (93,205.34)	Aaa / AA+ AAA	2.31 2.25
3135G05X7	FNMA Note 0.375% Due 08/25/2025	2,150,000.00	Various 0.51%	2,136,456.52 2,143,039.73	91.55 4.11%	1,968,400.26 806.26	1.60% (174,639.47)	Aaa / AA+ AAA	2.41 2.34
3137EAEX3	FHLMC Note 0.375% Due 09/23/2025	1,800,000.00	Various 0.44%	1,794,640.80 1,797,304.49	91.36 4.08%	1,644,489.00 150.00	1.34% (152,815.49)	Aaa / AA+ AAA	2.48 2.42
3135G06G3	FNMA Note 0.500% Due 11/07/2025	2,200,000.00	Various 0.56%	2,193,135.20 2,196,412.49	91.49 3.98%	2,012,799.80 4,400.00	1.64% (183,612.69)	Aaa / AA+ AAA	2.61 2.53
TOTAL Agency		24,010,000.00	0.97%	24,121,831.52 24,037,951.26	4.24%	22,612,872.51 55,445.90 (1,425,078.75)	18.44%	Aaa / AA+ AAA	1.89 1.83
CMO									
3137BWWD2	FHLMC K725 A2 3.002% Due 01/25/2024	1,117,621.58	08/18/2021 0.49%	1,179,440.03 1,137,366.15	98.21 5.28%	1,097,578.15 2,795.92	0.90% (39,788.00)	NR / AAA AAA	0.82 0.71
3137BFE98	FHLMC K041 A2 3.171% Due 10/25/2024	1,130,000.00	12/15/2021 1.17%	1,189,501.56 1,162,057.27	97.50 4.85%	1,101,713.84 2,986.03	0.90% (60,343.43)	Aaa / AAA AAA	1.57 1.40
3137BN6G4	FHLMC K053 2.995% Due 12/25/2025	2,225,000.00	11/01/2022 4.94%	2,113,228.52 2,127,650.65	96.45 4.42%	2,145,954.65 5,553.23	1.75% 18,304.00	NR / NR AAA	2.74 2.42
3137BSP72	FHLMC K058 A2 2.653% Due 08/25/2026	500,000.00	11/12/2021 1.35%	528,808.59 520,424.25	94.81 4.30%	474,059.00 1,105.42	0.39% (46,365.25)	NR / NR AAA	3.41 3.14

Holdings Report

City of West Sacramento Operating Portfolio - Account #10675

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3137BSRE5	FHLMC K059 A2 3.120% Due 09/25/2026	1,000,000.00	02/18/2022 1.98%	1,042,812.50 1,032,407.77	96.22 4.30%	962,203.00 2,600.00	0.78% (70,204.77)	NR / AAA AAA	3.49 3.14
3137BTAC5	FHLMC K060 A2 3.300% Due 10/25/2026	1,000,000.00	10/31/2022 4.80%	946,875.00 952,418.15	96.70 4.28%	966,963.00 2,750.00	0.79% 14,544.85	NR / NR AAA	3.57 3.28
3137FBBX3	FHLMC K068 A2 3.244% Due 08/25/2027	2,000,000.00	Various 4.59%	1,887,460.94 1,897,935.30	96.10 4.22%	1,922,012.00 5,406.66	1.57% 24,076.70	Aaa / NR NR	4.41 3.95
3137F4D41	FHLMC K074 A2 3.600% Due 01/25/2028	1,000,000.00	03/14/2023 5.09%	966,757.81 967,038.73	97.30 4.21%	972,974.00 600.00	0.79% 5,935.27	NR / NR AAA	4.82 4.26
TOTAL CMO		9,972,621.58	3.41%	9,854,884.95 9,797,298.27	4.47%	9,643,457.64 23,797.26	7.86% (153,840.63)	Aaa / AAA AAA	3.12 2.79

Corporate									
69371RR24	Paccar Financial Corp Note 0.350% Due 02/02/2024	420,000.00	01/28/2021 0.39%	419,512.80 419,863.41	96.07 5.22%	403,478.04 240.92	0.33% (16,385.37)	A1 / A+ NR	0.84 0.81
808513BN4	Charles Schwab Corp Callable Note Cont 2/18/2024 0.750% Due 03/18/2024	605,000.00	03/16/2021 0.77%	604,697.50 604,902.85	95.19 5.96%	575,894.66 163.85	0.47% (29,008.19)	A2 / A A	0.97 0.93
89114QCA4	Toronto Dominion Bank Note 2.650% Due 06/12/2024	1,200,000.00	09/23/2019 2.22%	1,222,788.00 1,205,796.25	97.21 5.08%	1,166,524.80 9,628.33	0.96% (39,271.45)	A1 / A AA-	1.20 1.15
79466LAG9	Salesforce.com Inc Callable Note Cont 7/15/2022 0.625% Due 07/15/2024	1,050,000.00	Various 0.94%	1,041,590.40 1,045,847.85	94.98 4.68%	997,277.40 1,385.41	0.81% (48,570.45)	A2 / A+ NR	1.29 1.25
78013XZU5	Royal Bank of Canada Note 2.550% Due 07/16/2024	1,250,000.00	Various 2.21%	1,268,710.00 1,255,119.52	96.74 5.18%	1,209,310.00 6,640.63	0.99% (45,809.52)	A1 / A AA-	1.30 1.24
69371RR40	Paccar Financial Corp Note 0.500% Due 08/09/2024	515,000.00	08/03/2021 0.52%	514,721.90 514,874.14	94.35 4.85%	485,922.07 371.94	0.40% (28,952.07)	A1 / A+ NR	1.36 1.32
14913Q3B3	Caterpillar Finl Service Note 2.150% Due 11/08/2024	600,000.00	01/28/2020 1.92%	606,282.00 602,114.41	96.35 4.54%	578,095.20 5,124.17	0.47% (24,019.21)	A2 / A A	1.61 1.54
74153WCQ0	Pricoa Global Funding Note 1.150% Due 12/06/2024	670,000.00	12/01/2021 1.19%	669,309.90 669,612.06	94.30 4.72%	631,796.60 2,461.32	0.52% (37,815.46)	Aa3 / AA- AA-	1.69 1.62
89236TJT3	Toyota Motor Credit Corp Note 1.450% Due 01/13/2025	920,000.00	01/10/2022 1.50%	918,767.20 919,265.49	94.67 4.60%	870,941.00 2,890.33	0.71% (48,324.49)	A1 / A+ A+	1.79 1.72
64952WEK5	New York Life Global Note 1.450% Due 01/14/2025	1,270,000.00	01/11/2022 1.49%	1,268,628.40 1,269,181.55	94.47 4.71%	1,199,782.97 3,938.76	0.98% (69,398.58)	Aaa / AA+ AAA	1.79 1.72
90331HPL1	US Bank NA Callable Note Cont 12/21/2024 2.050% Due 01/21/2025	1,285,000.00	01/16/2020 2.10%	1,282,262.95 1,284,009.75	94.19 5.47%	1,210,367.20 5,122.15	0.99% (73,642.55)	A1 / AA- AA-	1.81 1.73

Holdings Report

City of West Sacramento Operating Portfolio - Account #10675

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
78016EZ59	Royal Bank of Canada Note 3.375% Due 04/14/2025	540,000.00	04/07/2022 3.39%	539,800.20 539,864.37	97.04 4.92%	524,036.52 8,454.38	0.43% (15,827.85)	A1 / A AA-	2.04 1.91
06406RBC0	Bank of NY Mellon Corp Callable Note Cont 3/25/2025 3.350% Due 04/25/2025	935,000.00	04/19/2022 3.35%	934,869.10 934,909.74	96.30 5.26%	900,430.25 13,573.08	0.74% (34,479.49)	A1 / A AA-	2.07 1.93
06367WB85	Bank of Montreal Note 1.850% Due 05/01/2025	939,000.00	07/23/2021 0.85%	973,573.98 958,149.05	93.66 5.10%	879,456.13 7,238.13	0.72% (78,692.92)	A2 / A- AA-	2.09 1.99
46647PCH7	JP Morgan Chase & Co Callable Note Cont 6/1/2024 0.824% Due 06/01/2025	1,120,000.00	05/24/2021 1.93%	1,121,449.85 1,120,785.96	94.76 5.37%	1,061,324.33 3,076.27	0.87% (59,461.63)	A1 / A- AA-	2.17 2.08
46647PCK0	JP Morgan Chase & Co Callable Note Cont 6/23/2024 0.969% Due 06/23/2025	535,000.00	Various 2.06%	535,334.75 535,186.63	94.73 5.36%	506,807.11 1,411.25	0.41% (28,379.52)	A1 / A- AA-	2.23 2.13
66815L2J7	Northwestern Mutual Gbl Note 4.000% Due 07/01/2025	800,000.00	06/27/2022 4.01%	799,728.00 799,796.00	98.53 4.69%	788,277.60 8,000.00	0.65% (11,518.40)	Aaa / AA+ AAA	2.25 2.10
637432NG6	National Rural Utilities Callable Note Cont 8/1/2025 3.250% Due 11/01/2025	700,000.00	04/06/2022 3.21%	701,015.00 700,736.13	96.22 4.82%	673,548.40 9,479.17	0.56% (27,187.73)	A1 / A- A+	2.59 2.40
40139LBC6	Guardian Life Glob Fun Note 0.875% Due 12/10/2025	1,100,000.00	Various 1.12%	1,088,890.00 1,092,841.97	90.19 4.80%	992,087.80 2,967.70	0.81% (100,754.17)	Aa1 / AA+ NR	2.70 2.59
66815L2A6	Northwestern Mutual Gbl Note 0.800% Due 01/14/2026	650,000.00	12/06/2021 1.47%	632,755.50 638,269.60	89.92 4.70%	584,500.80 1,112.22	0.48% (53,768.80)	Aaa / AA+ AAA	2.79 2.69
46647PBK1	JP Morgan Chase & Co Callable Note Cont 4/22/2025 2.083% Due 04/22/2026	334,000.00	05/20/2021 2.20%	346,468.22 341,763.10	93.57 5.42%	312,534.49 3,072.77	0.26% (29,228.61)	A1 / A- AA-	3.06 1.95
6174468Q5	Morgan Stanley Callable Note Cont 4/28/2025 2.188% Due 04/28/2026	550,000.00	05/18/2022 4.89%	519,535.50 526,225.41	93.83 5.36%	516,042.45 5,114.45	0.42% (10,182.96)	A1 / A- A+	3.08 1.97
023135BX3	Amazon.com Inc Callable Note Cont 4/12/2026 1.000% Due 05/12/2026	1,655,000.00	05/10/2021 1.09%	1,647,850.40 1,650,548.14	90.66 4.23%	1,500,490.86 6,390.14	1.23% (150,057.28)	A1 / AA AA-	3.12 3.00
91324PEC2	United Health Group Inc Callable Note Cont 4/15/2026 1.150% Due 05/15/2026	275,000.00	Various 1.08%	275,889.15 275,565.11	90.93 4.29%	250,043.75 1,194.72	0.20% (25,521.36)	A3 / A+ A	3.13 2.99
89236TJK2	Toyota Motor Credit Corp Note 1.125% Due 06/18/2026	1,130,000.00	06/15/2021 1.13%	1,129,502.80 1,129,680.33	90.18 4.44%	1,018,987.67 3,637.19	0.83% (110,692.66)	A1 / A+ A+	3.22 3.08

Holdings Report

City of West Sacramento Operating Portfolio - Account #10675

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
06051GJD2	Bank of America Corp Callable Note Cont 6/19/2025 1.319% Due 06/19/2026	1,000,000.00	Various 2.19%	1,002,640.00 1,001,710.13	91.41 5.48%	914,110.00 3,737.16	0.75% (87,600.13)	A2 / A- AA-	3.22 2.13
57629WDE7	Mass Mutual Global funding Note 1.200% Due 07/16/2026	772,000.00	08/10/2021 1.21%	771,785.72 771,856.83	88.88 4.90%	686,119.64 1,930.00	0.56% (85,737.19)	Aa3 / AA+ AA+	3.30 3.15
58989V2D5	Met Tower Global Funding Note 1.250% Due 09/14/2026	585,000.00	09/07/2021 1.27%	584,461.80 584,628.03	88.74 4.83%	519,121.98 345.31	0.42% (65,506.05)	Aa3 / AA- AA-	3.46 3.30
931142ER0	Wal-Mart Stores Callable Note Cont 08/17/2026 1.050% Due 09/17/2026	265,000.00	09/08/2021 1.09%	264,499.15 264,653.03	90.15 4.13%	238,887.96 108.21	0.19% (25,765.07)	Aa2 / AA AA	3.47 3.33
26442CAS3	Duke Energy Carolinas Callable Note Cont 9/1/2026 2.950% Due 12/01/2026	1,355,000.00	10/28/2022 4.89%	1,258,727.25 1,268,477.21	94.42 4.62%	1,279,442.49 13,324.17	1.05% 10,965.28	Aa3 / A NR	3.67 3.38
59217GER6	Metlife Note 1.875% Due 01/11/2027	845,000.00	01/03/2022 1.90%	844,036.70 844,271.46	89.36 5.00%	755,070.88 3,520.83	0.62% (89,200.58)	Aa3 / AA- AA-	3.79 3.55
61747YEZ4	Morgan Stanley Callable Note 1X 1/28/2026 5.050% Due 01/28/2027	610,000.00	01/17/2023 5.29%	611,063.70 611,011.60	99.72 5.15%	608,296.88 6,161.00	0.50% (2,714.72)	A1 / A- A+	3.83 2.58
808513BY0	Charles Schwab Corp Callable Note Cont 2/3/2027 2.450% Due 03/03/2027	725,000.00	03/01/2022 2.46%	724,796.70 724,840.57	89.57 5.44%	649,387.58 1,381.53	0.53% (75,452.99)	A2 / A A	3.93 3.65
084664CZ2	Berkshire Hathaway Callable Note Cont 2/15/2027 2.300% Due 03/15/2027	1,225,000.00	03/07/2022 2.30%	1,224,767.25 1,224,815.94	94.68 3.76%	1,159,803.05 1,252.22	0.94% (65,012.89)	Aa2 / AA A+	3.96 3.72
06051GHT9	Bank of America Corp Callable Note 1X 4/23/2026 3.559% Due 04/23/2027	750,000.00	Various 4.85%	726,688.38 729,903.88	94.98 5.35%	712,351.50 11,715.04	0.59% (17,552.38)	A2 / A- AA-	4.07 2.80
665859AW4	Northern Trust Company Callable Note Cont 4/10/2027 4.000% Due 05/10/2027	455,000.00	05/05/2022 4.04%	454,262.90 454,394.50	97.97 4.55%	445,742.57 7,128.33	0.37% (8,651.93)	A2 / A+ A+	4.11 3.68
91324PEG3	United Health Group Inc Callable Note Cont 4/15/2027 3.700% Due 05/15/2027	465,000.00	05/17/2022 3.69%	465,220.50 465,182.24	97.81 4.28%	454,832.78 6,499.67	0.38% (10,349.46)	A3 / A+ A	4.13 3.72
61747YEC5	Morgan Stanley Callable Note Cont 7/20/2026 1.512% Due 07/20/2027	750,000.00	10/28/2022 6.03%	637,425.00 647,296.56	88.87 5.22%	666,505.50 2,236.50	0.54% 19,208.94	A1 / A- A+	4.31 3.14
14913R3A3	Caterpillar Financial Service Note 3.600% Due 08/12/2027	1,000,000.00	11/02/2022 5.06%	938,730.00 943,935.49	97.84 4.14%	978,439.00 4,900.00	0.80% 34,503.51	A2 / A A	4.37 3.97

Holdings Report

Attachment 1

As of March 31, 2023

City of West Sacramento Operating Portfolio - Account #10675

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
756109BG8	Realty Income Corp Callable Note Cont 5/15/2027 3.950% Due 08/15/2027	1,425,000.00	Various 5.42%	1,337,997.25 1,345,227.14	96.35 4.89%	1,372,960.43 7,192.29	1.12% 27,733.29	A3 / A- NR	4.38 3.94
57636QAW4	MasterCard Inc Callable Note Cont 2/9/28 4.875% Due 03/09/2028	775,000.00	03/06/2023 4.90%	774,248.25 774,257.71	102.92 4.20%	797,662.55 2,308.85	0.65% 23,404.84	Aa3 / A+ NR	4.95 4.29
TOTAL Corporate		34,050,000.00	2.53%	33,685,284.05 33,691,371.14	4.85%	32,076,692.89 186,430.39	26.24% (1,614,678.25)	A1 / A+ AA-	2.79 2.51
Money Market Fund									
262006208	Dreyfus Gov't Cash Management Money Market Fund #289	503,569.77	Various 4.70%	503,569.77 503,569.77	1.00 4.70%	503,569.77 0.00	0.41% 0.00	Aaa / AAA NR	0.00 0.00
TOTAL Money Market Fund		503,569.77	4.70%	503,569.77 503,569.77	4.70%	503,569.77 0.00	0.41% 0.00	Aaa / AAA NR	0.00 0.00
Municipal Bonds									
13063DRK6	California State Taxable GO 2.400% Due 10/01/2024	730,000.00	10/16/2019 1.91%	746,768.10 735,102.93	96.96 4.52%	707,829.90 8,760.00	0.58% (27,273.03)	Aa2 / AA- AA	1.51 1.43
TOTAL Municipal Bonds		730,000.00	1.91%	746,768.10 735,102.93	4.52%	707,829.90 8,760.00	0.58% (27,273.03)	Aa2 / AA- AA	1.51 1.43
Negotiable CD									
33715LCB4	First Technology Federal Negotiable CD 3.400% Due 08/17/2023	248,000.00	08/17/2018 3.40%	248,000.00 248,000.00	99.39 5.03%	246,480.50 346.52	0.20% (1,519.50)	NR / NR NR	0.38 0.38
TOTAL Negotiable CD		248,000.00	3.40%	248,000.00 248,000.00	5.03%	246,480.50 346.52	0.20% (1,519.50)	NR / NR NR	0.38 0.38
Supranational									
459058JL8	Intl. Bank Recon & Development Note 0.500% Due 10/28/2025	2,150,000.00	Various 0.60%	2,140,429.05 2,144,758.44	91.64 3.95%	1,970,174.00 4,568.76	1.61% (174,584.44)	Aaa / AAA AAA	2.58 2.51
4581X0DV7	Inter-American Dev Bank Note 0.875% Due 04/20/2026	2,175,000.00	04/13/2021 0.97%	2,165,038.50 2,168,917.27	91.35 3.91%	1,986,836.40 8,511.20	1.62% (182,080.87)	Aaa / AAA AAA	3.06 2.95
TOTAL Supranational		4,325,000.00	0.78%	4,305,467.55 4,313,675.71	3.93%	3,957,010.40 13,079.96	3.23% (356,665.31)	Aaa / AAA AAA	2.82 2.73



Holdings Report

City of West Sacramento Operating Portfolio - Account #10675

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US Treasury									
91282CBR1	US Treasury Note 0.250% Due 03/15/2024	1,000,000.00	03/30/2021 0.33%	997,578.13 999,217.38	95.94 4.64%	959,414.00 115.49	0.78% (39,803.38)	Aaa / AA+ AAA	0.96 0.93
912828X70	US Treasury Note 2.000% Due 04/30/2024	1,500,000.00	09/25/2019 1.62%	1,525,078.12 1,505,903.37	97.25 4.63%	1,458,808.50 12,596.69	1.20% (47,094.87)	Aaa / AA+ AAA	1.08 1.04
912828XX3	US Treasury Note 2.000% Due 06/30/2024	2,000,000.00	09/30/2019 1.60%	2,036,562.50 2,009,609.51	97.03 4.46%	1,940,626.00 10,055.25	1.59% (68,983.51)	Aaa / AA+ AAA	1.25 1.21
912828D56	US Treasury Note 2.375% Due 08/15/2024	2,000,000.00	09/18/2019 1.71%	2,062,578.13 2,017,530.26	97.34 4.39%	1,946,718.00 5,904.70	1.59% (70,812.26)	Aaa / AA+ AAA	1.38 1.33
9128283D0	US Treasury Note 2.250% Due 10/31/2024	2,000,000.00	11/07/2019 1.77%	2,045,234.38 2,014,398.41	96.91 4.29%	1,938,126.00 18,895.03	1.59% (76,272.41)	Aaa / AA+ AAA	1.59 1.52
91282CDS7	US Treasury Note 1.125% Due 01/15/2025	1,000,000.00	02/02/2022 1.36%	993,125.00 995,818.83	94.77 4.18%	947,695.00 2,361.88	0.77% (48,123.83)	Aaa / AA+ AAA	1.80 1.74
912828ZC7	US Treasury Note 1.125% Due 02/28/2025	2,000,000.00	03/18/2020 0.81%	2,030,859.38 2,011,937.30	94.55 4.11%	1,891,094.00 1,956.52	1.54% (120,843.30)	Aaa / AA+ AAA	1.92 1.86
912828ZF0	US Treasury Note 0.500% Due 03/31/2025	2,000,000.00	05/28/2020 0.35%	2,014,140.63 2,005,841.91	93.27 4.04%	1,865,390.00 27.32	1.52% (140,451.91)	Aaa / AA+ AAA	2.00 1.95
912828XB1	US Treasury Note 2.125% Due 05/15/2025	1,000,000.00	04/06/2022 2.78%	980,742.19 986,838.80	96.13 4.04%	961,328.00 8,042.13	0.79% (25,510.80)	Aaa / AA+ AAA	2.13 2.03
91282CAB7	US Treasury Note 0.250% Due 07/31/2025	1,100,000.00	03/12/2021 0.72%	1,077,828.13 1,088,186.10	91.83 3.94%	1,010,152.00 455.80	0.82% (78,034.10)	Aaa / AA+ AAA	2.34 2.29
91282CFP1	US Treasury Note 4.250% Due 10/15/2025	2,400,000.00	10/28/2022 4.37%	2,392,031.25 2,393,152.78	100.77 3.93%	2,418,561.60 47,076.92	2.01% 25,408.82	Aaa / AA+ AAA	2.55 2.34
91282CAT8	US Treasury Note 0.250% Due 10/31/2025	400,000.00	03/12/2021 0.79%	390,265.63 394,565.79	91.18 3.87%	364,703.20 419.89	0.30% (29,862.59)	Aaa / AA+ AAA	2.59 2.52
91282CFW6	US Treasury Note 4.500% Due 11/15/2025	2,400,000.00	11/10/2022 4.27%	2,415,656.25 2,413,699.22	101.48 3.90%	2,435,438.40 40,872.93	2.01% 21,739.18	Aaa / AA+ AAA	2.63 2.42
91282CAZ4	US Treasury Note 0.375% Due 11/30/2025	1,250,000.00	03/26/2021 0.77%	1,227,587.89 1,237,211.84	91.22 3.87%	1,140,235.00 1,571.09	0.93% (96,976.84)	Aaa / AA+ AAA	2.67 2.60
91282CCW9	US Treasury Note 0.750% Due 08/31/2026	530,000.00	09/23/2021 0.90%	526,252.73 527,404.78	90.38 3.78%	478,987.50 345.65	0.39% (48,417.28)	Aaa / AA+ AAA	3.42 3.31
91282CCZ2	US Treasury Note 0.875% Due 09/30/2026	1,060,000.00	10/18/2021 1.19%	1,044,141.41 1,048,784.02	90.56 3.78%	959,962.50 25.34	0.78% (88,821.52)	Aaa / AA+ AAA	3.50 3.39
91282CDG3	US Treasury Note 1.125% Due 10/31/2026	1,060,000.00	11/15/2021 1.25%	1,053,540.63 1,055,325.97	91.21 3.77%	966,794.20 5,007.18	0.79% (88,531.77)	Aaa / AA+ AAA	3.59 3.44

Holdings Report

City of West Sacramento Operating Portfolio - Account #10675

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828YQ7	US Treasury Note 1.625% Due 10/31/2026	2,400,000.00	11/02/2022 4.43%	2,156,250.00 2,181,159.98	92.89 3.76%	2,229,468.00 16,375.69	1.83% 48,308.02	Aaa / AA+ AAA	3.59 3.40
91282CET4	US Treasury Note 2.625% Due 05/31/2027	600,000.00	06/13/2022 3.41%	578,718.75 582,136.43	95.88 3.70%	575,296.80 5,278.85	0.47% (6,839.63)	Aaa / AA+ AAA	4.17 3.86
91282CEW7	US Treasury Note 3.250% Due 06/30/2027	1,500,000.00	Various 3.40%	1,490,273.44 1,491,043.67	98.27 3.69%	1,474,101.00 12,254.83	1.21% (16,942.67)	Aaa / AA+ AAA	4.25 3.90
91282CFB2	US Treasury Note 2.750% Due 07/31/2027	1,180,000.00	Various 3.00%	1,166,739.07 1,168,403.49	96.30 3.68%	1,136,395.46 5,378.45	0.93% (32,008.03)	Aaa / AA+ AAA	4.34 4.02
91282CFH9	US Treasury Note 3.125% Due 08/31/2027	3,500,000.00	Various 3.28%	3,474,796.89 3,477,611.70	97.81 3.67%	3,423,437.50 9,510.87	2.79% (54,174.20)	Aaa / AA+ AAA	4.42 4.07
91282CFU0	US Treasury Note 4.125% Due 10/31/2027	2,400,000.00	11/03/2022 4.42%	2,368,968.75 2,371,489.40	101.92 3.67%	2,446,032.00 41,569.06	2.02% 74,542.60	Aaa / AA+ AAA	4.59 4.08
91282CGC9	US Treasury Note 3.875% Due 12/31/2027	700,000.00	01/25/2023 3.57%	709,679.69 709,330.15	101.05 3.63%	707,355.60 6,818.72	0.58% (1,974.55)	Aaa / AA+ AAA	4.76 4.27
91282CGH8	US Treasury Note 3.500% Due 01/31/2028	1,000,000.00	03/14/2023 3.90%	982,578.13 982,724.86	99.48 3.62%	994,766.00 5,801.10	0.81% 12,041.14	Aaa / AA+ AAA	4.84 4.39
91282CGP0	US Treasury Note 4.000% Due 02/29/2028	2,900,000.00	02/23/2023 4.16%	2,879,269.53 2,879,632.63	101.71 3.62%	2,949,616.10 10,086.96	2.41% 69,983.47	Aaa / AA+ AAA	4.92 4.42
TOTAL US Treasury		40,880,000.00	2.61%	40,620,476.63 40,548,958.58	3.94%	39,620,502.36 268,804.34	32.45% (928,456.22)	Aaa / AA+ AAA	3.03 2.81
TOTAL PORTFOLIO		128,059,862.26	2.24%	127,369,820.91 127,171,082.80	4.42%	122,363,979.55 566,606.53	100.00% (4,807,103.25)	Aa1 / AA AAA	2.72 2.34
TOTAL MARKET VALUE PLUS ACCRUALS						122,930,586.08			

Holdings Report

City of West Sacramento Reporting Portfolio - Account #10676

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Cash									
90BOFA\$00	Cash BOA Cash Acct	41,126,496.24	Various 0.25%	41,126,496.24 41,126,496.24	1.00 0.25%	41,126,496.24 0.00	27.59% 0.00	NR / NR NR	0.00 0.00
86723G1\$8	Suncrest Bank Deposit Account XXX3985	1,047,377.02	Various 1.43%	1,047,377.02 1,047,377.02	1.00 1.43%	1,047,377.02 0.00	0.70% 0.00	NR / NR NR	0.00 0.00
TOTAL Cash		42,173,873.26	0.28%	42,173,873.26	0.28%	42,173,873.26 0.00	28.29% 0.00	NR / NR NR	0.00 0.00
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	100,959,757.36	Various 2.88%	100,959,757.36 100,959,757.36	1.00 2.88%	100,959,757.36 647,784.77	68.17% 0.00	NR / NR NR	0.00 0.00
TOTAL LAIF		100,959,757.36	2.88%	100,959,757.36	2.88%	100,959,757.36 647,784.77	68.17% 0.00	NR / NR NR	0.00 0.00
Local Gov Investment Pool									
90CAMP\$00	California Asset Mgmt Program CAMP	5,269,627.21	Various 4.92%	5,269,627.21 5,269,627.21	1.00 4.92%	5,269,627.21 0.00	3.54% 0.00	NR / AAA NR	0.00 0.00
TOTAL Local Gov Investment Pool		5,269,627.21	4.92%	5,269,627.21	4.92%	5,269,627.21 0.00	3.54% 0.00	NR / AAA NR	0.00 0.00
TOTAL PORTFOLIO		148,403,257.83	2.21%	148,403,257.83	2.22%	148,403,257.83 647,784.77	100.00% 0.00	NR / AAA NR	0.00 0.00
TOTAL MARKET VALUE PLUS ACCRUALS						149,051,042.60			

Holdings Report

City of West Sacramento Consolidated Portfolio - Account #10677

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
44891VAC5	Hyundai Auto Lease Trust 2021-B A3 0.330% Due 06/17/2024	441,801.75	06/08/2021 0.34%	441,735.48 441,788.27	98.80 5.96%	436,500.57 64.80	0.16% (5,287.70)	Aaa / AAA NR	1.22 0.21
65479JAD5	Nissan Auto Receivables Owner 2019-C A3 1.930% Due 07/15/2024	19,147.29	10/16/2019 1.94%	19,146.28 19,147.01	99.86 6.61%	19,120.52 16.42	0.01% (26.49)	Aaa / AAA NR	1.29 0.03
43813DAC2	Honda Auto Receivables 2020-2 A3 0.820% Due 07/15/2024	32,782.31	05/18/2020 0.83%	32,779.73 32,781.51	99.00 5.34%	32,454.78 11.95	0.01% (326.73)	Aaa / AAA NR	1.29 0.22
47789KAC7	John Deere Owner Trust 2020-A A3 1.100% Due 08/15/2024	28,157.81	03/04/2020 1.11%	28,156.09 28,157.28	99.57 5.28%	28,035.52 13.77	0.01% (121.76)	Aaa / NR AAA	1.38 0.10
43813KAC6	Honda Auto Receivables Trust 2020-3 A3 0.370% Due 10/18/2024	197,159.00	09/22/2020 0.38%	197,130.05 197,153.16	98.22 5.37%	193,648.78 26.34	0.07% (3,504.38)	NR / AAA AAA	1.55 0.35
36262XAC8	GM Financial Auto Lease Trust 2021-3 A2 0.390% Due 10/21/2024	665,132.33	08/10/2021 0.39%	665,123.28 665,129.32	97.98 5.51%	651,705.97 79.26	0.24% (13,423.35)	NR / AAA AAA	1.56 0.39
47787NAC3	John Deere Owner Trust 2020-B A3 0.510% Due 11/15/2024	57,069.42	07/14/2020 0.52%	57,060.71 57,067.44	99.01 4.91%	56,501.64 12.94	0.02% (565.80)	Aaa / NR AAA	1.63 0.22
09690AAC7	BMW Vehicle Lease Trust 2021-2 A3 0.330% Due 12/26/2024	232,308.19	09/08/2021 0.34%	232,284.22 232,300.46	98.01 5.83%	227,679.45 12.78	0.08% (4,621.01)	Aaa / NR AAA	1.74 0.36
89236XAC0	Toyota Auto Receivables 2020-D A3 0.350% Due 01/15/2025	146,876.64	10/06/2020 0.36%	146,849.27 146,865.11	98.39 5.80%	144,517.50 22.85	0.05% (2,347.61)	NR / AAA AAA	1.80 0.29
44891WAC3	Hyundai Auto Lease Trust 2022-A A3 1.160% Due 01/15/2025	410,000.00	01/11/2022 1.16%	409,990.94 409,995.79	97.25 5.60%	398,718.03 211.38	0.15% (11,277.76)	Aaa / AAA NR	1.80 0.62
92290BAA9	Verizon Owner Trust 2020-B A 0.470% Due 02/20/2025	253,275.50	08/04/2020 0.48%	253,222.31 253,253.27	98.86 5.33%	250,385.12 36.37	0.09% (2,868.15)	Aaa / NR AAA	1.90 0.23
89238LAC4	Toyota Lease Owner Trust 2022-A A3 1.960% Due 02/20/2025	875,000.00	02/23/2022 1.98%	874,862.28 874,927.14	97.04 5.54%	849,068.50 524.03	0.31% (25,858.64)	NR / AAA AAA	1.90 0.83
36265MAC9	GM Financial Auto Lease Trust 2022-1 A3 1.900% Due 03/20/2025	715,000.00	02/15/2022 1.91%	714,993.85 714,996.99	97.34 5.41%	695,986.72 415.10	0.26% (19,010.27)	Aaa / NR AAA	1.97 0.76
05601XAC3	BMW Vehicle Lease Trust 2022-1 A3 1.100% Due 03/25/2025	940,000.00	Various 2.26%	924,128.86 931,863.52	97.50 5.66%	916,531.02 172.33	0.34% (15,332.50)	NR / AAA AAA	1.99 0.55
89240BAC2	Toyota Auto Receivables Owners 2021-A A3 0.260% Due 05/15/2025	520,380.29	02/02/2021 0.27%	520,283.71 520,350.49	97.46 5.57%	507,154.82 60.13	0.19% (13,195.67)	Aaa / NR AAA	2.13 0.48
44933LAC7	Hyundai Auto Receivables Trust 2021-A A3 0.380% Due 09/15/2025	346,580.38	04/20/2021 0.38%	346,543.92 346,566.95	97.24 5.26%	337,016.15 58.53	0.12% (9,550.80)	NR / AAA AAA	2.46 0.56
43815GAC3	Honda Auto Receivables Trust 2021-4 A3 0.880% Due 01/21/2026	350,000.00	11/16/2021 0.89%	349,926.22 349,956.91	95.51 5.26%	334,284.30 85.56	0.12% (15,672.61)	Aaa / NR AAA	2.81 1.03

Holdings Report

City of West Sacramento Consolidated Portfolio - Account #10677

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
47789QAC4	John Deere Owner Trust 2021-B A3 0.520% Due 03/16/2026	440,000.00	07/13/2021 0.52%	439,960.75 439,978.98	95.67 5.59%	420,932.60 101.69	0.15% (19,046.38)	Aaa / NR AAA	2.96 0.86
89238JAC9	Toyota Auto Receivables Trust 2021-DA3 0.710% Due 04/15/2026	325,000.00	11/09/2021 0.71%	324,993.08 324,996.00	95.33 5.42%	309,822.83 102.56	0.11% (15,173.17)	NR / AAA AAA	3.04 1.00
44935FAD6	Hyundai Auto Receivables Trust 2021-C A3 0.740% Due 05/15/2026	250,000.00	11/09/2021 0.75%	249,944.20 249,968.36	95.40 5.49%	238,504.75 82.22	0.09% (11,463.61)	NR / AAA AAA	3.13 0.97
43815BAC4	Honda Auto Receivables Trust 2022-1 A3 1.880% Due 05/15/2026	560,000.00	02/15/2022 1.89%	559,915.78 559,944.55	95.88 4.95%	536,906.72 467.91	0.20% (23,037.83)	Aaa / AAA NR	3.13 1.36
05602RAD3	BMW Vehicle Owner Trust 2022-A A3 3.210% Due 08/25/2026	360,000.00	05/10/2022 3.23%	359,981.28 359,986.53	97.71 4.90%	351,771.48 192.60	0.13% (8,215.05)	Aaa / AAA NR	3.41 1.38
362554AC1	GM Financial Securitized Term 2021-4 A3 0.680% Due 09/16/2026	265,000.00	10/13/2021 0.68%	264,993.24 264,996.11	94.86 5.77%	251,390.13 75.08	0.09% (13,605.98)	Aaa / AAA NR	3.47 1.02
47787JAC2	John Deere Owner Trust 2022-A A3 2.320% Due 09/16/2026	430,000.00	03/10/2022 2.34%	429,904.88 429,933.22	96.65 5.05%	415,608.33 443.38	0.15% (14,324.89)	Aaa / NR AAA	3.47 1.24
448977AD0	Hyundai Auto Receivables Trust 2022-A A3 2.220% Due 10/15/2026	765,000.00	03/09/2022 2.23%	764,970.55 764,980.00	96.14 5.00%	735,440.40 754.80	0.27% (29,539.60)	NR / AAA AAA	3.55 1.41
380146AC4	GM Financial Auto Receivables 2022-1 A3 1.260% Due 11/16/2026	225,000.00	01/11/2022 1.27%	224,980.45 224,987.49	95.01 5.68%	213,779.25 118.13	0.08% (11,208.24)	NR / AAA AAA	3.63 1.14
47800AAC4	John Deere Owner Trust 2022-B A3 3.740% Due 02/16/2027	445,000.00	07/12/2022 3.77%	444,957.50 444,965.80	98.07 4.89%	436,423.96 739.69	0.16% (8,541.84)	Aaa / NR AAA	3.88 1.72
02582JIT8	American Express Credit Trust 2022-2 A 3.390% Due 05/17/2027	940,000.00	05/17/2022 3.42%	939,792.07 939,851.75	97.66 4.60%	917,975.80 1,416.27	0.34% (21,875.95)	NR / AAA AAA	4.13 1.99
47800BAC2	John Deere Owner Trust 2022-C A3 5.090% Due 06/15/2027	715,000.00	10/12/2022 5.15%	714,944.52 714,951.34	100.81 4.74%	720,803.66 1,617.49	0.27% 5,852.32	Aaa / NR AAA	4.21 1.98
92348KAV5	Verizon Master Trust 2022-5 A1A 3.720% Due 07/20/2027	390,000.00	08/02/2022 3.75%	389,982.84 389,986.79	98.64 5.10%	384,677.28 443.30	0.14% (5,309.51)	NR / AAA AAA	4.31 1.32
02582JIV3	American Express Credit Trust 2022-3 A 3.750% Due 08/16/2027	1,000,000.00	11/03/2022 5.58%	960,000.00 963,327.60	98.22 4.59%	982,217.00 1,562.50	0.36% 18,889.40	Aaa / NR AAA	4.38 2.21
TOTAL ABS		13,340,670.91	2.15%	13,283,538.34 13,295,155.14	5.24%	12,995,563.58 9,942.16	4.78% (299,591.56)	Aaa / AAA AAA	2.89 1.10
Agency									
3133EMRZ7	FFCB Note 0.250% Due 02/26/2024	1,720,000.00	02/22/2021 0.26%	1,719,380.80 1,719,812.83	96.16 4.64%	1,653,953.72 418.06	0.61% (65,859.11)	Aaa / AA+ AAA	0.91 0.88
3135G0V75	FNMA Note 1.750% Due 07/02/2024	2,000,000.00	09/25/2019 1.64%	2,010,440.00 2,002,746.42	96.48 4.67%	1,929,608.00 8,652.78	0.71% (73,138.42)	Aaa / AA+ AAA	1.26 1.21

Holdings Report

City of West Sacramento Consolidated Portfolio - Account #10677

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3130A2UW4	FHLB Note 2.875% Due 09/13/2024	2,000,000.00	09/13/2019 1.79%	2,103,380.00 2,030,095.82	98.07 4.26%	1,961,428.00 2,875.00	0.72% (68,667.82)	Aaa / AA+ AAA	1.46 1.40
3135G0W66	FNMA Note 1.625% Due 10/15/2024	1,945,000.00	Various 1.73%	1,935,854.05 1,942,100.03	96.09 4.28%	1,868,944.67 14,574.00	0.69% (73,155.36)	Aaa / AA+ AAA	1.55 1.48
3130AQF40	FHLB Note 1.000% Due 12/20/2024	650,000.00	12/21/2021 1.02%	649,577.50 649,757.08	94.61 4.28%	614,962.40 1,823.61	0.23% (34,794.68)	Aaa / AA+ AAA	1.73 1.67
3135G0X24	FNMA Note 1.625% Due 01/07/2025	2,170,000.00	Various 1.17%	2,216,515.70 2,187,050.02	95.59 4.24%	2,074,376.78 8,227.91	0.77% (112,673.24)	Aaa / AA+ AAA	1.78 1.71
3137EAEPO	FHLMC Note 1.500% Due 02/12/2025	2,280,000.00	02/13/2020 1.52%	2,278,244.40 2,279,342.97	95.19 4.21%	2,170,325.16 4,655.00	0.80% (109,017.81)	Aaa / AA+ AAA	1.87 1.80
3135G03U5	FNMA Note 0.625% Due 04/22/2025	1,795,000.00	04/22/2020 0.67%	1,791,302.30 1,793,475.51	92.98 4.22%	1,668,915.61 4,954.95	0.62% (124,559.90)	Aaa / AA+ AAA	2.06 2.00
3135G04Z3	FNMA Note 0.500% Due 06/17/2025	2,100,000.00	Various 0.51%	2,098,880.25 2,099,572.53	92.41 4.13%	1,940,633.11 3,033.33	0.71% (158,939.42)	Aaa / AA+ AAA	2.22 2.15
3137EAEU9	FHLMC Note 0.375% Due 07/21/2025	1,200,000.00	07/21/2020 0.48%	1,194,024.00 1,197,241.34	92.00 4.04%	1,104,036.00 875.00	0.41% (93,205.34)	Aaa / AA+ AAA	2.31 2.25
3135G05X7	FNMA Note 0.375% Due 08/25/2025	2,150,000.00	Various 0.51%	2,136,456.52 2,143,039.73	91.55 4.11%	1,968,400.26 806.26	0.72% (174,639.47)	Aaa / AA+ AAA	2.41 2.34
3137EAEX3	FHLMC Note 0.375% Due 09/23/2025	1,800,000.00	Various 0.44%	1,794,640.80 1,797,304.49	91.36 4.08%	1,644,489.00 150.00	0.60% (152,815.49)	Aaa / AA+ AAA	2.48 2.42
3135G06G3	FNMA Note 0.500% Due 11/07/2025	2,200,000.00	Various 0.56%	2,193,135.20 2,196,412.49	91.49 3.98%	2,012,799.80 4,400.00	0.74% (183,612.69)	Aaa / AA+ AAA	2.61 2.53
TOTAL Agency		24,010,000.00	0.97%	24,037,951.26	4.24%	22,612,872.51 55,445.90	8.33% (1,425,078.75)	Aaa / AA+ AAA	1.89 1.83
Cash									
90BOFA\$00	Cash BOA Cash Acct	41,126,496.24	Various 0.25%	41,126,496.24 41,126,496.24	1.00 0.25%	41,126,496.24 0.00	15.12% 0.00	NR / NR NR	0.00 0.00
86723G1\$8	Suncrest Bank Deposit Account XXX3985	1,047,377.02	Various 1.43%	1,047,377.02 1,047,377.02	1.00 1.43%	1,047,377.02 0.00	0.39% 0.00	NR / NR NR	0.00 0.00
TOTAL Cash		42,173,873.26	0.28%	42,173,873.26	0.28%	42,173,873.26 0.00	15.51% 0.00	NR / NR NR	0.00 0.00

Holdings Report

City of West Sacramento Consolidated Portfolio - Account #10677

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
CMO									
3137BWW2	FHLMC K725 A2 3.002% Due 01/25/2024	1,117,621.58	08/18/2021 0.49%	1,179,440.03 1,137,366.15	98.21 5.28%	1,097,578.15 2,795.92	0.40% (39,788.00)	NR / AAA AAA	0.82 0.71
3137BFE98	FHLMC K041 A2 3.171% Due 10/25/2024	1,130,000.00	12/15/2021 1.17%	1,189,501.56 1,162,057.27	97.50 4.85%	1,101,713.84 2,986.03	0.41% (60,343.43)	Aaa / AAA AAA	1.57 1.40
3137BN6G4	FHLMC K053 2.995% Due 12/25/2025	2,225,000.00	11/01/2022 4.94%	2,113,228.52 2,127,650.65	96.45 4.42%	2,145,954.65 5,553.23	0.79% 18,304.00	NR / NR AAA	2.74 2.42
3137BSP72	FHLMC K058 A2 2.653% Due 08/25/2026	500,000.00	11/12/2021 1.35%	528,808.59 520,424.25	94.81 4.30%	474,059.00 1,105.42	0.17% (46,365.25)	NR / NR AAA	3.41 3.14
3137BSRE5	FHLMC K059 A2 3.120% Due 09/25/2026	1,000,000.00	02/18/2022 1.98%	1,042,812.50 1,032,407.77	96.22 4.30%	962,203.00 2,600.00	0.35% (70,204.77)	NR / AAA AAA	3.49 3.14
3137BTAC5	FHLMC K060 A2 3.300% Due 10/25/2026	1,000,000.00	10/31/2022 4.80%	946,875.00 952,418.15	96.70 4.28%	966,963.00 2,750.00	0.36% 14,544.85	NR / NR AAA	3.57 3.28
3137FBBX3	FHLMC K068 A2 3.244% Due 08/25/2027	2,000,000.00	Various 4.59%	1,887,460.94 1,897,935.30	96.10 4.22%	1,922,012.00 5,406.66	0.71% 24,076.70	Aaa / NR NR	4.41 3.95
3137F4D41	FHLMC K074 A2 3.600% Due 01/25/2028	1,000,000.00	03/14/2023 5.09%	966,757.81 967,038.73	97.30 4.21%	972,974.00 600.00	0.36% 5,935.27	NR / NR AAA	4.82 4.26
TOTAL CMO		9,972,621.58	3.41%	9,854,884.95 9,797,298.27	4.47%	9,643,457.64 23,797.26	3.55% (153,840.63)	Aaa / AAA AAA	3.12 2.79
Corporate									
69371RR24	Paccar Financial Corp Note 0.350% Due 02/02/2024	420,000.00	01/28/2021 0.39%	419,512.80 419,863.41	96.07 5.22%	403,478.04 240.92	0.15% (16,385.37)	A1 / A+ NR	0.84 0.81
808513BN4	Charles Schwab Corp Callable Note Cont 2/18/2024 0.750% Due 03/18/2024	605,000.00	03/16/2021 0.77%	604,697.50 604,902.85	95.19 5.96%	575,894.66 163.85	0.21% (29,008.19)	A2 / A A	0.97 0.93
89114QCA4	Toronto Dominion Bank Note 2.650% Due 06/12/2024	1,200,000.00	09/23/2019 2.22%	1,222,788.00 1,205,796.25	97.21 5.08%	1,166,524.80 9,628.33	0.43% (39,271.45)	A1 / A AA-	1.20 1.15
79466LAG9	Salesforce.com Inc Callable Note Cont 7/15/2022 0.625% Due 07/15/2024	1,050,000.00	Various 0.94%	1,041,590.40 1,045,847.85	94.98 4.68%	997,277.40 1,385.41	0.37% (48,570.45)	A2 / A+ NR	1.29 1.25
78013XZU5	Royal Bank of Canada Note 2.550% Due 07/16/2024	1,250,000.00	Various 2.21%	1,268,710.00 1,255,119.52	96.74 5.18%	1,209,310.00 6,640.63	0.45% (45,809.52)	A1 / A AA-	1.30 1.24
69371RR40	Paccar Financial Corp Note 0.500% Due 08/09/2024	515,000.00	08/03/2021 0.52%	514,721.90 514,874.14	94.35 4.85%	485,922.07 371.94	0.18% (28,952.07)	A1 / A+ NR	1.36 1.32

Holdings Report

Attachment 1

As of March 31, 2023

City of West Sacramento Consolidated Portfolio - Account #10677

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
14913Q3B3	Caterpillar Finl Service Note 2.150% Due 11/08/2024	600,000.00	01/28/2020 1.92%	606,282.00 602,114.41	96.35 4.54%	578,095.20 5,124.17	0.21% (24,019.21)	A2 / A A	1.61 1.54
74153WCQ0	Pricoa Global Funding Note 1.150% Due 12/06/2024	670,000.00	12/01/2021 1.19%	669,309.90 669,612.06	94.30 4.72%	631,796.60 2,461.32	0.23% (37,815.46)	Aa3 / AA- AA-	1.69 1.62
89236TJT3	Toyota Motor Credit Corp Note 1.450% Due 01/13/2025	920,000.00	01/10/2022 1.50%	918,767.20 919,265.49	94.67 4.60%	870,941.00 2,890.33	0.32% (48,324.49)	A1 / A+ A+	1.79 1.72
64952WEK5	New York Life Global Note 1.450% Due 01/14/2025	1,270,000.00	01/11/2022 1.49%	1,268,628.40 1,269,181.55	94.47 4.71%	1,199,782.97 3,938.76	0.44% (69,398.58)	Aaa / AA+ AAA	1.79 1.72
90331HPL1	US Bank NA Callable Note Cont 12/21/2024 2.050% Due 01/21/2025	1,285,000.00	01/16/2020 2.10%	1,282,262.95 1,284,009.75	94.19 5.47%	1,210,367.20 5,122.15	0.45% (73,642.55)	A1 / AA- AA-	1.81 1.73
78016EZ59	Royal Bank of Canada Note 3.375% Due 04/14/2025	540,000.00	04/07/2022 3.39%	539,800.20 539,864.37	97.04 4.92%	524,036.52 8,454.38	0.20% (15,827.85)	A1 / A AA-	2.04 1.91
06406RBC0	Bank of NY Mellon Corp Callable Note Cont 3/25/2025 3.350% Due 04/25/2025	935,000.00	04/19/2022 3.35%	934,869.10 934,909.74	96.30 5.26%	900,430.25 13,573.08	0.34% (34,479.49)	A1 / A AA-	2.07 1.93
06367WB85	Bank of Montreal Note 1.850% Due 05/01/2025	939,000.00	07/23/2021 0.85%	973,573.98 958,149.05	93.66 5.10%	879,456.13 7,238.13	0.33% (78,692.92)	A2 / A- AA-	2.09 1.99
46647PCH7	JP Morgan Chase & Co Callable Note Cont 6/1/2024 0.824% Due 06/01/2025	1,120,000.00	05/24/2021 1.93%	1,121,449.85 1,120,785.96	94.76 5.37%	1,061,324.33 3,076.27	0.39% (59,461.63)	A1 / A- AA-	2.17 2.08
46647PCK0	JP Morgan Chase & Co Callable Note Cont 6/23/2024 0.969% Due 06/23/2025	535,000.00	Various 2.06%	535,334.75 535,186.63	94.73 5.36%	506,807.11 1,411.25	0.19% (28,379.52)	A1 / A- AA-	2.23 2.13
66815L2J7	Northwestern Mutual Gbl Note 4.000% Due 07/01/2025	800,000.00	06/27/2022 4.01%	799,728.00 799,796.00	98.53 4.69%	788,277.60 8,000.00	0.29% (11,518.40)	Aaa / AA+ AAA	2.25 2.10
637432NG6	National Rural Utilities Callable Note Cont 8/1/2025 3.250% Due 11/01/2025	700,000.00	04/06/2022 3.21%	701,015.00 700,736.13	96.22 4.82%	673,548.40 9,479.17	0.25% (27,187.73)	A1 / A- A+	2.59 2.40
40139LBC6	Guardian Life Glob Fun Note 0.875% Due 12/10/2025	1,100,000.00	Various 1.12%	1,088,890.00 1,092,841.97	90.19 4.80%	992,087.80 2,967.70	0.37% (100,754.17)	Aa1 / AA+ NR	2.70 2.59
66815L2A6	Northwestern Mutual Gbl Note 0.800% Due 01/14/2026	650,000.00	12/06/2021 1.47%	632,755.50 638,269.60	89.92 4.70%	584,500.80 1,112.22	0.22% (53,768.80)	Aaa / AA+ AAA	2.79 2.69
46647PBK1	JP Morgan Chase & Co Callable Note Cont 4/22/2025 2.083% Due 04/22/2026	334,000.00	05/20/2021 2.20%	346,468.22 341,763.10	93.57 5.42%	312,534.49 3,072.77	0.12% (29,228.61)	A1 / A- AA-	3.06 1.95



Holdings Report

City of West Sacramento Consolidated Portfolio - Account #10677

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
6174468Q5	Morgan Stanley Callable Note Cont 4/28/2025 2.188% Due 04/28/2026	550,000.00	05/18/2022 4.89%	519,535.50 526,225.41	93.83 5.36%	516,042.45 5,114.45	0.19% (10,182.96)	A1 / A- A+	3.08 1.97
023135BX3	Amazon.com Inc Callable Note Cont 4/12/2026 1.000% Due 05/12/2026	1,655,000.00	05/10/2021 1.09%	1,647,850.40 1,650,548.14	90.66 4.23%	1,500,490.86 6,390.14	0.55% (150,057.28)	A1 / AA AA-	3.12 3.00
91324PEC2	United Health Group Inc Callable Note Cont 4/15/2026 1.150% Due 05/15/2026	275,000.00	Various 1.08%	275,889.15 275,565.11	90.93 4.29%	250,043.75 1,194.72	0.09% (25,521.36)	A3 / A+ A	3.13 2.99
89236TJK2	Toyota Motor Credit Corp Note 1.125% Due 06/18/2026	1,130,000.00	06/15/2021 1.13%	1,129,502.80 1,129,680.33	90.18 4.44%	1,018,987.67 3,637.19	0.38% (110,692.66)	A1 / A+ A+	3.22 3.08
06051GJD2	Bank of America Corp Callable Note Cont 6/19/2025 1.319% Due 06/19/2026	1,000,000.00	Various 2.19%	1,002,640.00 1,001,710.13	91.41 5.48%	914,110.00 3,737.16	0.34% (87,600.13)	A2 / A- AA-	3.22 2.13
57629WDE7	Mass Mutual Global funding Note 1.200% Due 07/16/2026	772,000.00	08/10/2021 1.21%	771,785.72 771,856.83	88.88 4.90%	686,119.64 1,930.00	0.25% (85,737.19)	Aa3 / AA+ AA+	3.30 3.15
58989V2D5	Met Tower Global Funding Note 1.250% Due 09/14/2026	585,000.00	09/07/2021 1.27%	584,461.80 584,628.03	88.74 4.83%	519,121.98 345.31	0.19% (65,506.05)	Aa3 / AA- AA-	3.46 3.30
931142ER0	Wal-Mart Stores Callable Note Cont 08/17/2026 1.050% Due 09/17/2026	265,000.00	09/08/2021 1.09%	264,499.15 264,653.03	90.15 4.13%	238,887.96 108.21	0.09% (25,765.07)	Aa2 / AA AA	3.47 3.33
26442CAS3	Duke Energy Carolinas Callable Note Cont 9/1/2026 2.950% Due 12/01/2026	1,355,000.00	10/28/2022 4.89%	1,258,727.25 1,268,477.21	94.42 4.62%	1,279,442.49 13,324.17	0.48% 10,965.28	Aa3 / A NR	3.67 3.38
59217GER6	Metlife Note 1.875% Due 01/11/2027	845,000.00	01/03/2022 1.90%	844,036.70 844,271.46	89.36 5.00%	755,070.88 3,520.83	0.28% (89,200.58)	Aa3 / AA- AA-	3.79 3.55
61747YEZ4	Morgan Stanley Callable Note 1X 1/28/2026 5.050% Due 01/28/2027	610,000.00	01/17/2023 5.29%	611,063.70 611,011.60	99.72 5.15%	608,296.88 6,161.00	0.23% (2,714.72)	A1 / A- A+	3.83 2.58
808513BY0	Charles Schwab Corp Callable Note Cont 2/3/2027 2.450% Due 03/03/2027	725,000.00	03/01/2022 2.46%	724,796.70 724,840.57	89.57 5.44%	649,387.58 1,381.53	0.24% (75,452.99)	A2 / A A	3.93 3.65
084664CZ2	Berkshire Hathaway Callable Note Cont 2/15/2027 2.300% Due 03/15/2027	1,225,000.00	03/07/2022 2.30%	1,224,767.25 1,224,815.94	94.68 3.76%	1,159,803.05 1,252.22	0.43% (65,012.89)	Aa2 / AA A+	3.96 3.72
06051GHT9	Bank of America Corp Callable Note 1X 4/23/2026 3.559% Due 04/23/2027	750,000.00	Various 4.85%	726,688.38 729,903.88	94.98 5.35%	712,351.50 11,715.04	0.27% (17,552.38)	A2 / A- AA-	4.07 2.80

Holdings Report

City of West Sacramento Consolidated Portfolio - Account #10677

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
665859AW4	Northern Trust Company Callable Note Cont 4/10/2027 4.000% Due 05/10/2027	455,000.00	05/05/2022 4.04%	454,262.90 454,394.50	97.97 4.55%	445,742.57 7,128.33	0.17% (8,651.93)	A2 / A+ A+	4.11 3.68
91324PEG3	United Health Group Inc Callable Note Cont 4/15/2027 3.700% Due 05/15/2027	465,000.00	05/17/2022 3.69%	465,220.50 465,182.24	97.81 4.28%	454,832.78 6,499.67	0.17% (10,349.46)	A3 / A+ A	4.13 3.72
61747YEC5	Morgan Stanley Callable Note Cont 7/20/2026 1.512% Due 07/20/2027	750,000.00	10/28/2022 6.03%	637,425.00 647,296.56	88.87 5.22%	666,505.50 2,236.50	0.25% 19,208.94	A1 / A- A+	4.31 3.14
14913R3A3	Caterpillar Financial Service Note 3.600% Due 08/12/2027	1,000,000.00	11/02/2022 5.06%	938,730.00 943,935.49	97.84 4.14%	978,439.00 4,900.00	0.36% 34,503.51	A2 / A A	4.37 3.97
756109BG8	Realty Income Corp Calllable Note Cont 5/15/2027 3.950% Due 08/15/2027	1,425,000.00	Various 5.42%	1,337,997.25 1,345,227.14	96.35 4.89%	1,372,960.43 7,192.29	0.51% 27,733.29	A3 / A- NR	4.38 3.94
57636QAW4	MasterCard Inc Callable Note Cont 2/9/28 4.875% Due 03/09/2028	775,000.00	03/06/2023 4.90%	774,248.25 774,257.71	102.92 4.20%	797,662.55 2,308.85	0.29% 23,404.84	Aa3 / A+ NR	4.95 4.29
TOTAL Corporate		34,050,000.00	2.53%	33,685,284.05 33,691,371.14	4.85%	32,076,692.89 186,430.39 (1,614,678.25)	11.86%	A1 / A+ AA-	2.79 2.51
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	100,959,757.36	Various 2.88%	100,959,757.36 100,959,757.36	1.00 2.88%	100,959,757.36 647,784.77	37.36% 0.00	NR / NR NR	0.00 0.00
TOTAL LAIF		100,959,757.36	2.88%	100,959,757.36	2.88%	100,959,757.36 647,784.77	37.36% 0.00	NR / NR NR	0.00 0.00
Local Gov Investment Pool									
90CAMP\$00	California Asset Mgmt Program CAMP	5,269,627.21	Various 4.92%	5,269,627.21 5,269,627.21	1.00 4.92%	5,269,627.21 0.00	1.94% 0.00	NR / AAA NR	0.00 0.00
TOTAL Local Gov Investment Pool		5,269,627.21	4.92%	5,269,627.21	4.92%	5,269,627.21 0.00	1.94% 0.00	NR / AAA NR	0.00 0.00

Holdings Report

City of West Sacramento Consolidated Portfolio - Account #10677

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Money Market Fund									
262006208	Dreyfus Gov't Cash Management Money Market Fund #289	503,569.77	Various 4.70%	503,569.77 503,569.77	1.00 4.70%	503,569.77 0.00	0.19% 0.00	Aaa / AAA NR	0.00 0.00
TOTAL Money Market Fund		503,569.77	4.70%	503,569.77	4.70%	503,569.77 0.00	0.19% 0.00	Aaa / AAA NR	0.00
Municipal Bonds									
13063DRK6	California State Taxable GO 2.400% Due 10/01/2024	730,000.00	10/16/2019 1.91%	746,768.10 735,102.93	96.96 4.52%	707,829.90 8,760.00	0.26% (27,273.03)	Aa2 / AA- AA	1.51 1.43
TOTAL Municipal Bonds		730,000.00	1.91%	746,768.10 735,102.93	4.52%	707,829.90 8,760.00	0.26% (27,273.03)	Aa2 / AA- AA	1.51 1.43
Negotiable CD									
33715LCB4	First Technology Federal Negotiable CD 3.400% Due 08/17/2023	248,000.00	08/17/2018 3.40%	248,000.00 248,000.00	99.39 5.03%	246,480.50 346.52	0.09% (1,519.50)	NR / NR NR	0.38 0.38
TOTAL Negotiable CD		248,000.00	3.40%	248,000.00	5.03%	246,480.50 346.52	0.09% (1,519.50)	NR / NR NR	0.38
Supranational									
459058JL8	Intl. Bank Recon & Development Note 0.500% Due 10/28/2025	2,150,000.00	Various 0.60%	2,140,429.05 2,144,758.44	91.64 3.95%	1,970,174.00 4,568.76	0.73% (174,584.44)	Aaa / AAA AAA	2.58 2.51
4581X0DV7	Inter-American Dev Bank Note 0.875% Due 04/20/2026	2,175,000.00	04/13/2021 0.97%	2,165,038.50 2,168,917.27	91.35 3.91%	1,986,836.40 8,511.20	0.73% (182,080.87)	Aaa / AAA AAA	3.06 2.95
TOTAL Supranational		4,325,000.00	0.78%	4,305,467.55 4,313,675.71	3.93%	3,957,010.40 13,079.96	1.46% (356,665.31)	Aaa / AAA AAA	2.82 2.73
US Treasury									
91282CBR1	US Treasury Note 0.250% Due 03/15/2024	1,000,000.00	03/30/2021 0.33%	997,578.13 999,217.38	95.94 4.64%	959,414.00 115.49	0.35% (39,803.38)	Aaa / AA+ AAA	0.96 0.93
912828X70	US Treasury Note 2.000% Due 04/30/2024	1,500,000.00	09/25/2019 1.62%	1,525,078.12 1,505,903.37	97.25 4.63%	1,458,808.50 12,596.69	0.54% (47,094.87)	Aaa / AA+ AAA	1.08 1.04
912828XX3	US Treasury Note 2.000% Due 06/30/2024	2,000,000.00	09/30/2019 1.60%	2,036,562.50 2,009,609.51	97.03 4.46%	1,940,626.00 10,055.25	0.72% (68,983.51)	Aaa / AA+ AAA	1.25 1.21
912828D56	US Treasury Note 2.375% Due 08/15/2024	2,000,000.00	09/18/2019 1.71%	2,062,578.13 2,017,530.26	97.34 4.39%	1,946,718.00 5,904.70	0.72% (70,812.26)	Aaa / AA+ AAA	1.38 1.33

Holdings Report

City of West Sacramento Consolidated Portfolio - Account #10677

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
9128283D0	US Treasury Note 2.250% Due 10/31/2024	2,000,000.00	11/07/2019 1.77%	2,045,234.38 2,014,398.41	96.91 4.29%	1,938,126.00 18,895.03	0.72% (76,272.41)	Aaa / AA+ AAA	1.59 1.52
91282CDS7	US Treasury Note 1.125% Due 01/15/2025	1,000,000.00	02/02/2022 1.36%	993,125.00 995,818.83	94.77 4.18%	947,695.00 2,361.88	0.35% (48,123.83)	Aaa / AA+ AAA	1.80 1.74
912828ZC7	US Treasury Note 1.125% Due 02/28/2025	2,000,000.00	03/18/2020 0.81%	2,030,859.38 2,011,937.30	94.55 4.11%	1,891,094.00 1,956.52	0.70% (120,843.30)	Aaa / AA+ AAA	1.92 1.86
912828ZF0	US Treasury Note 0.500% Due 03/31/2025	2,000,000.00	05/28/2020 0.35%	2,014,140.63 2,005,841.91	93.27 4.04%	1,865,390.00 27.32	0.69% (140,451.91)	Aaa / AA+ AAA	2.00 1.95
912828XB1	US Treasury Note 2.125% Due 05/15/2025	1,000,000.00	04/06/2022 2.78%	980,742.19 986,838.80	96.13 4.04%	961,328.00 8,042.13	0.36% (25,510.80)	Aaa / AA+ AAA	2.13 2.03
91282CAB7	US Treasury Note 0.250% Due 07/31/2025	1,100,000.00	03/12/2021 0.72%	1,077,828.13 1,088,186.10	91.83 3.94%	1,010,152.00 455.80	0.37% (78,034.10)	Aaa / AA+ AAA	2.34 2.29
91282CFP1	US Treasury Note 4.250% Due 10/15/2025	2,400,000.00	10/28/2022 4.37%	2,392,031.25 2,393,152.78	100.77 3.93%	2,418,561.60 47,076.92	0.91% 25,408.82	Aaa / AA+ AAA	2.55 2.34
91282CAT8	US Treasury Note 0.250% Due 10/31/2025	400,000.00	03/12/2021 0.79%	390,265.63 394,565.79	91.18 3.87%	364,703.20 419.89	0.13% (29,862.59)	Aaa / AA+ AAA	2.59 2.52
91282CFW6	US Treasury Note 4.500% Due 11/15/2025	2,400,000.00	11/10/2022 4.27%	2,415,656.25 2,413,699.22	101.48 3.90%	2,435,438.40 40,872.93	0.91% 21,739.18	Aaa / AA+ AAA	2.63 2.42
91282CAZ4	US Treasury Note 0.375% Due 11/30/2025	1,250,000.00	03/26/2021 0.77%	1,227,587.89 1,237,211.84	91.22 3.87%	1,140,235.00 1,571.09	0.42% (96,976.84)	Aaa / AA+ AAA	2.67 2.60
91282CCW9	US Treasury Note 0.750% Due 08/31/2026	530,000.00	09/23/2021 0.90%	526,252.73 527,404.78	90.38 3.78%	478,987.50 345.65	0.18% (48,417.28)	Aaa / AA+ AAA	3.42 3.31
91282CCZ2	US Treasury Note 0.875% Due 09/30/2026	1,060,000.00	10/18/2021 1.19%	1,044,141.41 1,048,784.02	90.56 3.78%	959,962.50 25.34	0.35% (88,821.52)	Aaa / AA+ AAA	3.50 3.39
91282CDG3	US Treasury Note 1.125% Due 10/31/2026	1,060,000.00	11/15/2021 1.25%	1,053,540.63 1,055,325.97	91.21 3.77%	966,794.20 5,007.18	0.36% (88,531.77)	Aaa / AA+ AAA	3.59 3.44
912828YQ7	US Treasury Note 1.625% Due 10/31/2026	2,400,000.00	11/02/2022 4.43%	2,156,250.00 2,181,159.98	92.89 3.76%	2,229,468.00 16,375.69	0.83% 48,308.02	Aaa / AA+ AAA	3.59 3.40
91282CET4	US Treasury Note 2.625% Due 05/31/2027	600,000.00	06/13/2022 3.41%	578,718.75 582,136.43	95.88 3.70%	575,296.80 5,278.85	0.21% (6,839.63)	Aaa / AA+ AAA	4.17 3.86
91282CEW7	US Treasury Note 3.250% Due 06/30/2027	1,500,000.00	Various 3.40%	1,490,273.44 1,491,043.67	98.27 3.69%	1,474,101.00 12,254.83	0.55% (16,942.67)	Aaa / AA+ AAA	4.25 3.90
91282CFB2	US Treasury Note 2.750% Due 07/31/2027	1,180,000.00	Various 3.00%	1,166,739.07 1,168,403.49	96.30 3.68%	1,136,395.46 5,378.45	0.42% (32,008.03)	Aaa / AA+ AAA	4.34 4.02
91282CFH9	US Treasury Note 3.125% Due 08/31/2027	3,500,000.00	Various 3.28%	3,474,796.89 3,477,611.70	97.81 3.67%	3,423,437.50 9,510.87	1.26% (54,174.20)	Aaa / AA+ AAA	4.42 4.07

Holdings Report

City of West Sacramento Consolidated Portfolio - Account #10677

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
91282CFU0	US Treasury Note 4.125% Due 10/31/2027	2,400,000.00	11/03/2022 4.42%	2,368,968.75 2,371,489.40	101.92 3.67%	2,446,032.00 41,569.06	0.91% 74,542.60	Aaa / AA+ AAA	4.59 4.08
91282CGC9	US Treasury Note 3.875% Due 12/31/2027	700,000.00	01/25/2023 3.57%	709,679.69 709,330.15	101.05 3.63%	707,355.60 6,818.72	0.26% (1,974.55)	Aaa / AA+ AAA	4.76 4.27
91282CGH8	US Treasury Note 3.500% Due 01/31/2028	1,000,000.00	03/14/2023 3.90%	982,578.13 982,724.86	99.48 3.62%	994,766.00 5,801.10	0.37% 12,041.14	Aaa / AA+ AAA	4.84 4.39
91282CGP0	US Treasury Note 4.000% Due 02/29/2028	2,900,000.00	02/23/2023 4.16%	2,879,269.53 2,879,632.63	101.71 3.62%	2,949,616.10 10,086.96	1.09% 69,983.47	Aaa / AA+ AAA	4.92 4.42
TOTAL US Treasury		40,880,000.00	2.61%	40,620,476.63 40,548,958.58	3.94%	39,620,502.36 268,804.34	14.67% (928,456.22)	Aaa / AA+ AAA	3.03 2.81
TOTAL PORTFOLIO		276,463,120.09	2.22%	275,773,078.74 275,574,340.63	3.21%	270,767,237.38 1,214,391.30	100.00% (4,807,103.25)	Aa1 / AA AAA	1.23 1.06
TOTAL MARKET VALUE PLUS ACCRUALS						271,981,628.68			

CITY OF WEST SACRAMENTO

ADMINISTRATIVE POLICY

NUMBER: IV-C-2

DATE: September 8, 1992
Revised: February 1, 1999
Revised: October 15, 2014
Revised: November 1, 2017
Revised: August 21, 2019
Revised: June 16, 2021
Revised: June 7, May 17, 2023

SUBJECT: INVESTMENT POLICY

AUTHORITY: City Council

PURPOSE

This policy sets forth the procedural regulations for investing surplus funds. The intent of the Investment Policy of the City of West Sacramento is to define the parameters within which funds are to be managed.

POLICY

In methods, procedures, and practices, the policy formalizes the framework for the City's investment activities that must be exercised to ensure effective and judicious fiscal and investment management of the City's funds. The guidelines are intended to be broad enough to allow the investment officer to function properly within the parameters of responsibility and authority, yet specific enough to safeguard the investment assets.

PROCEDURE

A. SCOPE

This policy applies to the investment of surplus operating and capital funds and proceeds from certain bond issues. It conforms to best practices as outlined by Government Finance Officers Association, Association of Public Treasurers of the United States and Canada, and California Municipal Treasurers' Association.

1. *Pooling of Funds*: Except for cash in certain restricted and special funds, the City will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

B. GENERAL OBJECTIVES

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and return.

1. *Safety*: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the City will diversify its investments by investing funds among a variety of securities with independent returns. The objective will be to mitigate credit risk and market risk, further explained below.

2. *Liquidity*: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.
3. *Return*: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

C. STANDARDS OF CARE

1. *Prudence*: The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code section 53600.3) and shall be applied in the context of managing an overall portfolio. Pursuant to this section of Code, 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 Agency, 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 Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

Investment officers 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 deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

2. *Ethics and Conflicts of Interest*: Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/ investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.
3. *Delegation of Authority*: Authority to manage the investment program is granted to the Director of Finance/City Treasurer, hereinafter referred to as investment officer, and derived from California Government Code, Sections 41006 and 53600 et seq as well as Ordinance 87-12. Responsibility for the operation of the investment program is hereby

delegated to the investment officer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officer. The investment officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. 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.

D. SAFEKEEPING AND CUSTODY

1. *Authorized Financial Dealers and Institutions:* To the extent practicable, the investment officer shall endeavor to complete investment transactions using a competitive bid process whenever possible. The investment 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. A list will be maintained of financial institutions authorized to provide investment services. In addition, a list also will be maintained of approved security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of \$10,000,000 and at least five years of operation). These 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 and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements.
- Proof of National Association of Securities Dealers (NASD) certification.
- Proof of state registration.

- Completed broker/dealer questionnaire.
- Certification of having read and understood and agreeing to comply with the City's investment policy.
- Evidence of adequate insurance coverage.

An annual review of the financial condition and registration of qualified financial institutions and broker/dealers will be conducted by the investment officer.

From time to time, the investment officer may choose to invest in instruments offered by minority and community financial institutions. In such instances, a waiver to the criteria under Paragraph 1 may be granted. All terms and relationships will be fully disclosed prior to purchase and will be reported to the appropriate entity on a consistent basis and should be consistent with state or local law. These types of investment purchases should be approved by the appropriate legislative or governing body in advance.

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 price.

2. *Internal Controls:* The investment officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. Specifics for the internal controls shall be documented in an investment procedures manual that shall be reviewed and updated periodically by the Investment Officer. An example of such a procedure would include the requirement that the Director of Finance approve trades transacted by other authorized personnel. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the investment officer shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion.
- Separation of transaction authority from accounting and recordkeeping.
- Custodial safekeeping.
- Avoidance of physical delivery securities.

- Clear designation of authority to subordinate staff members.
 - Written confirmation of transactions for investments and wire transfers.
 - Dual authorizations of wire transfers.
 - Staff training.
 - Development of a wire transfer agreement with the lead bank and third-party custodian.
3. *Delivery vs. Payment:* All trades where applicable will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts. The only exception to the foregoing shall be depository accounts and securities purchase made with: Local Agency Investment Fund (LAIF), California Asset Management Program, time certificates of deposit and money market mutual funds, since the purchased securities are not deliverable.
4. *Third-Party Safekeeping:* Securities will be held by an independent third-party safekeeping institution selected by the City. All securities will be evidenced by safekeeping receipts in the City's name. The safekeeping institution shall annually provide a copy of its most recent report on internal controls – Service Organization Control Reports (formerly 70, or SAS 70) prepared in accordance with the Statements of Standards for Attestation Engagements (SSAE) No. 16 (effective June 15, 2011).

E. SUITABLE AND AUTHORIZED INVESTMENTS

1. *Investment Types:* Investments shall be placed to conform to those allowable under the State of California Government Code section 53600 *et seq.* Within the investments permitted by the Code, the City seeks to further restrict eligible investments to the guidelines listed below. Consistent with the GFOA Policy Statement and Local Laws Concerning Investment Practices, the following investments will be permitted by this policy and are those defined by state and local law where applicable. If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by the City until this Policy has been amended and the amended version adopted by the City Council. In the event a discrepancy is found between this policy and the Code, the more restrictive parameters will take precedence. Percentage holding limits and minimum credit quality requirements 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.

Authorized securities include:

- A. Municipal Securities 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 5% of the portfolio may be invested in any single issuer.
 - No more than 30% of the portfolio may be in Municipal Securities.
 - 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 5% of the portfolio may be invested in any single issuer.
 - No more than 30% of the portfolio may be in Municipal Securities.
 - The maximum maturity does not exceed five (5) years.
- C. U.S. Treasuries 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 30% of the portfolio may be invested in any single Agency/GSE issuer.
 - The maximum maturity does not exceed five (5) years.
 - The maximum percent of agency callable securities in the portfolio will be 20%.
- E. Banker’s 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.

- F. Commercial Paper, provided that the securities are issued by an entity that meets all of the following conditions in either paragraph (a) or (b) and other requirements specified below:
- i. SECURITIES issued by corporations:
 1. A corporation organized and operating in the United States with assets more than \$500 million.
 2. The securities are rated “A-1” or its equivalent or better by at least one NRSRO.
 3. If the issuer has other debt obligations, they must be rated in a rating category of “A” or its equivalent or better by at least one NRSRO.
 - ii. SECURITIES issued by other entities:
 1. The issuer is organized within the United States as a special purpose corporation, trust, or limited liability company.
 2. The securities must have program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.
 3. The securities are rated “A-1” 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. Under a provision sunsetting on January 1, 2026, no more than 40% of the portfolio may be invested in Commercial Paper if the Agency’s investment assets under management are greater than \$100,000,000.
 - No more than 5% of the portfolio may be invested in any single issuer.
 - The maximum maturity does not exceed 270 days.
- 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 (combined with CDARS).
 - No more than 5% of the portfolio may be invested in any single issuer.
 - The maximum maturity does not exceed five (5) years.
- H. 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.
- I. 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.
- J. Certificate of Deposit Placement Service (CDARS), provided that:
- No more than 30% of the total portfolio may be invested in a combination of Certificates of Deposit, including CDARS.
 - The maximum maturity does not exceed five (5) years.
- K. 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.
- L. 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.
- M. State of California 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 investment officer to adequately judge the risk inherent in LAIF's portfolio.
- N. Local Government Investment Pools

- Other LGIPs permitted by client.
- There is no issuer limitation for Local Government Investment Pools

O. Corporate Medium-Term Notes (MTNs), provided that:

- The issuer is 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.

P. Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations from issuers not defined in sections C and D of the Authorized Investments section of this policy, provided that:

- The securities are rated in a rating category of “AA” or its equivalent or better by a 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.
- The maximum legal final maturity does not exceed five (5) years.

Q. 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:

- (i) Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
- (ii) 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.

- 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:

- (i) Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or

(ii) 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.

- No more than 20% of the total portfolio may be invested in the shares of any one Money Market Mutual Fund.

c. No more than 20% of the total portfolio may be invested in these securities.

R. 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.

2. *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. Investment in any security that could result in a zero interest accrual if held to maturity is prohibited Under a provision sunseting on January 1, 2026, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted.
- 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.
- The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.
- The purchase of foreign currency denominated securities is prohibited.

3. *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 investment officer 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?

4. *Collateralization*: Acceptable collateral shall be as follows:

Certificates of Deposit (CDs). The City shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a Non-Negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to California Government Code, Section 53651, pledged against a Certificate of Deposit shall be equal to 150% of the face value of the CD if the securities are classified as mortgages and 110% of the face value of the CD for all other classes of security.

Collateralization of Bank Deposits. This is the process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing repayment of deposited funds. The City shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

Repurchase Agreements. The City requires that Repurchase Agreements be collateralized only by securities authorized in accordance with California Government Code:

- The securities which collateralize the repurchase agreement shall be priced at Market Value, including any Accrued Interest plus a margin. The Market Value of the securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities.
- Financial institutions shall mark the value of the collateral to market at least monthly and increase or decrease the collateral to satisfy the ratio requirement described above.
- The City shall receive monthly statements of collateral.

F. INVESTMENT PARAMETERS

1. *Mitigating Credit Risk in the Portfolio*: Credit risk is the risk that a security or a portfolio will lose some or all 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 “Suitable and 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 City's risk preferences.
 - If the credit ratings of any security owned by the City are downgraded to a level below the quality required by this investment policy, making the security ineligible for additional purchases, the following steps will be taken:
 - If a security is downgraded, the investment 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 employing an investment manager, any actions taken related to the downgrade by the investment manager will be communicated to the investment officer in a timely manner.
 - 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 Council.
2. *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. Likewise, 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 paydowns 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 stated final maturity of individual securities in the portfolio will be five (5) years as measured from the date of trade settlement, 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.
3. *Maximum Maturities:* To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. The City will not directly invest in securities maturing more than five years from the date of purchase-trade settlement or in accordance with state and local statutes and ordinances, unless the City Council has by resolution granted authority to make such an investment either specifically or as part of an investment program approved by the City Council no less than three months prior to the

investment. The City investment officer shall adopt weighted average maturity limitations, consistent with the investment objectives.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as LGIPs, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

G. INVESTMENT STRATEGIES:

The investment program shall seek to augment returns consistent with the intent of this policy, identified risk limitations and prudent investment principles. These objectives will be achieved by use of the following strategies:

The source of and purpose for surplus funds determines the goal to be accomplished by the strategy. Bond proceeds, for example, typically have three purposes: *reserve funds*, *project funds*, and *debt service funds*. The goal and corresponding investment strategy is different for each, as follows:

- Reserve Funds. The goal is to have these funds available in case of default while minimizing negative arbitrage. The strategy is to call for competitive bids for long-term *investment agreements* with a call provision for default or redemption from AAA-rated limitations.
- Project Funds. The goal is to maintain purchasing power. The strategy, assuming a normal yield curve, is to match *investment agreement* maturities with construction draw schedules. Funds needed within 12 months are currently placed in an AAA-rated mutual fund of U.S. Treasury Securities.
- Debt Service Funds. The goal is to maintain liquidity. Generally, funds are placed in a money market mutual fund related investment category.

Surplus funds in the City pool come from a mixed bag of services for a wide variety of purposes. This blend of funds leads to the general investment goal of earning an appropriate yield consistent with the City's high standards for safety and liquidity.

H. INVESTMENT PERFORMANCE

The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The investment officer shall monitor and evaluate the portfolio's performance relative to the chosen market benchmark(s), which will be included in the investment officer's quarterly report. The investment officer shall select an appropriate, readily available index to use as a market benchmark.

I. REPORTING

1. *Methods*: The investment officer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current

investment portfolio and the individual transactions executed over the last quarter. This report shall include the type of investment, issuer, date of maturity, and par and dollar amount invested on all securities, investments and moneys held by the City. The report shall also include a current market value as of the date of the report. It shall state compliance of the portfolio to the statement of investment policy or manner in which the portfolio is not in compliance. Finally, the report shall include a statement denoting the ability of the local agency to meet its pool's expenditure requirements for the next six months or provide an explanation as to why sufficient money shall, or may, not be available. Once a year, the statement of investment policy shall be included in the report.

2. *Performance Standards:* The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis.
3. *Marking to Market:* The market value of the portfolio shall be calculated at least monthly and a statement of the market value of the portfolio shall be issued at least monthly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA Recommended Practice on "Mark-to-Market Practices for State and Local Government Investment Portfolios and Investment Pools." In defining market value, considerations should be given to the GASB Statement 31 pronouncement.
4. *Annual Reports:* The investment policy shall be reviewed at least annually within 120 days of the end of the fiscal year to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends. A comprehensive annual report shall be presented in conjunction with the investment policy review. This report shall include comparisons of City's return to the City's benchmark return, shall suggest policies and improvements that might enhance the investment program, and shall include an investment plan for the coming year.
5. *Annual Audit:* Management shall establish an annual process of independent review by the external auditor to assure compliance with internal controls. Such audit will include tests deemed appropriate by the auditor.

J. PORTFOLIO AND POLICY CONSIDERATIONS

1. *Portfolio Review:* The investment 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 Council.
2. *Policy Amendments:* This policy shall be reviewed on an annual basis within 120 days of the end of the fiscal year to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends. Any recommended modifications or changes shall be presented by the investment officer to the City Council for their consideration and adoption.

K. GLOSSARY OF TERMS

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.

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.

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, the issuer will likely call its current securities and reissue them at a lower rate of interest.

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a certificate.

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 Bank Deposit: A bank deposit that is collateralized at least 100% (principal plus interest to maturity). The deposit is collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

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.

Collateralized Time Deposit: Time deposits that are collateralized at least 100% (principal plus interest to maturity). These instruments are collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

Commercial Paper: The short-term unsecured debt of corporations.

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.

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 security to changes interest rates.

Federal Deposit Insurance Corporation (FDIC): The Federal Deposit Insurance Corporation (FDIC) is an independent federal agency insuring deposits in U.S. banks and thrifts in the event

of bank failures. The FDIC was created in 1933 to maintain public confidence and encourage stability in the financial system through the promotion of sound banking practices.

Federally Insured Time Deposit: A time deposit is an interest-bearing bank deposit account that has a specified date of maturity, such as a certificate of deposit (CD). These deposits are limited to funds insured in accordance with FDIC insurance deposit limits.

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.

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.

Money Market Mutual Fund: A mutual fund that invests exclusively in short-term securities. Examples of investments in money market funds are certificates of deposit and U.S. Treasury securities. Money market funds attempt to keep their net asset values at \$1 per share.

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 Certificate of Deposit (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).

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."

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.

Securities and Exchange Commission (SEC): The U.S. Securities and Exchange Commission (SEC) is an independent federal government agency responsible for protecting investors, maintaining fair and orderly functioning of securities markets and facilitating capital formation. It was created by Congress in 1934 as the first federal regulator of securities markets. The SEC promotes full public disclosure, protects investors against fraudulent and manipulative practices in the market, and monitors corporate takeover actions in the United States.

Securities and Exchange Commission (SEC) Rule 15c3-1: An SEC rule setting capital requirements for brokers and dealers. Under Rule 15c3-1, a broker or dealer must have sufficient liquidity in order to cover the most pressing obligations. This is defined as having a certain amount of liquidity as a percentage of the broker/dealer's total obligations. If the percentage falls below a certain point, the broker or dealer may not be allowed to take on new clients and may have restrictions placed on dealings with current client.

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.

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 Bonds: All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

Treasury Notes: All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.

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.

Yield to Maturity: The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

CITY OF WEST SACRAMENTO

ADMINISTRATIVE POLICY

NUMBER: IV-C-2

DATE: September 8, 1992
Revised: February 1, 1999
Revised: October 15, 2014
Revised: November 1, 2017
Revised: August 21, 2019
Revised: June 16, 2021
Revised: June 7, 2023

SUBJECT: INVESTMENT POLICY

AUTHORITY: City Council

PURPOSE

This policy sets forth the procedural regulations for investing surplus funds. The intent of the Investment Policy of the City of West Sacramento is to define the parameters within which funds are to be managed.

POLICY

In methods, procedures, and practices, the policy formalizes the framework for the City's investment activities that must be exercised to ensure effective and judicious fiscal and investment management of the City's funds. The guidelines are intended to be broad enough to allow the investment officer to function properly within the parameters of responsibility and authority, yet specific enough to safeguard the investment assets.

PROCEDURE

A. SCOPE

This policy applies to the investment of surplus operating and capital funds and proceeds from certain bond issues. It conforms to best practices as outlined by Government Finance Officers Association, Association of Public Treasurers of the United States and Canada, and California Municipal Treasurers' Association.

1. *Pooling of Funds*: Except for cash in certain restricted and special funds, the City will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

B. GENERAL OBJECTIVES

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and return.

1. *Safety*: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the City will diversify its investments by investing funds among a variety of securities with independent returns. The objective will be to mitigate credit risk and market risk, further explained below.

2. *Liquidity*: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.
3. *Return*: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

C. STANDARDS OF CARE

1. *Prudence*: The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code section 53600.3) and shall be applied in the context of managing an overall portfolio. Pursuant to this section of Code, 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 Agency, 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 Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

Investment officers 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 deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

2. *Ethics and Conflicts of Interest*: Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/ investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.
3. *Delegation of Authority*: Authority to manage the investment program is granted to the Director of Finance/City Treasurer, hereinafter referred to as investment officer, and derived from California Government Code, Sections 41006 and 53600 et seq as well as Ordinance 87-12. Responsibility for the operation of the investment program is hereby

delegated to the investment officer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officer. The investment officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. 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.

D. SAFEKEEPING AND CUSTODY

1. *Authorized Financial Dealers and Institutions:* To the extent practicable, the investment officer shall endeavor to complete investment transactions using a competitive bid process whenever possible. The investment 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. A list will be maintained of financial institutions authorized to provide investment services. In addition, a list also will be maintained of approved security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of \$10,000,000 and at least five years of operation). These 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 and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements.
- Proof of National Association of Securities Dealers (NASD) certification.
- Proof of state registration.

- Completed broker/dealer questionnaire.
- Certification of having read and understood and agreeing to comply with the City's investment policy.
- Evidence of adequate insurance coverage.

An annual review of the financial condition and registration of qualified financial institutions and broker/dealers will be conducted by the investment officer.

From time to time, the investment officer may choose to invest in instruments offered by minority and community financial institutions. In such instances, a waiver to the criteria under Paragraph 1 may be granted. All terms and relationships will be fully disclosed prior to purchase and will be reported to the appropriate entity on a consistent basis and should be consistent with state or local law. These types of investment purchases should be approved by the appropriate legislative or governing body in advance.

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 price.

2. *Internal Controls:* The investment officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. Specifics for the internal controls shall be documented in an investment procedures manual that shall be reviewed and updated periodically by the Investment Officer. An example of such a procedure would include the requirement that the Director of Finance approve trades transacted by other authorized personnel. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the investment officer shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion.
- Separation of transaction authority from accounting and recordkeeping.
- Custodial safekeeping.
- Avoidance of physical delivery securities.

- Clear designation of authority to subordinate staff members.
 - Written confirmation of transactions for investments and wire transfers.
 - Dual authorizations of wire transfers.
 - Staff training.
 - Development of a wire transfer agreement with the lead bank and third-party custodian.
3. *Delivery vs. Payment:* All trades where applicable will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts. The only exception to the foregoing shall be depository accounts and securities purchase made with: Local Agency Investment Fund (LAIF), California Asset Management Program, time certificates of deposit and money market mutual funds, since the purchased securities are not deliverable.
4. *Third-Party Safekeeping:* Securities will be held by an independent third-party safekeeping institution selected by the City. All securities will be evidenced by safekeeping receipts in the City's name. The safekeeping institution shall annually provide a copy of its most recent report on internal controls – Service Organization Control Reports (formerly 70, or SAS 70) prepared in accordance with the Statements of Standards for Attestation Engagements (SSAE) No. 16 (effective June 15, 2011).

E. SUITABLE AND AUTHORIZED INVESTMENTS

1. *Investment Types:* Investments shall be placed to conform to those allowable under the State of California Government Code section 53600 *et seq.* Within the investments permitted by the Code, the City seeks to further restrict eligible investments to the guidelines listed below. Consistent with the GFOA Policy Statement and Local Laws Concerning Investment Practices, the following investments will be permitted by this policy and are those defined by state and local law where applicable. If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by the City until this Policy has been amended and the amended version adopted by the City Council. In the event a discrepancy is found between this policy and the Code, the more restrictive parameters will take precedence. Percentage holding limits and minimum credit quality requirements 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.

Authorized securities include:

- A. Municipal Securities 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 5% of the portfolio may be invested in any single issuer.
 - No more than 30% of the portfolio may be in Municipal Securities.
 - 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 5% of the portfolio may be invested in any single issuer.
 - No more than 30% of the portfolio may be in Municipal Securities.
 - The maximum maturity does not exceed five (5) years.
- C. U.S. Treasuries 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 30% of the portfolio may be invested in any single Agency/GSE issuer.
 - The maximum maturity does not exceed five (5) years.
 - The maximum percent of agency callable securities in the portfolio will be 20%.
- E. Banker’s 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.

- F. Commercial Paper, provided that the securities are issued by an entity that meets all of the following conditions in either paragraph (a) or (b) and other requirements specified below:
- i. SECURITIES issued by corporations:
 1. A corporation organized and operating in the United States with assets more than \$500 million.
 2. The securities are rated "A-1" or its equivalent or better by at least one NRSRO.
 3. If the issuer has other debt obligations, they must be rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
 - ii. SECURITIES issued by other entities:
 1. The issuer is organized within the United States as a special purpose corporation, trust, or limited liability company.
 2. The securities must have program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.
 3. The securities are rated "A-1" 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. Under a provision sunsetting on January 1, 2026, no more than 40% of the portfolio may be invested in Commercial Paper if the Agency's investment assets under management are greater than \$100,000,000.
 - No more than 5% of the portfolio may be invested in any single issuer.
 - The maximum maturity does not exceed 270 days.
- 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 (combined with CDARS).
 - No more than 5% of the portfolio may be invested in any single issuer.
 - The maximum maturity does not exceed five (5) years.
- H. 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.
- I. 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.
- J. Certificate of Deposit Placement Service (CDARS), provided that:
- No more than 30% of the total portfolio may be invested in a combination of Certificates of Deposit, including CDARS.
 - The maximum maturity does not exceed five (5) years.
- K. 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.
- L. 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.
- M. State of California 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 investment officer to adequately judge the risk inherent in LAIF's portfolio.
- N. Local Government Investment Pools

- Other LGIPs permitted by client.
 - There is no issuer limitation for Local Government Investment Pools
- O. Corporate Medium-Term Notes (MTNs), provided that:
- The issuer is 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.
- P. Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations from issuers not defined in sections C and D of the Authorized Investments section of this policy, provided that:
- The securities are rated in a rating category of “AA” or its equivalent or better by a 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.
 - The maximum legal final maturity does not exceed five (5) years.
- Q. 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:
- (i) Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
 - (ii) 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.
- 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:
- (i) Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or

(ii) 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.

- No more than 20% of the total portfolio may be invested in the shares of any one Money Market Mutual Fund.

c. No more than 20% of the total portfolio may be invested in these securities.

R. 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.

2. *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. Investment in any security that could result in a zero interest accrual if held to maturity is prohibited Under a provision sunseting on January 1, 2026, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted.
- 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.
- The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.
- The purchase of foreign currency denominated securities is prohibited.

3. *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 investment officer 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?

4. *Collateralization*: Acceptable collateral shall be as follows:

Certificates of Deposit (CDs). The City shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a Non-Negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to California Government Code, Section 53651, pledged against a Certificate of Deposit shall be equal to 150% of the face value of the CD if the securities are classified as mortgages and 110% of the face value of the CD for all other classes of security.

Collateralization of Bank Deposits. This is the process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing repayment of deposited funds. The City shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

Repurchase Agreements. The City requires that Repurchase Agreements be collateralized only by securities authorized in accordance with California Government Code:

- The securities which collateralize the repurchase agreement shall be priced at Market Value, including any Accrued Interest plus a margin. The Market Value of the securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities.
- Financial institutions shall mark the value of the collateral to market at least monthly and increase or decrease the collateral to satisfy the ratio requirement described above.
- The City shall receive monthly statements of collateral.

F. INVESTMENT PARAMETERS

1. *Mitigating Credit Risk in the Portfolio*: Credit risk is the risk that a security or a portfolio will lose some or all 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 “Suitable and 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 City's risk preferences.
 - If the credit ratings of any security owned by the City are downgraded to a level below the quality required by this investment policy, making the security ineligible for additional purchases, the following steps will be taken:
 - If a security is downgraded, the investment 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 employing an investment manager, any actions taken related to the downgrade by the investment manager will be communicated to the investment officer in a timely manner.
 - 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 Council.
2. *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. Likewise, 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 paydowns 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 stated final maturity of individual securities in the portfolio will be five (5) years as measured from the date of trade settlement, 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.
3. *Maximum Maturities:* To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. The City will not directly invest in securities maturing more than five years from the date of trade settlement or in accordance with state and local statutes and ordinances, unless the City Council has by resolution granted authority to make such an investment either specifically or as part of an investment program approved by the City Council no less than three months prior to the investment.

The City investment officer shall adopt weighted average maturity limitations, consistent with the investment objectives.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as LGIPs, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

G. INVESTMENT STRATEGIES:

The investment program shall seek to augment returns consistent with the intent of this policy, identified risk limitations and prudent investment principles. These objectives will be achieved by use of the following strategies:

The source of and purpose for surplus funds determines the goal to be accomplished by the strategy. Bond proceeds, for example, typically have three purposes: *reserve funds*, *project funds*, and *debt service funds*. The goal and corresponding investment strategy is different for each, as follows:

- Reserve Funds. The goal is to have these funds available in case of default while minimizing negative arbitrage. The strategy is to call for competitive bids for long-term *investment agreements* with a call provision for default or redemption from AAA-rated limitations.
- Project Funds. The goal is to maintain purchasing power. The strategy, assuming a normal yield curve, is to match *investment agreement* maturities with construction draw schedules. Funds needed within 12 months are currently placed in an AAA-rated mutual fund of U.S. Treasury Securities.
- Debt Service Funds. The goal is to maintain liquidity. Generally, funds are placed in a money market mutual fund related investment category.

Surplus funds in the City pool come from a mixed bag of services for a wide variety of purposes. This blend of funds leads to the general investment goal of earning an appropriate yield consistent with the City's high standards for safety and liquidity.

H. INVESTMENT PERFORMANCE

The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The investment officer shall monitor and evaluate the portfolio's performance relative to the chosen market benchmark(s), which will be included in the investment officer's quarterly report. The investment officer shall select an appropriate, readily available index to use as a market benchmark.

I. REPORTING

1. *Methods*: The investment officer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current

investment portfolio and the individual transactions executed over the last quarter. This report shall include the type of investment, issuer, date of maturity, and par and dollar amount invested on all securities, investments and moneys held by the City. The report shall also include a current market value as of the date of the report. It shall state compliance of the portfolio to the statement of investment policy or manner in which the portfolio is not in compliance. Finally, the report shall include a statement denoting the ability of the local agency to meet its pool's expenditure requirements for the next six months or provide an explanation as to why sufficient money shall, or may, not be available. Once a year, the statement of investment policy shall be included in the report.

2. *Performance Standards:* The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis.
3. *Marking to Market:* The market value of the portfolio shall be calculated at least monthly and a statement of the market value of the portfolio shall be issued at least monthly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA Recommended Practice on "Mark-to-Market Practices for State and Local Government Investment Portfolios and Investment Pools." In defining market value, considerations should be given to the GASB Statement 31 pronouncement.
4. *Annual Reports:* The investment policy shall be reviewed at least annually within 120 days of the end of the fiscal year to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends. A comprehensive annual report shall be presented in conjunction with the investment policy review. This report shall include comparisons of City's return to the City's benchmark return, shall suggest policies and improvements that might enhance the investment program, and shall include an investment plan for the coming year.
5. *Annual Audit:* Management shall establish an annual process of independent review by the external auditor to assure compliance with internal controls. Such audit will include tests deemed appropriate by the auditor.

J. PORTFOLIO AND POLICY CONSIDERATIONS

1. *Portfolio Review:* The investment 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 Council.
2. *Policy Amendments:* This policy shall be reviewed on an annual basis within 120 days of the end of the fiscal year to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends. Any recommended modifications or changes shall be presented by the investment officer to the City Council for their consideration and adoption.

K. GLOSSARY OF TERMS

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.

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.

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, the issuer will likely call its current securities and reissue them at a lower rate of interest.

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a certificate.

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 Bank Deposit: A bank deposit that is collateralized at least 100% (principal plus interest to maturity). The deposit is collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

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.

Collateralized Time Deposit: Time deposits that are collateralized at least 100% (principal plus interest to maturity). These instruments are collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

Commercial Paper: The short-term unsecured debt of corporations.

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.

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 security to changes interest rates.

Federal Deposit Insurance Corporation (FDIC): The Federal Deposit Insurance Corporation (FDIC) is an independent federal agency insuring deposits in U.S. banks and thrifts in the event

of bank failures. The FDIC was created in 1933 to maintain public confidence and encourage stability in the financial system through the promotion of sound banking practices.

Federally Insured Time Deposit: A time deposit is an interest-bearing bank deposit account that has a specified date of maturity, such as a certificate of deposit (CD). These deposits are limited to funds insured in accordance with FDIC insurance deposit limits.

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.

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.

Money Market Mutual Fund: A mutual fund that invests exclusively in short-term securities. Examples of investments in money market funds are certificates of deposit and U.S. Treasury securities. Money market funds attempt to keep their net asset values at \$1 per share.

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 Certificate of Deposit (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).

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."

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.

Securities and Exchange Commission (SEC): The U.S. Securities and Exchange Commission (SEC) is an independent federal government agency responsible for protecting investors, maintaining fair and orderly functioning of securities markets and facilitating capital formation. It was created by Congress in 1934 as the first federal regulator of securities markets. The SEC promotes full public disclosure, protects investors against fraudulent and manipulative practices in the market, and monitors corporate takeover actions in the United States.

Securities and Exchange Commission (SEC) Rule 15c3-1: An SEC rule setting capital requirements for brokers and dealers. Under Rule 15c3-1, a broker or dealer must have sufficient liquidity in order to cover the most pressing obligations. This is defined as having a certain amount of liquidity as a percentage of the broker/dealer's total obligations. If the percentage falls below a certain point, the broker or dealer may not be allowed to take on new clients and may have restrictions placed on dealings with current client.

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.

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 Bonds: All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

Treasury Notes: All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.

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.

Yield to Maturity: The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

MEETING DATE: June 7, 2022

ITEM # 14

SUBJECT:



CONSIDERATION OF RESOLUTION 23-19 AUTHORIZING THE COLLECTION OF SPECIAL TAX ON THE SECURED ROLL IN THE SAME MANNER AS THE ORDINARY AD VALOREM PROPERTY TAXES FOR EXISTING COMMUNITY FACILITY DISTRICTS FOR AUTHORIZED CAPITAL FACILITY CONSTRUCTION PURPOSES

INITIATED OR REQUESTED BY:

- Council Staff
- Other

REPORT COORDINATED OR PREPARED BY:

Marc Rotteveel, Finance Analyst
Department of Finance

ATTACHMENT Yes No Information Direction Action

OBJECTIVE

The purpose of this action is to collect a special tax associated with Community Facility Districts (CFDs) previously established by the City to fund capital improvements and make debt service payments on outstanding bond debt, and to have these taxes placed on the Yolo County secured property tax bill.

RECOMMENDED ACTION

Staff respectfully recommends that the City Council adopt Resolution 23-19 authorizing the collection of a special tax and the placing of these taxes on the secured tax roll to be collected in the same manner as the ordinary *ad valorem* property taxes. Furthermore, the actions recognize that the collection of taxes will be used to pay outstanding bond debt and other purposes previously authorized by the City.

BACKGROUND

Since the City’s incorporation in 1987, the City has formed a number of special financing districts to fund capital improvements which are secured by land-based special taxes. This report deals with 17 “infrastructure” financing districts managed by the City. Under the 1982 “Mello-Roos Act,” cities may issue municipal bonds to finance development projects with high capital costs and pay these costs over time by taxing property owners within the established district. If voters in the area have elected to become a Mello-Roos district, they are responsible for the repayment of these bonds through a special tax, imposed annually based on the Rate and Method of Apportionment of Special Tax approved by owners within the CFDs.

Accordingly, the following CFDs were established for the financing of certain capital improvements in and for the District:

- Community Facilities District 8
- Community Facilities District 9
- Community Facilities District 10
- Community Facilities District 11
- Community Facilities District 12
- Community Facilities District 14
- Community Facilities District 15
- Community Facilities District 16
- Community Facilities District 17
- Community Facilities District 18
- Community Facilities District 19
- Community Facilities District 20
- Community Facilities District 21
- Community Facilities District 23
- Community Facilities District 24
- Community Facilities District 27
- Community Facilities District 29

ANALYSIS

Commencing in fiscal year 2010-2011, the Treasurer-Tax Collector's Office at the County of Yolo has required that all special tax levies placed on the property tax rolls include an authorization approved by the City Council, and specifically identifies that the taxes collected will be used to make payments on outstanding bonded indebtedness and other authorized purposes. The authorization described in Resolution 23-19 outlines the terms of the agreement between the County and the City for collecting the CFDs' levies used to make debt service payments.

The City also manages the placement of special taxes on the property tax rolls associated with "service" CFDs (service CFDs pay for maintenance of improvements once they are constructed), which is being addressed in a separate agenda report also scheduled for June 7, 2023.

Environmental Considerations

Not applicable

Commission Recommendation

Not applicable

Strategic Plan Integration

The adoption of special taxes to finance public facilities helps establish a strong financial base for the City.

Alternatives

While the Council may alternatively delay an action approving the levy of a special tax, the City is bound to levy the special tax on an annual basis pursuant to each bond issuance. The placement of special taxes on the tax roll is necessary to collect these taxes which secure outstanding bonded indebtedness. The respective bond documents for each district commit the City to collect these revenues to make required debt payments.

Coordination and Review

Yolo County has provided a draft resolution and reserved space on the fiscal year 2023-2024 tax roll.

Budget/Cost Impact

Fees for services such as these support a higher level of service than can be supported by general taxes alone. The taxes include a city administrative fee to offset the staff costs of managing the districts and related debt obligations.

ATTACHMENTS

1. Resolution 23-19
2. Facility CFD Map (Numeric)

RESOLUTION 23-19

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST SACRAMENTO
AUTHORIZING THE COLLECTION OF SPECIAL TAX ON THE SECURED TAX ROLL
IN THE SAME MANNER AS THE ORDINARY *AD VALOREM* PROPERTY TAXES FOR
EXISTING ASSESSMENT DISTRICTS AND COMMUNITY FACILITY DISTRICTS FOR
AUTHORIZED CAPITAL FACILITY CONSTRUCTION PURPOSES**

WHEREAS, the City of West Sacramento (hereinafter "City) requests the County of Yolo collect on the County tax rolls certain charges which have been imposed pursuant to section 53340 of Government Code of the State of California by the City for the following Districts:

- Community Facilities District 8
- Community Facilities District 9
- Community Facilities District 10
- Community Facilities District 11
- Community Facilities District 12
- Community Facilities District 14
- Community Facilities District 15
- Community Facilities District 16
- Community Facilities District 17
- Community Facilities District 18
- Community Facilities District 19
- Community Facilities District 20
- Community Facilities District 21
- Community Facilities District 23
- Community Facilities District 24
- Community Facilities District 27
- Community Facilities District 29

and;

WHEREAS, the County has required as a condition of the collection of said charges that the City warrant the legality of said charges and defend and indemnify the County from any challenge to the legality thereof.

NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby authorize, as follows:

1. The Auditor-Controller of Yolo County is requested to attach for collection on the County tax rolls those taxes, assessments, fees and/or charges, described in the recitals above.
2. The City warrants and represents that the taxes, assessments, fees and/or charges imposed by the City and being requested to be collected by Yolo County comply with all requirements of State law, including but not limited to Articles XIIC and XIID of the California Constitution (Proposition 218).
3. The City agrees to and shall defend, indemnify and hold harmless the County, its officers, agents and employees (the "Indemnified Parties") from any and all claims, demands, liabilities, costs and expenses, damages, causes of action, and judgments, in any manner arising out of the collection by County of any of City's said taxes, assessments, fees and/or charges requested to be collected by County for City, or in any manner arising out of City's establishment and imposition of said taxes, assessments, fees and/or charges. City agrees that, in the event a judgment is entered in a court of law against any of the Indemnified Parties as a result of the collection of one of City's taxes, assessments, fees and/or charges, the County may offset the amount of the judgment from any other monies collected by County on behalf of City, including property taxes.

4. The City agrees that its officers, agents and employees will cooperate with the County in answering questions referred to City by County from any person concerning the City's taxes, assessments, fees and/or charges, and that City will not refer such persons to County officers and employees for response.

5. The City agrees to pay such reasonable and ordinary charges as the County may prescribe to recoup its costs in placing on the tax rolls and collecting the taxes, assessments, fees and/or charges, as provided by Government Code sections 29304 and 51800.

PASSED AND ADOPTED by the West Sacramento City Council, this 7th day of June, 2023, by the following vote:

AYES:

NOES:

ABSENT:

Martha Guerrero, Mayor

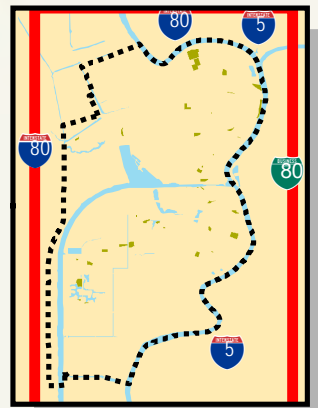
ATTEST:

Jennifer Cusmir, City Clerk

City of West Sacramento Community "Facility" Districts 2022

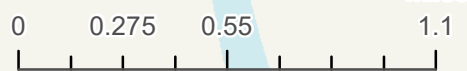


CFD Numeric Districts



- | | |
|--------------------------------|-----------------------------|
| 6 Riverpoint | 18 Southport Gateway unit 4 |
| 8 Southport Industrial Park | 19 River Ranch |
| 9 Staple Project | 20 Bridgeway Lakes II |
| 10 Bridgeway Island | 21 Palin Ranch Construction |
| 11 Southport Gateway | 23 Triangle Area |
| 12 Raley's Field | 24 Bridgeway Lake North |
| 14 Newport Estates | 26 Yarbrough |
| 15 Pheasant Hollow | 27 Bridge District |
| 16 Bridgeway Lakes | 29 Port Towne |
| 17 Marshall Crossing & Parella | |

1:32054 1 in = 0.51 miles



MEETING DATE: June 7, 2023

ITEM # 15

SUBJECT:



CONSIDERATION OF RESOLUTION 23-46 AUTHORIZING THE COLLECTION OF SPECIAL TAX ON THE SECURED TAX ROLL IN THE SAME MANNER AS THE ORDINARY AD VALOREM PROPERTY TAXES IN ORDER TO PAY FOR CERTAIN MAINTENANCE SERVICES

INITIATED OR REQUESTED BY:

- [] Council [X] Staff [] Other

REPORT COORDINATED OR PREPARED BY:

Marc Rotteveel, Finance Analyst Finance Department

ATTACHMENT [X] Yes [] No [] Information [] Direction [X] Action

OBJECTIVE

The purpose of this action is to collect special tax to pay for certain existing Community Facility District (CFD) maintenance services and to have these taxes placed on the Yolo County secured property tax bill.

RECOMMENDED ACTION

Staff respectfully recommends that the City Council adopt Resolution 23-46 authorizing the collection of special tax to pay for certain Community Facility District maintenance services on the secured tax roll in the same manner as the ordinary ad valorem property taxes.

BACKGROUND

Since the City's incorporation in 1987, all tentative subdivision maps contain, as a condition of approval, measures for maintaining street landscaping and lighting.

Accordingly, the following CFDs were established for the financing of certain maintenance services in and for the Districts:

- Community Facilities District A (Gateway)
Community Facilities District B (Newport Estates)
Community Facilities District C (Bridgeway Island)
Community Facilities District D (Southport Industrial Park)
Community Facilities District E (The Classics)
Community Facilities District F (Pheasant Hollow)
Community Facilities District G (Gateway Unit IV)
Community Facilities District H (Bridgeway Lakes)
Community Facilities District I (River Ranch)
Community Facilities District J (Parella)
Community Facilities District M (The Rivers)
Community Facilities District N (Parlin)
Community Facilities District O (Linden South)
Community Facilities District P (Ironworks)
Community Facilities District R (Bridge District)
Community Facilities District S (Port Towne)

The City determines the annual maintenance costs for each service district for the fiscal year. Next, the City prepares a list of the parcels subject to the special tax using the records of the County Assessor and other records of the City. The maximum annual special tax per unit has a 4-percent escalation factor each year starting with the base year (the year in which the district was formed). Next, the City determines the special tax revenues available by taxing each final unit parcel up to 100 percent of the maximum annual special tax rate. The City requests the County of Yolo to collect on the County property tax rolls the special taxes levied on each parcel by the respective service district.

ANALYSIS

Commencing in fiscal year 2009-2010, the Treasurer-Tax Collector's Office at the County of Yolo has required that all special tax levies placed on the property tax rolls include an authorization approved by the City Council. The authorization outlines the terms of the agreement between the County and the City for collecting the CFDs' service charges.

The City also manages the placement of taxes on the property tax rolls associated with “Infrastructure” CFDs (CFDs that pay for the construction of capital facility improvements which are usually funded by the issuance of bonds), which is being addressed in a separate agenda report also scheduled for June 7, 2023.

Environmental Considerations

Not applicable

Commission Recommendation

Not applicable

Strategic Plan Integration

Adoption of special taxes and fees for service help establish the strong financial base necessary to provide quality services.

Alternatives

Not applicable

Coordination and Review

Yolo County has provided a draft resolution and reserved space on the fiscal year 2023-2024 tax roll.

Budget/Cost Impact

Special taxes for services such as these support a higher level of service than can be supported by general taxes alone. Annual maintenance services in these CFD areas are fully supported by the special tax.

ATTACHMENTS

1. Resolution 23-46
2. Maintenance Services CFD Map

RESOLUTION 23-46**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST SACRAMENTO
AUTHORIZING THE COLLECTION OF SPECIAL TAX ON THE SECURED TAX ROLL
IN THE SAME MANNER AS THE ORDINARY AD VALOREM PROPERTY TAXES IN
ORDER TO PAY FOR CERTAIN MAINTENANCE SERVICES**

WHEREAS, the City of West Sacramento (hereinafter “City”) requests the County of Yolo collect on the County tax rolls certain charges which have been imposed pursuant to Section 53340 of Government Code of the State of California by the City for the following Districts:

Community Facilities District A (Gateway)
 Community Facilities District B (Newport Estates)
 Community Facilities District C (Bridgeway Island)
 Community Facilities District D (Southport Industrial Park)
 Community Facilities District E (The Classics)
 Community Facilities District F (Pheasant Hollow)
 Community Facilities District G (Gateway Unit IV)
 Community Facilities District H (Bridgeway Lakes)
 Community Facilities District I (River Ranch)
 Community Facilities District J (Parella)
 Community Facilities District M (The Rivers)
 Community Facilities District N (Parlin)
 Community Facilities District O (Linden South)
 Community Facilities District P (Ironworks)
 Community Facilities District R (Bridge District)
 Community Facilities District S (Port Towne)

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of West Sacramento that:

1. The special tax shall be collected on the secured real property tax roll in the same manner as ordinary *ad valorem* taxes are collected. The special tax shall have the same lien priority and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for *ad valorem* taxes. In addition, the provisions of Section 53356.1 of the Act shall apply to delinquent special tax payments. The Finance Director is authorized and directed to provide all necessary information to the Treasurer-Tax Collector of Yolo County and to otherwise take all actions necessary in order to effect proper billing and collection of the special tax, so that the special tax is levied and collected in sufficient amounts and at times necessary to satisfy the financial obligations of the District in each fiscal year.

2. The City agrees, upon reasonable written notice by Yolo County of any claim or challenge, to defend with counsel of its choice, indemnify and hold harmless Yolo County, its Board of Supervisors, officers, officials, agents and employees (collectively “the County”) against the payment of any liabilities, losses, costs and expenses, including attorneys’ fees and court costs, not due to the County’s own negligence or willful misconduct, which the County may incur in the exercise and performance of its powers and duties in placing these assessments onto the County roll and tax bills for the City.

3. The City agrees to pay such reasonable and ordinary charges as the County may prescribe to recoup its costs in placing on the tax rolls and collecting the taxes, assessments, fees and/or charges, as provided by the Government Code sections 29304 and 51800.

4. The City warrants and represents that the taxes, assessments, fees and/or charges imposed by the City and being requested to be collected by Yolo County comply with all requirements of State law, including but not limited to Articles XIIC and XIID of the California Constitution (Proposition 218).

PASSED AND ADOPTED by the West Sacramento City Council, this 7th day of June, 2023, by the following vote:

AYES:
NOES:
ABSENT:

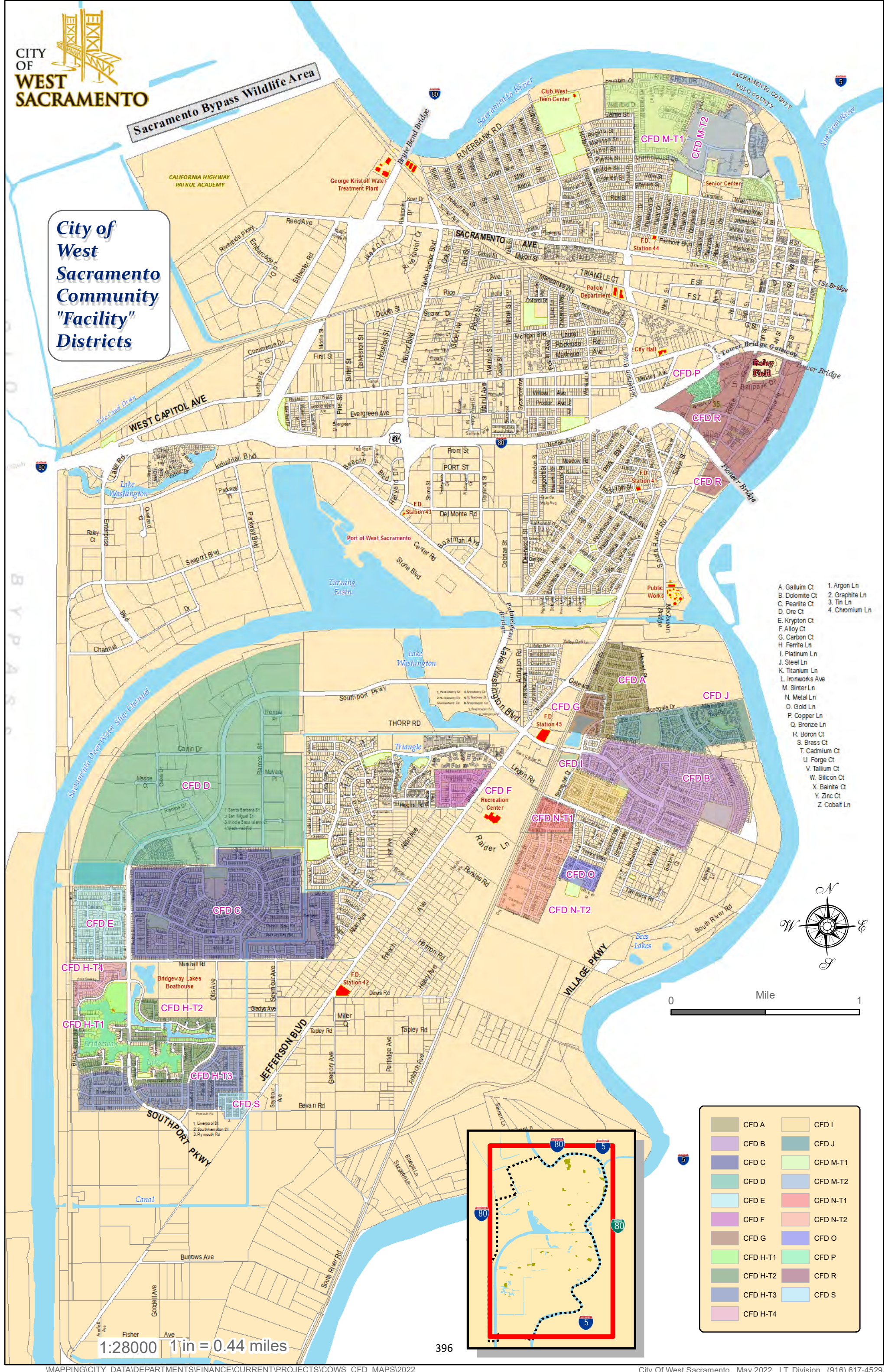
Martha Guerrero, Mayor

ATTEST:

Jennifer Cusmir, City Clerk



City of West Sacramento Community "Facility" Districts



- A. Gallium Ct
- B. Dolomite Ct
- C. Pearlite Ct
- D. Ore Ct
- E. Krypton Ct
- F. Alloy Ct
- G. Carbon Ct
- H. Ferrite Ln
- I. Platinum Ln
- J. Steel Ln
- K. Titanium Ln
- L. Ironworks Ave
- M. Sinter Ln
- N. Metal Ln
- O. Gold Ln
- P. Copper Ln
- Q. Bronze Ln
- R. Boron Ct
- S. Brass Ct
- T. Cadmium Ct
- U. Forge Ct
- V. Tantalum Ct
- W. Silicon Ct
- X. Bauxite Ct
- Y. Zinc Ct
- Z. Cobalt Ln
- 1. Argon Ln
- 2. Graphite Ln
- 3. Tin Ln
- 4. Chromium Ln



CFD A	CFD I
CFD B	CFD J
CFD C	CFD M-T1
CFD D	CFD M-T2
CFD E	CFD N-T1
CFD F	CFD N-T2
CFD G	CFD O
CFD H-T1	CFD P
CFD H-T2	CFD R
CFD H-T3	CFD S
CFD H-T4	

1:28000 1 in = 0.44 miles

MEETING DATE: June 7, 2023

ITEM # 16

SUBJECT:



CONSIDERATION OF RESOLUTION INITIATING THE LEVY OF ANNUAL ASSESSMENTS FOR LANDSCAPING AND LIGHTING DISTRICT NO. 1

INITIATED OR REQUESTED BY:

- Council Staff
- Other

REPORT COORDINATED OR PREPARED BY:

Marc Rotteveel, Finance Analyst
Department of Finance

ATTACHMENT Yes No Information Direction Action

OBJECTIVE

The objective of this report is to provide sufficient information to Council to adopt Resolution 23-47 initiating the levy of annual assessments for Landscaping and Lighting District #1.

RECOMMENDED ACTION

Staff respectfully recommends that the City Council adopt Resolution 23-47, a Resolution of Intention initiating the levy of annual assessments for the Landscaping and Lighting District No. 1 and establish the date of July 19, 2023 for a public hearing under the Landscaping and Lighting Act of 1972.

BACKGROUND

State law provides for an annual proceeding prior to levying an ongoing assessment. The recommended action is the first step in this process. Because staff is not proposing an increase in assessments, this action does not trigger voter approval under Proposition 218.

Each year, the City levies assessments to pay for maintenance services and is required to take specific actions prior to transmitting the assessment to the Yolo County Assessor for inclusion on property owner tax bills.

On June 17, 1987, the City Council adopted Resolution 87-102 approving the formation of West Sacramento Lighting and Landscaping District No. 1 (“the District”), pursuant to the Landscaping and Lighting Act of 1972 (“the 1972 Act”). On April 1989, the City Council approved an amendment to the District that included: 1) an annexation of additional parcels into the S2 (Street Lighting) benefit zone, and 2) an annexation of additional parcels into Zone L1 (Landscaping).

The District provides street lighting and street landscaping maintenance services for property within the City of West Sacramento. It is divided into six zones, which include the original district and subsequent annexations noted above. Each zone is comprised of a group of parcels that enjoys similar degrees of benefit from the service covered by the zone. Each parcel within the various zones is assessed with its proportionate share of the cost of providing the service. The proportionate benefit and assessment is calculated in a benefit unit appropriate to the zone, depending on the type of service provided. The services provided and the unit of benefit for each zone in the district are shown below:

<u>Zone</u>	<u>Service</u>	<u>Unit of Benefit</u>	<u>Land Use Type</u>
S1	Street Lighting	Per Parcel	Residential
S2	Street Lighting	Front Footage	Industrial
LS1	Street Lighting & Maintenance	Front Footage	Commercial
L1	Maintenance	Parcel Acreage	Industrial
L2	Maintenance	Per Parcel	Residential
LSP2	Street Lighting & Maintenance	Parcel Acreage	Residential/Commercial

Because each zone represents a different level of service and/or a different unit of benefit, each has a different assessment. Assessments are set each year by the City Council and are collected by Yolo County on the regular property tax bill.

ANALYSIS

The 1972 Act District was formed prior to enactment of Proposition 218 (“Prop 218”); an initiative approved by the voters in 1996 that imposed requirements on the manner in which local governments could raise taxes and assessments. For instance, any proposed increase in the rate for this District would be subject to super-majority

approval by the voters pursuant to Prop 218. Hence, the City has chosen not to increase the rate for 2023-2024, as has been the case in previous years. The total assessment can change from year to year based on changes in parcellation within the District, an assessment factor that is described below, but the rate remains the same.

The 1972 Act requires that the City Council undertake annual proceedings for each fiscal year during which an assessment is to be levied and collected with the District. A report describing the manner in which the assessments are established is provided prior to a public hearing so that property owners may review and comment on the proposed assessment for the next fiscal year.

The City of West Sacramento Landscaping and Street Lighting District No. 1 Report for 2023-2024 is included as an attachment to this report and is referenced in Resolution 23-47. The report describes the method of assessment, budget, and rate schedule for the District for 2023-2024.

There are two steps in determining the appropriate fee:

1. Service costs must be allocated to each zone. Maintenance costs are allocated on a time and materials basis. Street lighting costs are allocated by the style of light and by the number of lights in each zone.
2. Zone costs are allocated to each property owner. On January 11, 1989, Council approved the following methods of allocation:
 - Residential Lighting & Maintenance - per parcel
 - Commercial Lighting & Maintenance - front footage
 - Industrial Maintenance - parcel area (acreage)
 - Industrial Lighting - front footage

Accordingly, the report for 2023-2024 incorporates these two steps in determining the diagram and assessments for 2023-2024. It consists of three parts: (i) a narrative, (ii) a proposed budget, and (iii) a rate schedule.

The proposed budget for the District in 2023-2024 is \$1,317,355. Because of the limitation on the ability to increase rates, budget increases for the District must also be offset by some amount of subsidy. The assessment for 2023-2024 is projected to generate revenues of \$393,862. Therefore, the subsidy from the City's Measure K Fund is projected to be \$923,493.

Resolution 23-47 preliminarily accepts the Report for 2023-2024 and sets a public hearing for Wednesday, July 19, 2023.

Environmental Considerations
Not applicable

Commission Recommendation
Not applicable

Strategic Plan Integration
The City has a Strategic Plan goal to achieve a *Financially Sound City Government*. Ongoing management of existing financing districts is a critical tool available to the Finance Department to achieve this goal.

Alternatives
As an alternative to the proposed action, the City Council may choose to continue this item and or modify the date for the proposed public hearing. The deadline for submitting the levy to the County for inclusion on the 2023-2024 tax roll is August 10, 2023, and holding a public hearing is a requirement for submitting the levy. If Council selects to continue this item or set a different date for the public hearing, a special meeting may be required.

Coordination and Review
Not applicable.

Budget/Cost Impact
Assessments for services such as these support a higher level of service than can be supported by general taxes alone. In fiscal year 2023-2024, a projected additional contribution of \$923,493 from the Measure K Fund is required to maintain this service.

ATTACHMENTS

1. Resolution 23-47
2. Report for 2023-2024

RESOLUTION 23-47**A RESOLUTION OF INTENTION OF THE CITY OF WEST SACRAMENTO INITIATING THE LEVY OF ANNUAL ASSESSMENTS FOR LANDSCAPING AND LIGHTING DISTRICT NO. 1**

WHEREAS, the City Council (the "Council") of the City of West Sacramento (the "City") adopted Resolution 87-102 on June 17, 1987, ordering the formation of the City of West Sacramento Landscaping and Lighting District No. 1 (the "Assessment District") pursuant to the Landscaping and Lighting Act of 1972, being California Streets and Highways Code sections 22500 *et seq.*, (the "Act"); and

WHEREAS, the Act requires the Council to undertake proceedings annually for any fiscal year during which an assessment is to be levied and collected within an existing Assessment District; and

WHEREAS, pursuant to Resolution 92-45, adopted on June 10, 1992, the Council has appointed the Finance Manager as Engineer for the Assessment District for purposes of the annual proceedings; and

WHEREAS, the Finance Manager has prepared and filed with the City Clerk a report for assessments to be levied in fiscal year 2023-2024 in accordance with the Act.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of West Sacramento as follows:

Section 1. Recitals. The foregoing recitals are true and correct, and this Council so finds and determines.

Section 2. Approval of Report for 2023-2024. This Council hereby approves the Report for 2023-2024 as filed.

Section 3. Declaration of Intention. This Council hereby declares its intention to levy and collect assessments in the City of West Sacramento Landscaping and Lighting District No. 1 for fiscal year 2023-2024.

Section 4. Description of Improvements. The improvements proposed to be financed by the Assessment District are the maintenance and servicing public lighting facilities, and streets.

Section 5. Location of District. The City of West Sacramento Landscaping and Lighting District No. 1 encompasses parcels throughout the City.

Section 6. Reference to Report for Particulars. A full and detailed description of the improvements, the boundaries of the Assessment District and the six zones of benefit, and the proposed assessments upon assessable lots and parcels of land within the district is set forth in the Report for 2023-2024. The Report recommends no change in assessments and is on file in the office of the Director of Finance, 1110 West Capitol Avenue, West Sacramento, CA 95691, and is available for review by any interested member of the public during normal business hours.

Section 7. Notice of Public Hearing. On Wednesday, July 19, 2023, 7:00 p.m., at the City Council Chambers, 1110 West Capitol Avenue, West Sacramento, California, the City Council shall hold a public hearing on the levy of the proposed assessment.

Section 8. Publication of Notice. The City Clerk is directed to give notice of the public hearing by publishing notice of the public hearing in accordance with normal City practice.

PASSED AND ADOPTED by the West Sacramento City Council this 7th day of June 2023, by the following vote:

AYES:
NOES:
ABSENT:

Martha Guerrero, Mayor

ATTEST:

Jennifer Cusmir, City Clerk

CITY OF WEST SACRAMENTO
LANDSCAPING AND STREET LIGHTING
DISTRICT #1
REPORT FOR 2023-2024

By
MARC ROTTEVEEL
FINANCE ANAYLST

INTRODUCTION

The West Sacramento Landscaping and Lighting District #1 provides street lighting and/or landscape maintenance construction and operation services for property within the City of West Sacramento. Previously these services were provided by the former East Yolo Community Services District and Yolo County, California, under the following assessment districts and service area:

Elkhorn Village Lighting District
Westfield Village Lighting Maintenance District
Oaks Lighting District
Arlington Oaks Lighting Maintenance District
West Capitol Avenue Landscaping Assessment District
Yolo County Service area #4 (portion including Touchstone CSA, & Port Center CSA)
Port of Sacramento Industrial Park Landscaping Assessment District (proposed, not active in 1986-87)

In 1989, the district was amended by the City to provide an equitable assessment to each parcel for the landscaping and street lighting benefit. Several zones were consolidated so that parcels that were more or less similarly benefited were grouped together and assessed by the same method of apportionment. All zones were analyzed in terms of the current land uses and how they may affect the way parcels benefit, how the particular improvement benefits each parcel and how the parcel dimensions affect the way individual parcels may benefit. Later development in the northeast section of West Sacramento created a need for two new assessment areas, which were established in May 1989. The two new assessment areas added were the S-1 Residential Street Lighting Zones, and the S-2 Industrial Street Lighting Zones. Maps of the L&L No. 1 zones are included as Exhibit "A". It should be noted that the District was formed without an annual Construction Cost Index (CCI) escalator, and therefore costs still reflect those included at the time of formation in 1989.

EXPLANATION OF ZONES

The West Sacramento Landscaping and Lighting District #1 is divided into six zones. Each zone is comprised of the group of parcels that enjoy similar degrees of benefit from the service covered by the zone. Each parcel within the various zones is assessed its proportionate share of the cost of providing the service. The proportionate benefit and assessment is calculated in a benefit unit appropriate to the zone depending on the type of service provided. The services provided and the unit of benefit for each zone in the district is shown below:

<u>Zone</u>	<u>Service</u>	<u>Unit of Benefit</u>	<u>Land Use Type</u>
S1	Street Lighting	Per Parcel	Residential
S2	Street Lighting	Front Footage	Industrial
LS1	Street Lighting & Maintenance	Front Footage	Commercial
L1	Maintenance	Parcel Acreage	Industrial
L2	Maintenance	Per Parcel	Residential
LSP2	Street Lighting & Maintenance	Parcel Acreage	Residential/ Commercial

METHODS OF APPORTIONMENT

As can be seen in the above table, there are many methods of benefit which can be used as a base of assessment. The units of benefit can vary from zone to zone due to the variety of land uses, parcel dimensions and benefits derived.

DESCRIPTION

Each zone is described in terms of the method of assessment used to assess the parcels in the zone. Previous reports determine which method of apportionment to be used. These methods are briefly described as follows:

ZONE S1: The first zone is a street lighting zone located in the residential region of the City of West Sacramento. The parcels are more or less of similar size and the street lighting diagrams indicate the streetlights are dispersed rather evenly through the zone. The method of assessment is per parcel.

ZONE S2: Zone 2 is a street lighting zone in an industrial region. It is comprised of parcels of quite different dimensions and acreages. This variety of shapes and sizes indicates that the front footages of the parcels also vary proportionally. This zone is assessed by front footage.

ZONE LS1: The street lighting and maintenance Zone 1 is a commercial zone of the City of West Sacramento in which all parcels benefited by the street lighting are also benefited by the landscaping. The zone is assessed on a front footage basis.

ZONE L1: This maintenance zone is located in the industrial region of the City. It is comprised of parcels of various dimensions and acreages. The method of assessment is parcel acreage.

ZONE L2: Zone L2 is a maintenance zone located in the residential regions of the City. Like Zone S1, the parcels are of uniform size and shape and are best assessed on a Per Parcel basis.

ZONE LSP2: This zone is located in the Washington Neighborhood/Raley's Landing area. This area receives street lighting and maintenance services. The method of assessment is parcel acreage.

ASSESSMENT ROLL

An assessment roll is on file with the City of West Sacramento, California, and is a part of this report whether or not attached.

IMPROVEMENT PLANS

A set of plans showing lighting and maintenance improvements that are operated and maintained by the West Sacramento Landscaping and Lighting District #1 is on file with the City of West Sacramento, California, and is part of this report whether or not attached.

	Method of Cost Spread/Notes	S1	S2	LS1	L1	L2	LSP2	Total
UTILITIES								
City Water	a	\$8,238	\$384	\$26,637	\$102,954	\$20,771	\$0	\$158,985
PG & E	b	419,182	117,530	94,879	0	0	0	631,591
MAINTENANCE								
City Maintenance	c	10,672	0	94,818	222,473	82,504	10,000	420,467
PROFESSTIONAL SERVICES								
Yolo County	d	6,610	277	88	151	1,124	0	8,250
City Administration	d	67,128	2,811	899	1,533	11,418	0	83,788
Flood Assessments	d	11,436	479	153	261	1,945	0	14,274
TOTAL		\$523,266	\$121,481	\$217,474	\$327,372	\$117,762	\$10,000	\$1,317,355

Notes:

- (a) Location of Water Meter
- (b) Location of Light Pole and/or Electric Meter
- (c) Location of Labor and Materials
- (d) Number of Parcels

2023-2024 Rate Schedule

Zone	Primary Type of Benefit	Benefit Basis	Benefit Units	Current Rate	Revenues Based on Current Rate	Budgeted Cost Total	Excess Cost ⁽¹⁾	Proposed Rate	% Rate Change
S1	Lighting	Per Parcel	7,619	\$25.93	\$197,561	\$523,266	(\$325,705)	\$25.93	0%
S2	Lighting	Front Foot	125,763	\$0.44	55,336	121,481	(66,145)	\$0.44	0%
LS1	Lighting & Maintenance	Front Foot	17,527	\$2.58	45,219	217,474	(172,255)	\$2.58	0%
L1	Maintenance	Parcel Area	850	\$79.54	67,633	327,372	(259,739)	\$79.54	0%
L2	Maintenance	Per Parcel	1,296	\$18.37	23,808	117,762	(93,954)	\$18.37	0%
LSP2	Lighting & Maintenance	Parcel Area	14	\$310.37	4,306	10,000	(5,694)	\$310.37	0%
TOTAL:					\$393,862	\$1,317,355	(\$923,493)		

⁽¹⁾ Budgeted costs in excess of assessments are funded from the Measure K Fund.

MEETING DATE: June 7, 2023

ITEM # 17

SUBJECT:



CONSIDERATION OF RESOLUTION 23-48 INITIATING ANNUAL PROCEEDINGS UNDER THE STORM DRAIN MAINTENANCE ACT OF 1937 FOR STORM DRAIN MAINTENANCE DISTRICT NO. 1 (RALEY’S LANDING)

INITIATED OR REQUESTED BY:

- Council Staff
- Other

REPORT COORDINATED OR PREPARED BY:

Marc Rotteveel, Finance Analyst
Department of Finance

ATTACHMENT Yes No Information Direction Action

OBJECTIVE

The objective of this report is to provide sufficient information to Council to adopt Resolution 23-48 initiating annual proceedings under the Storm Drain Maintenance Act of 1937 for Storm Drain Maintenance District # 1, Raley’s Landing.

RECOMMENDED ACTION

Staff respectfully recommends that the City Council adopt Resolution 23-48 initiating annual proceedings and establishing the date of July 19, 2023 for a public hearing to be conducted under the Storm Drain Maintenance District Act of 1937 (the “1937 Act”) for Storm Drain Maintenance District No. 1 (Raley’s Landing).

BACKGROUND

State law provides for an annual proceeding prior to levying an ongoing assessment; and the recommended action is the first step in this process. Because staff is not proposing an increase in assessment, this action does not trigger voter approval under Proposition 218.

All property inside the City is provided storm drainage services by one of three Reclamation Districts, including Reclamation District 900 and the Lighthouse Marina and Raley’s Landing storm drain maintenance districts. Only one of these districts was formed under the 1937 Act, which includes approximately 85.43 acres within the “Raley’s Landing” subarea of the Washington Neighborhood. The Raley’s Landing Storm Drain Maintenance District No. 1 (“the District”), has provided this service for many years via a special assessment district.

Storm drain facilities were first constructed in Raley’s Landing in 1964 to collect storm water runoff, convey it to a point adjacent to the Sacramento River levee, and pump it into the river. In 1989, the pumping facility was rebuilt as part of the Raley’s Landing Assessment District and financed by the Raley’s Landing Limited Obligation Improvement Bonds (these bonds were completely repaid in December 2013). In order to pay for ongoing maintenance of the facilities, the City formed the District pursuant to Resolution 89-62. These assessments are continued on an annual basis in order to continue required maintenance. The fees for this service are set each year by the City Council and are collected by Yolo County on the regular property tax bill.

ANALYSIS

The District was formed prior to the enactment of Proposition 218 (“Prop 218”), an initiative approved by voters in 1996 that imposed requirements on the manner in which local governments could raise taxes. For instance, any proposed increases in the rate for the District would be subject to approval by the voters pursuant to Prop 218, hence the City has chosen not to increase the rate for 2023-2024, as has been the case in previous years.

The City of West Sacramento Storm Drainage Maintenance District No. 1 Assessment Report for 2023-2024 is included as an attachment to this report and referenced in Resolution 23-48. The report describes the method of assessment and rate schedule for the District for 2023-2024.

The expected assessment revenue for 2023-2024 is \$12,311.

Since this District has only one zone of benefit, total operating costs need only be allocated to each benefiting property owner on a fair and equitable basis. The nexus basis for the assessment is the benefit per acre within the District boundaries, a rate that is currently set at \$144.11 per acre.

The Report for 2023-2024, showing the nexus between benefit and property assessment, consists of two parts: (i) a narrative and (ii) a rate schedule.

The 1937 Act requires that the City Council hold a public hearing prior to the imposition of the assessment. Resolution 23-48 preliminarily accepts the Report for 2023-2024 and sets a public hearing for Wednesday, July 19, 2023.

Environmental Considerations

Not applicable

Commission Recommendation

Not applicable

Strategic Plan Integration

The City has a Strategic Plan goal to achieve a *Financially Sound City Government*. Ongoing management of existing financing districts is a critical tool available to the Finance Department to achieve that goal. Proceeding with the recommended action is consistent with this goal.

Alternatives

As an alternative to the proposed action, the City Council may choose to continue this item and/or modify the date for the proposed public hearing. The deadline for submitting the levy to the County for inclusion on the 2023-24 tax roll is August 10, 2023, and holding a public hearing is a requirement for submitting the levy. If the Council chooses to continue the item or set a different date for the hearing, a special meeting may be necessary.

Coordination and Review

Not applicable

ATTACHMENTS

1. Resolution 23-48
2. Report for 2023-2024

RESOLUTION 23-48

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST SACRAMENTO INITIATING ANNUAL PROCEEDINGS UNDER THE STORM DRAIN MAINTENANCE ACT OF 1937 FOR STORM DRAIN MAINTENANCE DISTRICT NO. 1 (RALEY'S LANDING)

WHEREAS, the City Council has ordered the formation of the City of West Sacramento Storm Drain Maintenance District No. 1 under the Storm Drain Maintenance District Act of 1937 (West Water Code - Appendix §42-1 *et seq.*); and

WHEREAS, the City Council is required to annually confirm the diagram and assessment and file same with the County Auditor pursuant to the Act.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of West Sacramento as follows:

1. The City Council hereby appoints the Finance Manager as Engineer of Record for purposes of proceedings under the Act and directs and orders the Engineer to prepare and file the Report for Fiscal Year 2023-2024 in accordance with the Act.

2. The City Council hereby approves the Report for Fiscal Year 2023-2024 as filed by the Finance Manager.

3. A full and detailed description of the improvements, the boundaries of the assessment district and benefit zone, and the proposed assessments upon assessable lots and parcels of land within the district, is set forth in the Report. The Report recommends no change in assessments and is on file in the office of the Director of Finance, 1110 West Capitol Avenue, West Sacramento, California 95691, and is available for review by any interested member of the public during normal business hours.

4. On Wednesday, July 19, 2023 at 7:00 p.m., in the City Council Chambers, 1110 West Capitol Avenue, West Sacramento, California 95691, the City Council shall hold a public hearing on the levy of the proposed assessment.

5. The City Clerk is directed to give notice of the public hearing by publishing notice of the public hearing in accordance with normal City practice.

PASSED AND ADOPTED by the West Sacramento City Council this 7th day of June 2023, by the following vote:

**AYES:
NOES:
ABSENT:**

Martha Guerrero, Mayor

ATTEST:

Jennifer Cusmir, City Clerk

CITY OF WEST SACRAMENTO
STORM DRAINAGE MAINTENANCE
DISTRICT #1
REPORT FOR
FISCAL YEAR 2023-2024

By
MARC ROTTEVEEL
FINANCE ANALYST

INTRODUCTION

Most property within the City limits is provided storm drainage services by one of the three Reclamation Districts. One exception is the approximately 85 acres in size storm drain maintenance area in the vicinity of what was formerly referred to as Raley's Landing, now encompassed within the Washington Neighborhood Area Plan. Since 1990, this area has been provided maintenance services via a special assessment district, Storm Drain Maintenance District No. 1 ("the District"). While additional storm drain maintenance districts were anticipated, no others were formed beyond this single district.

Facilities within the District were first constructed in 1964 as part of Reclamation District 811 (no longer in existence) to collect storm water runoff, convey it to a point adjacent to the Sacramento River levee and pump it into the river. In 1989, the pumping facility was rebuilt as part of the Raley's Landing Assessment District (also no longer in existence). These facilities are operated and maintained by the City of West Sacramento, using revenues collected under the procedures outlined below.

On May 10, 1989, the City Council adopted Resolution 89-62 which formed the District pursuant to the Storm Drain Maintenance District Act of 1937, or "the 1937 Act". Each year, the City Council conducts a public hearing to hear objections to the placement of assessments on the next year's tax roll. Following the public hearing, staff submits the tax levy to Yolo County and, and the County collects the assessment on the regular property tax bill.

METHOD OF ASSESSMENT

Parcel acreage assessment is best suited for storm drainage improvements. The improvements themselves are centrally located, but the benefits of the storm drain improvements are spread to all parcels included within the District. This benefit is outlined in the "Diagram of Assessment for Storm Drain Maintenance Area No. 1, a copy of which is on file with the City Clerk. The parcels themselves differ greatly in size and the Parcel acreage method of assessment address the fact that larger parcels will benefit more.

This takes into consideration the fact that the benefit is directly related to parcel size. The greater the parcel size, the more runoff occurs, the greater the assessment.

The parcel acreage can include only the portion of the parcel which falls within the boundaries of the watershed. A parcel which falls in more than one watershed will only be assessed for the acreage in this district.

Thus, the parcel acreage unit of benefit is based on parcel size. The total combined acreage of the parcels within a zone is divided by the cost of the assessment to determine a per-acre cost for the service. This amount is then multiplied by the number of acres or percentage of acre of each individual parcel to determine the amount to be assessed to each parcel. The larger the parcel, the larger the assessment will be.

LIST OF ATTACHMENTS

Assessment Diagram: An assessment diagram referenced to the Yolo County Assessor Parcel Maps is on file with the City of West Sacramento, California, and is part of this report, whether or not attached.

Improvement Plans: A set of plans showing storm drainage improvements of the City of West Sacramento Storm Drainage Maintenance District #1 is on file with the City of West Sacramento, California, and is part of this report, whether or not attached.

Assessment Roll: An assessment roll is on file with the City of West Sacramento and is part of this report. Parcels with twelve digits are Yolo County Assessor Parcels numbers, those with nine digits are State Board of Equalization numbers.

2023-2024 RATE SCHEDULE

Benefit Basis	Benefit Units	Rate	2023-24	Prior Year 2022-23	
			Estimated Revenues	Benefit Units	Rate
Parcel Area	85.43	\$ 144.11	\$ 12,311	85.43	\$ 144.11

It should be noted that the District was formed without an annual Construction Cost Index (CCI) escalator, and therefore costs still reflect those included at the time of formation in 1989.