



City of Los Banos

At the Crossroads of California

www.losbanos.org

Updated 10/14/2016 @ 9:30 am

AGENDA

CITY COUNCIL MEETING

CITY HALL COUNCIL CHAMBERS
520 J Street
Los Banos, California

OCTOBER 19, 2016

If you require special assistance to attend or participate in this meeting, please call the City Clerk's Office @ (209) 827-7000 at least 48 hours prior to the meeting.

The City of Los Banos complies with the Americans with Disabilities Act (ADA) of 1990.

Si requiere asistencia especial para atender o participar en esta junta por favor llame a la oficina de la Secretaria de la ciudad al (209) 827-7000 a lo menos de 48 horas previas de la junta.

La Ciudad de Los Banos cumple con la Acta de Americanos con Deshabilidad (ADA) de 1990.

Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection at the meeting and in the City Clerk's office located at City Hall, 520 J Street, Los Banos, California during normal business hours. In addition, such writings and documents may be posted on the City's website at www.losbanos.org.

Cualquier escritura o los documentos proporcionaron a una mayoría del Ayuntamiento respecto a cualquier artículo en este orden del día será hecho disponible para la inspección pública en la reunión y en la oficina de la Secretaria de la ciudad en City Hall, 520 J Street, Los Banos, California durante horas de oficina normales. Además, tales escrituras y los documentos pueden ser anunciados en el website de la ciudad en www.losbanos.org.

1. CALL TO ORDER. **7:00 PM**
2. PLEDGE OF ALLEGIANCE.
3. ROLL CALL: (City Council Members)
Faria ____, Lewis ____, Silveira ____, Stonegrove ____, Villalta ____
4. CONSIDERATION OF APPROVAL OF AGENDA.

5. PRESENTATIONS.

- A. Proclamation Recognizing the Week of October 16-22, 2016 as Alzheimer's Awareness Month.
- B. Proclamation Recognizing Elena Gutierrez, Los Banos High School Student, for Attendance at the Stanford Youth Medical Science Program.

6. PUBLIC FORUM. (Members of the public may address the City Council Members on any item of public interest that is within the jurisdiction of the City Council; includes agenda and non-agenda items. No action will be taken on non-agenda items. Speakers are limited to a five (5) minute presentation. Detailed guidelines are posted on the Council Chamber informational table.)

7. CONSIDERATION OF APPROVAL OF CONSENT AGENDA. (Items on the Consent Agenda are considered to be routine and will be voted on in one motion unless removed from the Consent Agenda by a City Council Member.)

- A. Check Register for #200921 – #201379 in the Amount of \$2,488,595.50.

Recommendation: Approve the check register as submitted.

- B. First Quarter Investment Report for Fiscal Year 2016/2017.

Recommendation: Accept the report as submitted.

- C. Minutes for the August 3, 2016 City Council Meeting.

Recommendation: Approve the minutes as submitted.

- D. Minutes for the September 7, 2016 City Council Meeting.

Recommendation: Approve the minutes as submitted.

- E. City Council Resolution No. 5799 – Accepting the F Street Storm Line as Complete and Authorizing the Filing of a Notice of Completion with the Merced County Recorder.

Recommendation: Adopt the resolution as submitted.

- F. City Council Resolution No. 5800 – Amending the Fiscal Year 2016/2017 Budget by Increasing Appropriations in Funds of the Park Maintenance Technical Services for Additional Parts and Material Costs to Streetscapes, Planters and Parks in the Amount of \$20,000.

Recommendation: Adopt the resolution as submitted.

- G. City Council Resolution No. 5801 – Approving an Amendment to Sec. 5010 of Division 5 – Personnel Benefits of the City’s Policy & Procedures Manual as it Pertains to Municipal Clerk Certification Pay.

Recommendation: Adopt the resolution as submitted.

- H. City Council Resolution No. 5802 – Approving the Incorporation of Division 26 – Nepotism and Fraternalization Policy to the City’s Policy & Procedures Manual.

Recommendation: Adopt the resolution as submitted.

8. PUBLIC HEARING. (If you challenge the proposed action as described herein in court, you may be limited to raising only those issues you or someone else raised at the public hearing described herein or in written correspondence delivered to the City at, or prior to, the public hearing.)

- A. Public Hearing – To Receive Public Comment and Consideration of Presidential Estates East Area Plan to Guide Future Development; a General Plan Amendment to Re-designate the Project Site from Professional Office, Medium Density Residential, and Commercial to Low Density Residential, Annexation and Prezone of Approximately 106 Acres; and Associated Mitigated Negative Declaration (SCH #2015061056), Project Site Located North of Pioneer Road, West of Mercey Springs Road (SR 165) and East of Eleventh Street, APNs 026-290-001, 002, 003, 004, 005, 083-120-012, 013, 014, 015, 016, 017, 018, 019, 020, 021, 022, 023, 024, 027 and 028.

(Continued from September 7, 2016)

- 1) City Council Resolution No. 5786 – Approving Mitigated Negative Declaration (SCH #2015061056) and Associated Mitigation Monitoring and Reporting Program for the Presidential Estates East Area Plan and Annexation #2014-01, General Plan Amendment #2015-03, Pre-Zone #2014-02, and Associated Pre-Annexation Development Agreements.
- 2) City Council Resolution No. 5787 – Approving General Plan Amendment #2015-03 for Property Located within the Presidential Estates East Area Plan Project, More Specifically Identified as Assessor’s Parcel Numbers: 026-290-001, 002, 003, 004, and 005.
- 3) Ordinance No. 1145 – Amending the Zoning Map to Pre-Zone Approximately 106 Acres Located North of Pioneer Road and West of Mercey Springs Road (SR 165), Merced County, California, from County R-1 (Residential-Single Family) to City R-1 (Low Density Residential), to be Annexed into the City of Los Banos. **(Second Reading & Adoption)**

- 4) City Council Resolution No. 5788 – Requesting the Annexation and Pre-Zone of Approximately 106 Acres for the Presidential Estates East Area Plan and Annexation.
- 5) Ordinance No. 1146 – Approving a Pre-Annexation Development Agreement Between the City of Los Banos and Stonefield Communities, Inc., for the Project Commonly known as the Presidential Estates East Area Plan and Annexation. **(First Reading & Introduction)**
- 6) Ordinance No. 1147 – Approving a Pre-Annexation Development Agreement Between the City of Los Banos and The Manuel M. Cardoza Property, for the Project Commonly Known as the Presidential Estates East Area Plan and Annexation. **(First Reading & Introduction)**

Recommendation: Receive staff report, open public hearing, receive public comment, adopt the resolutions as submitted, continue Ordinance No. 1145, waive the first readings of Ordinance Nos. 1146 and 1147, and introduce Ordinance Nos. 1146 and 1147 as submitted.

9. CONSIDERATION OF APPOINTING TWO (2) COUNCIL MEMBERS TO ATTEND SPECIAL EVENTS STAKEHOLDER MEETINGS.

Recommendation: Appoint two (2) Council Members.

10. DISCUSSION AND CONSIDERATION OF CHANGING FROM MONTHLY MEETINGS TO QUARTERLY MEETINGS FOR THE LOS BANOS PARKS & RECREATION COMMISSION, ECONOMIC DEVELOPMENT ADVISORY COMMISSION AND LOS BANOS AIRPORT COMMISSION.

Recommendation: Receive staff report and direction from the City Council on how to proceed.

11. NOTICE AND ANNOUNCEMENT OF VACANCIES ON THE FOLLOWING COMMISSIONS/COMMITTEES:

- A. Parks & Recreation Commission – Four (4) Vacancies
- B. Planning Commission – Four (4) Vacancies
- C. Tree Commission – Two (2) Vacancies
- D. Economic Development Advisory Commission – Three (3) Vacancies
- E. Airport Advisory Commission – Three (3) Vacancies
- F. Measure P Committee – Three (3) Vacancies

Recommendation: Informational item only, no action to be taken.

12. ADVISEMENT OF PUBLIC NOTICES. (Two Reports)

13. CITY MANAGER REPORT.
14. CITY COUNCIL MEMBER REPORTS.
 - A. Tom Faria
 - B. Deborah Lewis
 - C. Scott Silveira
 - D. Elizabeth Stonegrove
 - E. Mayor Mike Villalta
15. ADJOURNMENT.

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing agenda was posted on the City Hall bulletin board not less than 72 hours prior to the meeting.



Lucille L. Mallonee, City Clerk

Dated this 14th day of October 2016

CK # 200921 - 201379

10/19/2016

\$2,488,595.50

Bank Reconciliation

Checks by Date

User: sorozco
 Printed: 10/11/2016 - 3:24PM
 Cleared and Not Cleared Checks
 Print Void Checks



City of
Los Banos
At the Crossroads of California

Check No	Check Date	Name	Module	Void	Amount
200921	9/16/2016	Alhambra	AP		228.08
200922	9/16/2016	Accela, Inc.	AP		1,302.00
200923	9/16/2016	Steve & Manuela Aldama	AP		25.00
200924	9/16/2016	Alert-O-Lite, Inc.	AP		1,299.04
200925	9/16/2016	Amerigas Propane, LP	AP		84.93
200926	9/16/2016	Anthony Gomes	AP		4,702.60
200927	9/16/2016	Aramark Uniform Ser Inc	AP		396.50
200928	9/16/2016	AT&T	AP		44.05
200929	9/16/2016	Auto Zone Commercial	AP		15.97
200930	9/16/2016	Frank Arieas	AP		600.00
200931	9/16/2016	Dorothy June Baker	AP		254.15
200932	9/16/2016	Borelli Real Estate Service, Inc.	AP		90.00
200933	9/16/2016	Brinks Inc.	AP		523.21
200934	9/16/2016	Bruce's Tire Inc	AP		994.22
200935	9/16/2016	BSK Associates	AP		6,159.00
200936	9/16/2016	Cal Traffic	AP		2,044.64
200937	9/16/2016	Cen Cal Machinery Co Inc	AP		157.90
200938	9/16/2016	Challenger Teamwear	AP		9,642.25
200939	9/16/2016	Central Sanitary Supply	AP		213.41
200940	9/16/2016	Comcast	AP		10.55
200941	9/16/2016	Copy Shipping Solutions	AP		78.28
200942	9/16/2016	CSG Consultants Inc.	AP		44,558.75
200943	9/16/2016	Anyssa Contreras	AP		350.00
200944	9/16/2016	Edges Electrical Group, LLC	AP		969.33
200945	9/16/2016	Emergency Vehicle Specialists, Inc.	AP		126.88
200946	9/16/2016	Employee Relations, Inc.	AP		50.00
200947	9/16/2016	Farmer Brothers Coffee	AP		95.34
200948	9/16/2016	Fastenal Company	AP		871.08
200949	9/16/2016	Fast Track Car Wash	AP		73.50
200950	9/16/2016	Federal Express	AP		57.42
200951	9/16/2016	Ferguson Enterprises Inc DBA Groeniger & Company	AP		119.44
200952	9/16/2016	Ferrellgas, Inc.	AP		89.00
200953	9/16/2016	Floyd Johnston Construction Co., Inc.	AP		427,207.97
200954	9/16/2016	Foster Bros Security Systems Inc.	AP		40.92
200955	9/16/2016	Golden State Flow Measurement	AP		28,051.92
200956	9/16/2016	Hardware Distribution	AP		1,166.11
200957	9/16/2016	Holt of California	AP		186.00
200958	9/16/2016	InfoSend Inc.	AP		5,536.90
200959	9/16/2016	Integrated Electronics	AP		90.00
200960	9/16/2016	Kone Inc.	AP		651.30
200961	9/16/2016	Lawson Products, Inc.	AP		381.12
200962	9/16/2016	Los Banos Express Oil & Lube	AP		168.93
200963	9/16/2016	Marfab Inc	AP		51.88
200964	9/16/2016	Merced Sun Star	AP		343.20

Check No	Check Date	Name	Module	Void	Amount
200965	9/16/2016	Merced Truck & Trailer Inc	AP		69.81
200966	9/16/2016	Merced Uniform & Accessories	AP		488.70
200967	9/16/2016	MES Industries Inc.	AP		4,122.00
200968	9/16/2016	John Mueller	AP		680.00
200969	9/16/2016	Napa Auto Parts	AP		326.41
200970	9/16/2016	The Office City	AP		70.62
200971	9/16/2016	OSE	AP		181.66
200972	9/16/2016	Juan Ornelas	AP		500.00
200973	9/16/2016	Pacific Water Resources	AP		469.65
200974	9/16/2016	Price Paige and Company Accountancy Corporation	AP		5,045.00
200975	9/16/2016	Protech Security & Electronics, Inc.	AP		240.00
200976	9/16/2016	Rick's Auto Body	AP		4,622.88
200977	9/16/2016	Rumex Construction Corporation	AP		1,052.97
200978	9/16/2016	Save Mart Supermarkets	AP		148.93
200979	9/16/2016	Shred-It US JV LLC	AP		96.75
200980	9/16/2016	Sierra Chemical Co	AP		2,513.84
200981	9/16/2016	Frank Silveria	AP		95.00
200982	9/16/2016	Sorensens True Value	AP		119.48
200983	9/16/2016	Sorensens True Value	AP		99.50
200984	9/16/2016	Spriggs Inc.	AP		692.83
200985	9/16/2016	Talley Oil Inc.	AP		8,878.08
200986	9/16/2016	Thomas Ochoa	AP		2,127.28
200987	9/16/2016	Tulare Firestone	AP		26.89
200988	9/16/2016	Craig & Craig Prof. Services, Gina	AP		66.31
200989	9/16/2016	Jonathan Orr	AP		65.39
200990	9/16/2016	Roxanne Marie Azevedo	AP		19.26
200991	9/16/2016	Curtis Grant	AP		9.97
200992	9/16/2016	Martin & Yolanda Chavarin	AP		13.49
200993	9/16/2016	Savannah Frandsen	AP		13.49
200994	9/16/2016	Monique Finley	AP		22.14
200995	9/16/2016	Home Sweet Home Property Management	AP		39.43
200996	9/16/2016	UC Construction	AP		59.62
200997	9/16/2016	UC Construction	AP		59.62
200998	9/16/2016	Westside Water Conditioning	AP		202.43
200999	9/16/2016	Windecker Inc	AP		7,450.80
201000	9/16/2016	Gary Brizzee Jr.	AP		129.00
201001	9/16/2016	Ford Motor Credit Company LLC	AP		4,420.32
201002	9/16/2016	Ford Motor Credit Company LLC	AP		1,307.85
201003	9/16/2016	Jason Hedden	AP		129.00
201004	9/16/2016	Sara Huff	AP		81.00
201005	9/16/2016	LEVOC	AP		40.00
201006	9/16/2016	LEVOC	AP		40.00
201007	9/16/2016	LEVOC	AP		40.00
201008	9/16/2016	LEVOC	AP		40.00
201009	9/16/2016	LEVOC	AP		40.00
201010	9/16/2016	LEVOC	AP		40.00
201011	9/16/2016	LEVOC	AP		40.00
201012	9/16/2016	Liebert Cassidy Whitmore	AP		7,560.50
201013	9/16/2016	Los Banos Designated Local Authority	AP		135.00
201014	9/16/2016	Justin Melden	AP		118.39
201015	9/16/2016	Merced County Law Enforcement Chief's Association	AP		300.00
201016	9/16/2016	Merced County Law Enforcement Chief's Association	AP		300.00
201017	9/16/2016	Merced County Law Enforcement Chief's Association	AP		300.00
201018	9/16/2016	PERS - Public Employees	AP		87,008.83
201019	9/16/2016	Pinnacle Medical Group	AP		223.00
201020	9/16/2016	Ray Reyna	AP	Void	129.00
201021	9/16/2016	Law Offices of William A Vaughn	AP		8,708.75

Check No	Check Date	Name	Module	Void	Amount
201022	9/16/2016	Laurie Westbrook	AP	Void	128.00
201023	9/16/2016	Robert Wiens	AP		87.62
201048	9/20/2016	Aflac-Customer Service	AP		580.98
201049	9/20/2016	Franchise Tax Board	AP		20.00
201050	9/20/2016	Los Banos Fitness &	AP		573.00
201051	9/20/2016	Los Banos Police Assn	AP		2,147.00
201052	9/20/2016	MassMutual	AP		1,196.09
201053	9/20/2016	MassMutual	AP		4,295.00
201054	9/20/2016	Merced County Sheriff	AP		224.67
201055	9/20/2016	Nationwide Retirement Solutions	AP		1,500.00
201056	9/20/2016	Professional Fire Fighter	AP		630.00
201057	9/20/2016	State Disbursement Unit	AP		1,537.50
201058	9/20/2016	Vantagepont Transfer Agents - 306797	AP		967.40
201059	9/20/2016	Vantagepoint Transfer Agents - 705827	AP		25.00
201060	9/20/2016	Vantagepoint Transfer Agents - 801838	AP		1,525.00
201061	9/23/2016	Advantage Gear, Inc.	AP		5,745.23
201062	9/23/2016	Ameripride Valley Uniform Services Inc.	AP		302.82
201063	9/23/2016	Anthony Gomes	AP		2,601.10
201064	9/23/2016	Aramark Uniform Ser Inc	AP		824.77
201065	9/23/2016	AT&T	AP		985.21
201066	9/23/2016	Dorothy June Baker	AP		34.54
201067	9/23/2016	BJ's Consumers Choice	AP		125.00
201068	9/23/2016	Brenntag Pacific Inc	AP		4,600.81
201069	9/23/2016	BSK Associates	AP		2,166.50
201070	9/23/2016	Josephine Borges	AP		390.00
201071	9/23/2016	Ca Dept of Justice	AP		1,330.00
201072	9/23/2016	Cartegraph Systems, Inc.	AP		4,901.40
201073	9/23/2016	Central Sanitary Supply	AP		375.68
201074	9/23/2016	Comcast	AP		319.40
201075	9/23/2016	Comcast	AP		420.00
201076	9/23/2016	Cook's Communications Corp.	AP		1,635.28
201077	9/23/2016	CSG Consultants Inc.	AP		1,896.00
201078	9/23/2016	City of Los Banos Utility	AP		37,080.66
201079	9/23/2016	CVCWA	AP		928.00
201080	9/23/2016	Duncan Printing Co. Inc.	AP		367.65
201081	9/23/2016	Edges Electrical Group, LLC	AP		134.96
201082	9/23/2016	EMC Planning Group Inc	AP		704.33
201083	9/23/2016	Nancy Elias	AP		600.00
201084	9/23/2016	Fastenal Company	AP		258.27
201085	9/23/2016	Ferguson Enterprises Inc DBA Groeniger & Company	AP		67.18
201086	9/23/2016	Eva Jean Ford	AP		875.00
201087	9/23/2016	Galls Inc	AP		513.03
201088	9/23/2016	Goodwin Consulting Group	AP		3,300.00
201089	9/23/2016	Grainger Parts Operations	AP		782.62
201090	9/23/2016	Great Valley Supply	AP		191.81
201091	9/23/2016	Jessie Gutierrez	AP		600.00
201092	9/23/2016	Holt of California	AP		2,135.00
201093	9/23/2016	Kimball Midwest	AP		107.72
201094	9/23/2016	Kleinfelder Inc	AP		7,661.64
201095	9/23/2016	Lawson Products, Inc.	AP		106.99
201096	9/23/2016	Lucas Business Systems	AP		1,034.65
201097	9/23/2016	Evelyn Lopez	AP		600.00
201098	9/23/2016	Marfab Inc	AP		63.51
201099	9/23/2016	McElvany Inc	AP		167,373.28
201100	9/23/2016	Merced Truck & Trailer Inc	AP		1,874.64
201101	9/23/2016	Merced Pools	AP		390.49
201102	9/23/2016	Maria Del Socorro Mondragon	AP		500.00

Check No	Check Date	Name	Module	Void	Amount
201103	9/23/2016	NDN International LLC	AP		323.95
201104	9/23/2016	O'Dell Engineering	AP		1,940.00
201105	9/23/2016	The Office City	AP		191.80
201106	9/23/2016	OSE	AP		109.76
201107	9/23/2016	PG&E Company	AP		140,033.24
201108	9/23/2016	Randik Paper Co	AP		403.72
201109	9/23/2016	RKR Enterprises	AP		1,130.00
201110	9/23/2016	Yanet Reyes	AP		350.00
201111	9/23/2016	SJVAPCD	AP		129.00
201112	9/23/2016	Sample Traps LLC	AP		1,395.00
201113	9/23/2016	Save Mart Supermarkets	AP		234.36
201114	9/23/2016	Sherwin Williams Co	AP		258.70
201115	9/23/2016	Robert & Susan Hansen	AP		156.60
201116	9/23/2016	SolarBee, Inc.	AP		39,728.00
201117	9/23/2016	Sorensens True Value	AP		392.62
201118	9/23/2016	Sorensens True Value	AP		18.34
201119	9/23/2016	Sprint Solutions, Inc.	AP		759.81
201120	9/23/2016	Terryberry Company LLC	AP		161.07
201121	9/23/2016	Terminix Processing Center	AP		180.00
201122	9/23/2016	Tulare Firestone	AP		26.89
201123	9/23/2016	United Rotary Brush Corp.	AP		6,428.16
201124	9/23/2016	Verizon Wireless	AP		907.34
201125	9/23/2016	Young's Air Conditioning	AP		270.00
201126	9/23/2016	Zee Medical Service Co	AP		117.91
201127	9/23/2016	Alan Ziegaus	AP		550.00
201128	9/23/2016	ASCE Membership	AP		280.00
201129	9/23/2016	AT&T	AP		74.00
201130	9/23/2016	3 Amigos Pizza, Inc.	AP		79.00
201131	9/23/2016	Board of Equalization	AP		900.00
201132	9/23/2016	Buy N Save Market	AP		100.00
201133	9/23/2016	Espana's Restaurant	AP		301.75
201134	9/23/2016	Ford Motor Credit Company LLC	AP		3,689.59
201135	9/23/2016	Deborah Lewis	AP		120.00
201136	9/23/2016	Abel Parsad	AP		100.00
201137	9/23/2016	Pinnacle Medical Group	AP		460.00
201138	9/23/2016	Scott Silveira	AP		97.00
201139	9/23/2016	William A. Vaughn	AP		409.12
201140	9/23/2016	Michael G. Villalta	AP		143.00
201141	9/23/2016	Westamerica Bank - Cafeteria Plan	AP		49,391.60
201142	9/23/2016	West Publishing Corporation	AP		229.80
201143	9/23/2016	Merced County Clerk	AP		2,260.25
201144	9/26/2016	Merced County Auditor Controller	AP		750.00
201145	9/26/2016	US Bank Corp Pymt System	AP		14,533.61
201146	9/29/2016	Chevron Usa Inc	AP		213.50
201147	9/29/2016	Cassandra Ann Helmrick	AP		357.70
201148	9/29/2016	Greater San Joaquin Softball Association	AP		360.00
201149	9/29/2016	Roy Jones	AP		913.78
201150	9/29/2016	Roy Jones	AP		100.00
201151	9/29/2016	Los Banos Volunteer	AP		2,416.67
201152	9/29/2016	Merced County LAFCo	AP		2,750.00
201153	9/29/2016	Gerald "Obie" O'Brien	AP		77.14
201154	9/29/2016	Ray Reyna	AP	Void	129.00
201155	9/29/2016	Secretary of State	AP		40.00
201156	9/29/2016	Anthony Terranova	AP		150.00
201157	9/29/2016	John Mendoza	AP		22.14
201158	9/29/2016	Ruben Vazquez	AP		11.85
201159	9/29/2016	Law Offices of William A Vaughn	AP		9,000.00

Check No	Check Date	Name	Module	Void	Amount
201160	9/30/2016	Abbott & Kindermann, LLP	AP		5,621.64
201161	9/30/2016	Allied Waste Services #917	AP		252,390.79
201162	9/30/2016	Amerigas Propane, LP	AP		98.56
201163	9/30/2016	Anthony Gomes	AP		1,641.19
201164	9/30/2016	Aramark Uniform Ser Inc	AP		945.29
201165	9/30/2016	AT&T	AP		924.79
201166	9/30/2016	Battery Systems, Inc.	AP		611.43
201167	9/30/2016	Battery Specialties, Inc.	AP		321.21
201168	9/30/2016	Big Creek Lumber Co.	AP		268.39
201169	9/30/2016	BJ's Consumers Choice	AP		139.00
201170	9/30/2016	BlueTarp Financial, Inc.	AP		39.99
201171	9/30/2016	Bruce's Tire Inc	AP		85.00
201172	9/30/2016	BSK Associates	AP		1,880.00
201173	9/30/2016	CDW Government, Inc	AP		13,727.68
201174	9/30/2016	Cal Traffic	AP		478.45
201175	9/30/2016	A & E Industrial Cleaning Equipment	AP		316.24
201176	9/30/2016	Central Sanitary Supply	AP		17.32
201177	9/30/2016	Coffee Break Service	AP		40.00
201178	9/30/2016	Comcast	AP		4.26
201179	9/30/2016	CPS	AP		1,447.00
201180	9/30/2016	CSG Consultants Inc.	AP		1,120.00
201181	9/30/2016	Dell Marketing L P	AP		19,342.89
201182	9/30/2016	F S Rod Inc	AP		7,337.00
201183	9/30/2016	Farmer Brothers Coffee	AP		154.74
201184	9/30/2016	Fastenal Company	AP		30.19
201185	9/30/2016	Ferguson Enterprises Inc DBA Groeniger & Company	AP		1,931.65
201186	9/30/2016	Leslie Ann Villalta	AP		143.36
201187	9/30/2016	Golden State Flow Measurement	AP		8,483.90
201188	9/30/2016	Greenwood Chevrolet	AP		573.85
201189	9/30/2016	Andrea Garcia	AP		600.00
201190	9/30/2016	Holt of California	AP		124.34
201191	9/30/2016	Johnnie's Cleaners	AP		42.75
201192	9/30/2016	Kleinfelder Inc	AP		2,096.44
201193	9/30/2016	Los Banos Enterprise	AP		69.00
201194	9/30/2016	Lucas Business Systems	AP		97.14
201195	9/30/2016	Steve Macillas	AP		122.50
201196	9/30/2016	Marfab Inc	AP		477.60
201197	9/30/2016	Merced County Regional Waste Management Authority	AP		3,251.00
201198	9/30/2016	Merced County Regional Waste Management Authority	AP		75,192.43
201199	9/30/2016	Merced County Tax Collector	AP		31,775.22
201200	9/30/2016	Napa Auto Parts	AP		21.79
201201	9/30/2016	The Office City	AP		60.78
201202	9/30/2016	OSE	AP		1,554.77
201203	9/30/2016	PERS - Public Employees	AP		86,202.48
201204	9/30/2016	Pete's Auto	AP		130.00
201205	9/30/2016	Provost and Pritchard Engineering, Inc.	AP		21,424.43
201206	9/30/2016	Pro Clean Supply	AP		253.09
201207	9/30/2016	Rey Reyna Jr	AP		129.00
201208	9/30/2016	RTC Construction Management, Inc.	AP		72,784.44
201209	9/30/2016	Scott Savage	AP		407.50
201210	9/30/2016	Sherwin Williams Co	AP		195.14
201211	9/30/2016	Snap On Tools	AP		91.75
201212	9/30/2016	Sorensens True Value	AP		772.37
201213	9/30/2016	Sorensens True Value	AP		162.48
201214	9/30/2016	Talley Oil Inc.	AP		8,441.62
201215	9/30/2016	Terminix Processing Center	AP		120.00
201216	9/30/2016	Traffic Logix Corp.	AP		357.00

Check No	Check Date	Name	Module	Void	Amount
201217	9/30/2016	Triangle Rock Products	AP		16,736.20
201218	9/30/2016	TriCounty Flooring Inc.	AP		17,217.01
201219	9/30/2016	Michele Masso	AP		12.25
201220	9/30/2016	Valley Vanguard Properties Inc.	AP		80.93
201221	9/30/2016	John Kim	AP		12.30
201222	9/30/2016	Shivraj Sandhu	AP		86.57
201223	9/30/2016	Performance Lending	AP		59.62
201224	9/30/2016	Home Sweet Home Property Management	AP		48.10
201225	9/30/2016	Wendy Ortega Rodriguez	AP		48.10
201226	9/30/2016	Alex & Rosa Huichapan	AP		27.21
201227	9/30/2016	Los Banos Elks	AP		48.10
201228	9/30/2016	Thai Gutierrez	AP		45.21
201229	9/30/2016	Sylvia Nicole	AP		79.82
201230	9/30/2016	Valley Vanguard Properties Inc.	AP		90.45
201231	9/30/2016	Linda Tyler	AP		33.67
201232	9/30/2016	Home Sweet Home Property Management	AP		69.26
201233	9/30/2016	Valley Vanguard Properties Inc.	AP		39.59
201234	9/30/2016	Larry Nunes	AP		74.04
201235	9/30/2016	UC Construction	AP		73.08
201236	9/30/2016	UC Construction	AP		62.42
201237	9/30/2016	UC Construction	AP		72.37
201238	9/30/2016	UC Construction	AP		70.03
201239	9/30/2016	Shivraj Sandhu	AP		34.66
201240	9/30/2016	Monique Finley	AP		71.17
201241	9/30/2016	Gregoria Manzanares	AP		25.01
201242	9/30/2016	George and Linda Allen	AP		68.28
201243	9/30/2016	Blossom Valley Realty, JR Souza	AP		85.58
201244	9/30/2016	Blossom Valley Realty, JR Souza	AP		63.50
201245	9/30/2016	Vavrinek, Trine, Day & Co., LLP	AP		4,060.00
201246	9/30/2016	Western Pacific Signal, LLC	AP		1,715.20
201247	9/30/2016	Jennifer Williams	AP		755.00
201248	9/30/2016	Windecker Inc	AP		13,405.95
201249	9/30/2016	Veronica Zepeda	AP		500.00
201272	10/4/2016	Aflac-Customer Service	AP		580.98
201273	10/4/2016	Franchise Tax Board	AP		20.00
201274	10/4/2016	In Shape Health Clubs Inc	AP		480.00
201275	10/4/2016	Los Banos Police Assn	AP		2,147.00
201276	10/4/2016	MassMutual	AP		1,177.07
201277	10/4/2016	MassMutual	AP		4,295.00
201278	10/4/2016	Nationwide Retirement Solutions	AP		1,500.00
201279	10/4/2016	Professional Fire Fighter	AP		630.00
201280	10/4/2016	State Disbursement Unit	AP		1,537.50
201281	10/4/2016	Vantagepont Transfer Agents - 306797	AP		967.40
201282	10/4/2016	Vantagepoint Transfer Agents - 705827	AP		25.00
201283	10/4/2016	Vantagepoint Transfer Agents - 801838	AP		2,575.00
201284	10/4/2016	Westamerica Bank - Cafeteria Plan	AP		275,723.48
201286	10/7/2016	Aramark Uniform Ser Inc	AP		171.52
201287	10/7/2016	Bear Cat Mfg Inc	AP		366.21
201288	10/7/2016	Borges & Mahoney Company	AP		2,758.99
201289	10/7/2016	Bruce's Tire Inc	AP		1,519.96
201290	10/7/2016	BSK Associates	AP		400.00
201291	10/7/2016	BM Construction Group, Inc.	AP		913.78
201292	10/7/2016	CNA Surety	AP		615.00
201293	10/7/2016	Cal Traffic	AP		4,054.69
201294	10/7/2016	Cen Cal Machinery Co Inc	AP		49.88
201295	10/7/2016	Challenger Teamwear	AP		639.08
201296	10/7/2016	Comcast	AP		106.05

Check No	Check Date	Name	Module	Void	Amount
201297	10/7/2016	CSG Consultants Inc.	AP		1,175.53
201298	10/7/2016	Jaime F. Cortez	AP		350.00
201299	10/7/2016	Don's Mobile Glass	AP		175.00
201300	10/7/2016	Espana's Restaurant	AP		3,062.50
201301	10/7/2016	Fastenal Company	AP		71.46
201302	10/7/2016	Golden State Flow Measurement	AP		9,531.91
201303	10/7/2016	Grainger Parts Operations	AP		195.70
201304	10/7/2016	Heppner Precision Machine	AP		606.87
201305	10/7/2016	Home Depot	AP		600.00
201306	10/7/2016	Gustavo Mendoza-Huerta	AP		20.00
201307	10/7/2016	Kimball Midwest	AP		352.47
201308	10/7/2016	Marfab Inc	AP		161.83
201309	10/7/2016	Merced Chevrolet Inc.	AP		202.38
201310	10/7/2016	Mobile Communications Inc	AP		83.52
201311	10/7/2016	Mobley Enterprises Inc.	AP		1,110.10
201312	10/7/2016	The Office City	AP		16.67
201313	10/7/2016	OSE	AP		321.79
201314	10/7/2016	PAPE Machinery Inc.	AP		2,048.07
201315	10/7/2016	Jazmin Pastrana	AP		600.00
201316	10/7/2016	Juan Perez	AP		350.00
201317	10/7/2016	Praise Fellowship International Church	AP		485.00
201318	10/7/2016	R & S Erection Tri-County Inc.	AP		589.75
201319	10/7/2016	Razzari	AP		250.97
201320	10/7/2016	Regency Park Estates LLC	AP		2,332.00
201321	10/7/2016	SJVAPCD	AP		129.00
201322	10/7/2016	Santos Ford Lincoln Mercury, Inc.	AP		5,317.24
201323	10/7/2016	Sherwin Williams Co	AP		176.74
201324	10/7/2016	Shred-It US JV LLC	AP		96.30
201325	10/7/2016	Sierra Chemical Co	AP		3,263.84
201326	10/7/2016	Sorensens True Value	AP		560.28
201327	10/7/2016	Sorensens True Value	AP		50.50
201328	10/7/2016	Rosalia Soto	AP		350.00
201329	10/7/2016	Terryberry Company LLC	AP		141.14
201330	10/7/2016	Terminix Processing Center	AP		430.68
201331	10/7/2016	USA Blue Book	AP		1,434.52
201332	10/7/2016	Ruby Dena	AP		18.15
201333	10/7/2016	Carol and Juan Sandoval- Tobias	AP		100.00
201334	10/7/2016	Daphne Espino	AP		6.93
201335	10/7/2016	Irma Rivera	AP		13.49
201336	10/7/2016	Jessica Goryushko	AP		13.49
201337	10/7/2016	Erich Scheuble	AP		46.06
201338	10/7/2016	Madeline or Karen Pereira	AP		45.21
201339	10/7/2016	Margarita Rameno	AP		13.49
201340	10/7/2016	Waste Control	AP		160.99
201341	10/7/2016	Eric Welker	AP		10.60
201342	10/7/2016	Randy & Mary Crist	AP		79.82
201343	10/7/2016	Miguel Masso	AP		100.00
201344	10/7/2016	Pratap Kurra	AP		120.00
201345	10/7/2016	Matthew Patrick	AP		36.70
201346	10/7/2016	Geb Fessaha	AP		30.79
201347	10/7/2016	James Gillio	AP		50.97
201348	10/7/2016	UC Construction	AP		21.25
201349	10/7/2016	UC Construction	AP		21.25
201350	10/7/2016	UC Construction	AP		21.25
201351	10/7/2016	UC Construction	AP		21.25
201352	10/7/2016	UC Construction	AP		26.99
201353	10/7/2016	UC Construction	AP		74.17

Check No	Check Date	Name	Module	Void	Amount
201354	10/7/2016	UC Construction	AP		79.47
201355	10/7/2016	UC Construction	AP		21.25
201356	10/7/2016	UC Construction	AP		21.25
201357	10/7/2016	UC Construction	AP		21.25
201358	10/7/2016	UC Construction	AP		21.25
201359	10/7/2016	UC Construction	AP		21.25
201360	10/7/2016	UC Construction	AP		21.25
201361	10/7/2016	Adrianna & Annyssa Gutierrez	AP		45.21
201362	10/7/2016	Gemma Karam	AP		62.52
201363	10/7/2016	Leticia Zabala	AP		100.00
201364	10/7/2016	Valley Petroleum & Lift Inc.	AP		400.86
201365	10/7/2016	Westside Water Conditioning	AP		135.00
201366	10/7/2016	Windecker Inc	AP		667.92
201367	10/7/2016	American Water Works Assn	AP		1,130.00
201368	10/7/2016	CEP America California	AP		532.00
201369	10/7/2016	City of Los Banos Escrow Account	AP		2,587.95
201370	10/7/2016	Folsom Lake Ford, Inc	AP		34,746.47
201371	10/7/2016	Folsom Lake Ford, Inc	AP		34,746.47
201372	10/7/2016	Folsom Lake Ford, Inc	AP		33,553.07
201373	10/7/2016	Folsom Lake Ford, Inc	AP		34,746.47
201374	10/7/2016	Greater San Joaquin Umpire Association	AP		728.00
201375	10/7/2016	IIMC	AP		200.00
201376	10/7/2016	Pinnacle Medical Group	AP		380.00
201377	10/7/2016	Ronny's Landscaping	AP		55,980.57
201378	10/7/2016	Ronny's Landscaping	AP		11,344.61
201379	10/7/2016	U.S. Bank Equipment Finance	AP		1,890.82

Break in check sequence due to the following:

Check #201024 - 201047 (Payroll)

Check #201250 - 201271 (Payroll)

Check #201285 (Payroll)

Total Void Check Count:	3
Total Void Check Amount:	386.00
Total Valid Check Count:	409
Total Valid Check Amount:	2,488,595.50
Total Check Count:	412
Total Check Amount:	2,488,981.50



City of
Los Banos
At the Crossroads of California

Agenda Staff Report

TO: Mayor & City Council Members

FROM: Martha Brazil, City Treasurer/Accountant *mb*

DATE: October 19, 2016

SUBJECT: Acceptance of the First Quarter Investment Report for 2016/2017

TYPE OF REPORT: Consent Agenda

Recommendation:

To accept the quarterly investment report as submitted.

Background:

The City of Los Banos follows its investment policy to assure that it invests all surplus inactive monies in a manner which ensures a maximum return consistent with safety on such investments while maintaining the integrity of such surplus and inactive funds. A quarterly investment report provides proof that City funds are invested in such a manner. It includes all investments except funds held by City's trustee. Funds held by trustee include bond reserve funds, deferred compensation plans and other post retirement benefit funds.

Fiscal Impact:

Informational only, no fiscal impact.

Reviewed by:

Alex Terrazas, City Manager

Sonya Williams, Finance Director

Attachments:

City of Los Banos First Quarter 2016/2017 Investment Report



City of
Los Banos
At the Crossroads of California

In accordance with Government Code Section 53646 and the City of Los Banos Investment Policy, the following shall constitute the quarterly report of investment on behalf of the City of Los Banos:

Investment Balances
As of September 30, 2016

Type of Investment	Issuer	Maturity	Amount Invested	Annual Percentage Yield
LAIF (Local Agency Investment Fund)	State of California	Daily	\$44,847,628.	.63% effective yield
Bonds, Treasury Money Market Funds and CD's (Certificate of Deposits)	Wells Fargo Securities	Staggered 5 years	12,097,586.	1.10% - 5.40%
Investment Balance:			\$56,945,214.	

1. As of the date of this report, the majority of the City of Los Banos funds are invested in the State of California Local Agency Investment Fund (LAIF), in accordance with section 16429.1 of the Governmental Code.
2. As of the date of this report, the remainder of the City of Los Banos' funds are deposited in Corporate Bonds, and various FDIC insured Certificates of Deposits held with Wells Fargo Securities, LLC. Therefore, as provided by Governmental Code Section 53646 (e) attached are the most recent statement(s) received by the City of Los Banos.
3. The portfolio of the City of Los Banos is in compliance with the City of Los Banos' Investment Policy.
4. The investment balances are reconciled monthly to the General Ledger by the Finance Department.
5. It is expected that the City will be able to meet its projected expenditure requirements for the next six months.

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp
October 12, 2016

CITY OF LOS BANOS

CITY TREASURER
520 J STREET
LOS BANOS, CA 93635

PMIA Average Monthly Yields

Account Number:

Tran Type Definitions

September 2016 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	44,847,628.21
Total Withdrawal:	0.00	Ending Balance:	44,847,628.21

Pooled Money Investment Account

Fast Facts - September 2016

Ending Portfolio

\$68.3 billion

Average Workday Investment Activity

\$1.325 billion

Average Effective Yield

0.63 percent

Average Investment Life

165 days

Local Agency Investment Fund Ending Portfolio

\$21.2 billion

Time Deposits Ending Portfolio

\$5.2 billion, 220 deposits, 77 institutions



Wells Fargo Securities, LLC
 400 CAPITOL MALL
 7TH FLOOR
 SACRAMENTO CA 95814
 JUSTIN LEWIS
 1-916-440-4135

Statement Period

09/01/2016 - 09/30/2016

Your Investment Account(s)

CITY OF LOS BANOS
 ATTN MARTHA BRAZIL

Account Number

Account Value Summary USD

This summary does not reflect the value of unpriced securities. Repurchase agreements are reflected at par value.

	Amount Last Statement Period	Amount This Statement Period	% Portfolio
Cash	\$ 0.00	\$ 0.00	0%
Money Market Mutual Funds	1,597,784.44	104,861.27	1%
Bonds	10,503,979.39	11,992,724.95	99%
Stocks	0.00	0.00	0%
Total Account Value	\$ 12,101,763.83	\$ 12,097,586.22	100%
Value Change Since Last Statement Period		\$ 4,177.61	
Percent Decrease Since Last Statement Period		0%	
Value Last Year-End		\$ 11,818,755.27	
Percent Increase Since Last Year-End		2%	

Income Summary USD

	This Period	Year-To-Date
Interest	\$ 7,076.79	\$ 204,687.36
Dividends/Capital Gains	0.00	0.00
Money Market Mutual Funds Dividends	0.04	0.16
Other	0.00	0.00
Income Total	\$ 7,076.83	\$ 204,687.52

Money Market Mutual Funds Summary USD

Description	Amount
Opening Balance	\$ 1,597,784.44
Deposits and Other Additions	7,076.79
Distributions and Other Subtractions	1,500,000.00
Dividends Reinvested	0.04
Closing Balance	\$ 104,861.27

Important Information

This statement is provided to customers of Wells Fargo Securities, LLC ("WFS"), broker dealer 0250. Statements are provided monthly for accounts with transactions and/or security positions. The account statement contains a list of securities held in safekeeping by WFS as of the statement date and provides details of purchase and sale transactions, the receipt and disbursement of cash and securities, and other activities relating to the account during the statement period.

For WFS customers who choose to maintain a safekeeping account at Wells Fargo Bank, N.A. ("Bank"), this statement is accompanied by a separate Bank safekeeping statement. The Bank safekeeping statement, if applicable, contains a list of securities held in safekeeping by the Bank as of the statement date.

Pricing: Security and brokered certificate of deposit ("CD") prices shown on the statement are obtained from independent vendors or internal pricing models. While we believe the prices are reliable, we cannot guarantee their accuracy. For exchange-listed securities, the price provided is the closing price at month end. For unlisted securities, it is the "bid" price at month end. The price of CDs that mature in one year or less are shown at last price traded. The price of CDs that mature in greater than one year and of other instruments that trade infrequently are estimated using similar securities for which prices are available. Prices on the statement may not necessarily be obtained when the asset is sold.

Brokered CD Pricing: Like bonds, brokered CDs are subject to price fluctuation and the value of a CD, if sold prior to maturity, may be less than at the time of its purchase. Significant loss of principal could result. While WFS generally makes a market in CDs it underwrites, the secondary market for CDs that it does not underwrite may be very limited. In those cases, WFS will use its best efforts to help investors find a buyer.

SIPC: WFS is a member of the Securities Investor Protection Corporation ("SIPC"). In the event of insolvency or liquidation of WFS, securities held in safekeeping at WFS are covered by SIPC against the loss, but not investment risk, up to a maximum of \$500,000 per customer, which includes a \$250,000 limit on claims for cash held in the account. SIPC protection does not provide any protection whatsoever against investment risk, including the loss of principal on an investment. This coverage does not apply to securities held in safekeeping by the Bank. Additional information about SIPC, including a SIPC brochure, may be obtained by visiting www.sipc.org or by calling SIPC at 1-202-371-8300.

FINRA BrokerCheck Program: WFS is a member of the Financial Industry Regulatory Authority (FINRA). Under its BrokerCheck program, FINRA provides certain information regarding the disciplinary history of broker/dealers and their associated persons. Information can be obtained from the FINRA BrokerCheck program hotline number (1-800-289-9999) or the FINRA website (www.finra.org). A brochure describing the FINRA BrokerCheck program will be furnished upon written request.

Free Credit Balances: Any customer free credit balances may be used in the business of WFS subject to limitation of 17 CFR Section 240 § 15c(3)-3 under the Securities Exchange Act of 1934. In the course of normal business operations, a customer has the right to receive delivery of the following: any free credit balances to which he or she is entitled, any fully paid securities to which he or she is entitled, and any securities purchased on margin upon full payment of indebtedness to WFS.

Equity Order Routing: WFS will generally route equity and listed options orders taking into consideration among other factors, the quality and speed of execution, as well as the credits, cash or other payments it may receive from any exchange, broker-dealer or market center. This may not be true if a customer has directed or placed limits on any orders. Whenever possible, WFS will route orders in an attempt to obtain executions at prices equal or superior to the nationally displayed best bid or offer. WFS will also attempt to obtain the best execution regardless of any compensation it may receive. The nature and source of credits and payments WFS receives in connection with specific orders will be furnished to a customer upon request. WFS prepares quarterly reports describing its order routing practices for non-directed orders routed to a particular venue for execution. A printed copy of this report along with other compliance and regulatory information is available upon written request or by visiting: <https://www.wellsfargo.com/com/securities/regulatory>.

Equity Extended Hours Trading: See important information relating to equities trading before and after regular trading hours at: www.wellsfargo.com/com/securities/regulatory.

Equity Open Orders: Open orders will remain in effect until executed or canceled by you. Failure to cancel an open order may result in the transaction being executed for your account. WFS has no responsibility to cancel an open order at its own initiative.

Dividend Reinvestment: In any dividend reinvestment transaction, WFS acted as agent. Additional information regarding transactions of this nature will be furnished to a customer upon written request.

Account Transfers: A fee will be charged to customers transferring their existing WFS account to another broker/dealer or any other financial institution.

Non-deposit investment products recommended, offered or sold by WFS, including mutual funds, are not federally insured or guaranteed by or obligations of the Federal Deposit Insurance Corporation ("FDIC"), the Federal Reserve System or any other agency; are not bank deposits; are not obligations of, or endorsed or guaranteed in any way by any bank or WFS; and are subject to risk, including the possible loss of principal, that may cause the value of the investment and investment return to fluctuate.

When the investment is sold, the value may be higher or lower than the amount originally invested. WFS is a subsidiary of Wells Fargo & Company, is not a bank or thrift, and is separate from any other affiliated bank or thrift. WFS is a registered broker-dealer and member of FINRA. No affiliate of WFS is responsible for the securities sold by WFS.

Mutual Funds: The distributor of Wells Fargo Funds is affiliated with WFS/Wells Fargo Securities, LLC.

Institutional Prime and Institutional Tax Exempt money market mutual funds are required to price and transact at a net asset value ("NAV") per share that fluctuates based upon the pricing of the underlying portfolio of securities and this requirement may impact the value of those fund shares. Additionally, Institutional Prime and Institutional Tax Exempt funds may be subject to redemption fees and/or gates that can affect the availability of funds invested.

Mutual funds are sold by prospectus, which includes more complete information on risks, charges, expenses and other matters of interest. Investors should read the prospectus carefully before investing.

Financial Statements: WFS financial statements are available upon request.

Trade Confirmations: Investment purchases and sales are subject to the terms and conditions stated on the trade confirmation relating to that transaction. In the event of a conflict between the trade confirmation and this statement, the trade confirmation will govern.

Listed Options: Commissions and other charges related to the execution of listed option transactions have been included in confirmations of such transactions that have been previously furnished and are available upon request. Promptly advise your WFS sales representative of any material change in your investment objectives or financial situation.

Customer Complaints and Reporting Discrepancies: Customer complaints, statement reporting inaccuracies or discrepancies should be promptly reported in writing to:

Customer Service
90 South 7th Street
5th Floor, MAC N9305-05F
Minneapolis, MN 55402
wfscustomerservice@wellsfargo.com

Customers may also report complaints, inaccuracies or discrepancies by calling 1-800-645-3751 option 5. International callers should call 1-877-856-8878. To further protect their rights, including rights under the Securities Investor Protection Act, customers should also re-confirm in writing to the above address any oral communications with WFS relating to the inaccuracies or discrepancies.

Eurodollar Deposits: Funds invested in a Eurodollar Deposit are held on deposit at the Bank's Grand Cayman Island branch, a foreign branch of the Bank. As an offshore deposit liability payable at the Bank's Grand Cayman Island branch, the deposits are subject to Grand Cayman Island laws, regulations and governmental actions regarding exchange controls, assets seizures and other restrictions. Deposits payable only outside the U.S. also have a lower priority than deposits payable at a U.S. branch in liquidation. In addition, deposits held in a foreign U.S. bank branch are not insured by the FDIC or otherwise guaranteed by the U.S. government or any of its agencies.

Statement Ending: September 30, 2016

CITY OF LOS BANOS

Account Number:

Portfolio Holdings *Security positions held with Wells Fargo Securities, LLC*

Security ID	Description	Maturity Date	Coupon	Current Par / Original Par	Market Price*	Market Value	Original Par Pledged**	Callable
Bonds USD								
36962G2G8	GENERAL ELECTRIC CO	02/15/17	5.400%	1,150,000.000	101.6298	1,168,742.70		N
36962G5W0	GENERAL ELECTRIC CO	04/27/17	2.300%	1,500,000.000	100.6893	1,510,339.50		N
94974BFD7	WELLS FARGO & COMPANY	05/08/17	2.100%	300,000.000	100.4321	301,296.30		N
02006LFX6	ALLY BANK INTEREST BEARING CERT OF DEP	07/31/17	1.150%	245,000.000	100.3773	245,924.39		
29976DPY0	EVERBANK FL INTEREST BEARING CERT OF DEP	11/30/17	1.100%	125,000.000	100.3627	125,453.38		
89233P7E0	TOYOTA MOTOR CREDIT CORP	01/10/18	1.375%	500,000.000	100.1902	500,951.00		N
46625HJG6	JPMORGAN CHASE & CO	01/25/18	1.800%	985,000.000	100.4073	989,011.91		N
060624XH1	BANK BARODA NY INTEREST BEARING CERT OF DEP	03/08/18	1.250%	245,000.000	100.7953	246,948.49		
20451PDE3	COMPASS BANK INTEREST BEARING CERT OF DEPOSIT	09/04/18	1.950%	245,000.000	101.8976	249,649.12		
36163CFS4	GE CAPITAL BANK INTEREST BEARING CERTIFICATE OF DEPOSIT	10/11/18	1.850%	245,000.000	102.0642	250,057.29		
02587DVB1	AMERICAN EXPR CENTURION INTEREST BEARING CERT OF DEP	10/17/18	2.100%	245,000.000	102.0879	250,115.36		
17284CQY3	CIT BANK INTEREST BEARING CERT OF DEP	10/17/18	2.000%	245,000.000	102.0702	250,071.99		
319141BE6	FIRST BK HIGHLAND PK INTEREST BEARING CERTIFICATE OF DEPOSIT	04/09/19	1.900%	245,000.000	100.3613	245,885.19		Y
06740KGG6	BARCLAYS BANK INTEREST BEARING CERTIFICATE OF DEPOSIT	04/15/19	1.900%	190,000.000	102.3572	194,478.68		
88413QAM0	THIRD FEDERAL SAV&LOAN INTEREST BEARING CERT OF DEP	04/19/19	1.800%	245,000.000	102.3390	250,730.55		
856284Y81	ST BK INDIA NY INTEREST BEARING CERTIFICATE	07/29/19	2.050%	245,000.000	102.5366	251,214.67		
2546713D0	DISCOVER BANK INTEREST BEARING CERTIFICATE OF DEPOSIT	07/30/19	2.000%	245,000.000	102.5123	251,155.14		
795450SC0	SALLIE MAE BK INT BEAR CERT OF DEPOSIT	07/30/19	2.050%	245,000.000	102.5383	251,218.84		
87165HCF5	SYNCHRONY BANK INTEREST BEARING CERTIFICATE OF DEPOSIT	08/01/19	2.050%	245,000.000	102.6825	251,572.13		
02587CBK5	AMERICAN EXPRESS BK INTEREST BEARING CERT OF DEP	09/18/19	2.100%	180,000.000	102.9042	185,227.56		
14042E6A3	CAPITAL ONE NA INTEREST BEARING CERTIFICATE OF DEPOSIT	08/26/20	2.350%	245,000.000	103.8935	254,539.08		

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Statement Ending: September 30, 2016

CITY OF LOS BANOS

Account Number:

Portfolio Holdings (Continued) *Security positions held with Wells Fargo Securities, LLC*

Security ID	Description	Maturity Date	Coupon	Current Par / Original Par	Market Price*	Market Value	Original Par Pledged**	Callable
Bonds USD								
140420UQ1	CAPITAL ONE BANK USA INTEREST BEARING CERTIFICATE OF DEPOSIT	08/26/20	2.350%	245,000.000	104.0484	254,918.58		
687377DS7	ORRSTOWN BANK INTEREST BEARING CERTIFICATE OF DEPOSIT	08/28/20	2.000%	245,000.000	100.0984	245,241.08		Y
20033AMF0	COMENITY CAPITAL BANK INTEREST BEARING CERT OF DEP	08/31/20	2.300%	245,000.000	103.8704	254,482.48		
40434AC72	HSBC BK USA NA INTEREST BEARING CERTIFICATE OF DEPOSIT	11/17/20	1.600%	250,000.000	100.9708	252,427.00		
05580ADQ4	BMW BANK NA INTEREST BEARING CERTIFICATE OF DEPOSIT	01/22/21	2.100%	245,000.000	103.9194	254,602.53		
38148J6M8	GOLDMAN SACHS BANK USA INTEREST BEARING CERTIFICATE OF DEPOSIT	01/27/21	2.100%	245,000.000	103.9199	254,603.76		
48125YS47	JP MORGAN CHASE BANK NA INTEREST BEARING CERTIFICATE OF DEPOSIT	04/19/21	1.550%	250,000.000	100.4899	251,224.75		Y
58733ACR8	MERCANTIL COMMERCEBANK INTEREST BEARING CERTIFICATE OF DEPOSIT	05/13/21	1.600%	250,000.000	101.2360	253,090.00		
31938QS54	FIRST BUSINESS BANK INTEREST BEARING CERTIFICATE OF DEPOSIT	06/24/21	1.500%	250,000.000	100.7003	251,750.75		
51210SLV7	LAKESIDE BANK INTEREST BEARING CERTIFICATE OF DEPOSIT	09/16/21	1.550%	250,000.000	99.7579	249,394.75		Y
32117HAN5	FIRST NATIONAL BK BERLIN INTEREST BEARING CERTIFICATE OF DEPOSIT	09/24/21	1.500%	250,000.000	99.7745	249,436.25		Y
29266N3W5	ENERBANK USA INTEREST BEARING CERTIFICATE OF DEPOSIT	09/29/21	1.450%	250,000.000	99.8113	249,528.25		
03753XAL4	APEX BANK INTEREST BEARING CERTIFICATE OF DEPOSIT	09/30/21	1.500%	250,000.000	99.4500	248,625.00		
81423LCA8	SECURITY FED BANK INTEREST BEARING CERTIFICATE OF DEPOSIT	09/30/21	1.500%	250,000.000	99.7593	249,398.25		Y
96926CAE2	WILLIAM PENN BANK INTEREST BEARING CERTIFICATE OF DEPOSIT	09/30/21	1.500%	250,000.000	99.7673	249,418.25		Y

CITY OF LOS BANOS

Account Number:

Portfolio Holdings (Continued) *Security positions held with Wells Fargo Securities, LLC*

Security ID	Description	Maturity Date	Coupon	Current Par / Original Par	Market Price*	Market Value	Original Par Pledged**	Callable
Bonds USD								
				11,840,000.000		11,992,724.95	0.00	

*See important information regarding security pricing on Page 2.

**Total amount that is pledged to or held for another party or parties. Refer to the Pledge Detail Report for more information.

Daily Account Activity

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
Transaction Activity USD									
09/13/16	09/16/16	Purchase	51210SLV7	LAKESIDE BANK INTEREST BEARING	250,000.00	100.0000000	(250,000.00)	0.00	(250,000.00)
09/22/16	09/26/16	Purchase	32117HAN5	FIRST NATIONAL BK BERLIN	250,000.00	100.0000000	(250,000.00)	0.00	(250,000.00)
09/13/16	09/29/16	Purchase	29266N3W5	ENERBANK USA INTEREST BEARING	250,000.00	100.0000000	(250,000.00)	0.00	(250,000.00)
09/27/16	09/30/16	Purchase	03753XAL4	APEX BANK INTEREST BEARING	250,000.00	100.0000000	(250,000.00)	0.00	(250,000.00)
09/22/16	09/30/16	Purchase	81423LCA8	SECURITY FED BANK INTEREST	250,000.00	100.0000000	(250,000.00)	0.00	(250,000.00)
09/22/16	09/30/16	Purchase	96926CAE2	WILLIAM PENN BANK INTEREST	250,000.00	100.0000000	(250,000.00)	0.00	(250,000.00)

Income / Payment Activity USD

09/06/16	09/06/16	Interest	20451PDE3	COMPASS BANK INTEREST BEARING				2,408.38	2,408.38
09/08/16	09/08/16	Interest	060624XH1	BANK BARODA NY INTEREST				1,543.84	1,543.84
09/13/16	09/13/16	Interest	58733ACR8	MERCANTIL COMMERCEBANK				339.73	339.73
09/19/16	09/19/16	Interest	02587CBK5	AMERICAN EXPRESS BK INTEREST				1,905.53	1,905.53
09/28/16	09/28/16	Interest	687377DS7	ORRSTOWN BANK INTEREST BEARING				416.16	416.16
09/30/16	09/30/16	Interest	20033AMF0	COMENITY CAPITAL BANK INTEREST				463.15	463.15

Money Market Fund Activity

All transactions are traded at \$1.00 per share

WF 100% Treas S 8

*As of September 30, 2016

USD	Dividend earned this period	7 day* simple yield	30 day* simple yield
	0.04	0.000%	0.000%



CITY OF LOS BANOS
 Account Number:

Money Market Fund Activity (Continued)

All transactions are traded at \$1.00 per share

Transaction Date	Activity	Principal Amount	Dividend Amount	Balance
Beginning Balance				1,597,784.44
09/06/16	Purchase	2,408.38		1,600,192.82
09/09/16	Purchase	1,543.84		1,601,736.66
09/13/16	Purchase	339.73		1,602,076.39
09/16/16	Redemption	(250,000.00)		1,352,076.39
09/19/16	Purchase	1,905.53		1,353,981.92
09/26/16	Redemption	(250,000.00)		1,103,981.92
09/28/16	Purchase	416.16		1,104,398.08
09/29/16	Redemption	(250,000.00)		854,398.08
09/30/16	Purchase	463.15		854,861.23
09/30/16	Redemption	(750,000.00)		104,861.23
09/30/16	Dividend		0.04	104,861.27
Ending Balance				104,861.27

**CITY OF LOS BANOS
CITY COUNCIL MEETING MINUTES
AUGUST 3, 2016**

ACTION MINUTES – These minutes are prepared to depict action taken for agenda items presented to the City Council. For greater detail of this meeting refer to the electronic media (CD and/or audio) kept as a permanent record.

CALL TO ORDER: Mayor Villalta called the City Council Meeting to order at the hour of 7:00 PM.

PLEDGE OF ALLEGIANCE: Police Chief Brizzee led the pledge of allegiance.

ROLL CALL – MEMBERS OF THE CITY COUNCIL PRESENT: Council Members Deborah Lewis, Scott Silveira, Mayor Michael Villalta; Absent: None.

STAFF MEMBERS PRESENT: City Attorney Vaughn, City Clerk/Human Resources Director Mallonee, City Manager Terrazas, Police Commander Reyna, Finance Director Williams, City Treasurer/Accountant I Brazil, Fire Chief Marrison, Senior Planner Elms, Public Works Director/City Engineer Fachin and Information Technology Director Spalding.

CONSIDERATION OF APPROVAL OF AGENDA: Motion by Silveira, seconded by Stonegrove to approve the City Council Meeting agenda as submitted. The motion carried by the affirmative action of all City Council Members present.

PRESENTATIONS – PROCLAMATION RECOGNIZING GARY BRIZZEE AS INTERIM CITY MANAGER FROM JANUARY 15 – JUNE 30, 2016. Mayor Villalta presented the proclamation to Police Chief Brizzee, who in turn thanked the City Council for the opportunity to serve as Interim City Manager.

PUBLIC FORUM: MEMBERS OF THE PUBLIC MAY ADDRESS THE CITY COUNCIL MEMBERS ON ANY ITEM OF PUBLIC INTEREST THAT IS WITHIN THE JURISDICTION OF THE CITY; INCLUDES AGENDA AND NON-AGENDA ITEMS. NO ACTION WILL BE TAKEN ON NON-AGENDA ITEMS. SPEAKERS ARE LIMITED TO A FIVE (5) MINUTE PRESENTATION. DETAILED GUIDELINES ARE POSTED ON THE COUNCIL CHAMBER INFORMATIONAL TABLE. BERTHA FARIA, Los Banos Chamber of Commerce, spoke regarding the VFW fundraising event at Carl's Jr. for the Veterans Day Parade, how they are also selling flags to raise funds, welcomed new member to the Los Banos Chamber of Commerce, how the Board of Directors toured the new Aqua Entertainment Center, upcoming ribbon cutting for the new Creekside Junior High School, Downtown Association Grapes Hops & Shops Event, Summer Kids Day Event, upcoming ribbon cutting for Golden Valley Health Center, tickets on sale for Elks Lodge Calamari Dinner fundraiser, August Mixer being sponsored by Memorial Hospital Los Banos, looking forward to the Fall Street Faire in September and Tomato Festival in October and the 1st Annual Halloween Party in

October too; ERIK LIMON, Republic Services, spoke regarding the Annual Fall Clean Up Event in September and what can and cannot be accepted, recognized Panda Express as the Commercial Recycling Award recipient with a donation to the Los Banos Unified School District Scholarship Fund; ALEXIS GONZALES, student at Pacheco High School, spoke regarding a community event organized by Los Banos Rotary Club and Student Interact Club called Shred It being held in September; NAYELI GONZALES, graduate of Pacheco High School, spoke regarding their efforts with Los Banos Rotary Club and the Backpack Drive for Los Banos foster children to keep their personnel items to make it easier to go from place to place, home to home; PALMER MCCOY, Los Banos, stated how great the Park Night out was yesterday, speaking in the spirit of transparency as to the 2015 Drinking Water Consumer Confidence Report in English and Spanish which was great, but we didn't put it on the home page of the City's webpage and would like to see that happen. No one else came forward to speak and the public forum was closed.

CONSIDERATION OF APPROVAL OF CONSENT AGENDA. Mayor Villalta would like to remove item F - City Council Resolution No. 5776 – Authorizing Award of Construction Contract to Rolfe Construction Company in the Amount of \$310,672 with a 20% Contingency in the Amount of \$62,000 for the West I Street Water Line Project for discussion.

Motion by Lewis, seconded by Faria to approve the consent agenda as amended as follows: Check Register for #160418 – #200114 in the Amount of \$841,215.02; Minutes for the June 15, 2016 City Council Meeting; Minutes for the July 6, 2016 City Council Meeting; Minutes for the July 20, 2016 City Council Meeting; Minutes for the July 25, 2016 Adjourned City Council Meeting; ~~City Council Resolution No. 5776 – Authorizing Award of Construction Contract to Rolfe Construction Company in the Amount of \$310,672 with a 20% Contingency in the Amount of \$62,000 for the West I Street Water Line Project.~~ The motion carried by the affirmative action of all City Council Members present.

CITY COUNCIL RESOLUTION NO. 5776 – AUTHORIZING AWARD OF CONSTRUCTION CONTRACT TO ROLFE CONSTRUCTION COMPANY IN THE AMOUNT OF \$310,672 WITH A 20% CONTINGENCY IN THE AMOUNT OF \$62,000 FOR THE WEST I STREET WATER LINE PROJECT. Public Works Director/City Engineer Fachin presented the staff report.

Motion by Faria, seconded by Lewis to approve City Council Resolution No. 5776 – Authorizing Award of Construction Contract to Rolfe Construction Company in the Amount of \$310,672 with a 20% Contingency in the Amount of \$62,000 for the West I Street Water Line Project. The motion carried by the affirmative action of all City Council Members present.

PUBLIC HEARING – TO RECEIVE PUBLIC COMMENT AND CONSIDERATION OF LEVYING PROPERTIES FOR WEED ABATEMENT SERVICES PERFORMED DURING THE FISCAL YEAR 2015/2016 OR PRIOR FOR AREAS OF LAND LOCATED IN THE CITY OF LOS BANOS, MERCED COUNTY AS FOLLOWS: ASSESSOR PARCEL NUMBERS 025-101-006, 025-103-001, 026-082-022, 027-086-

009, 027-152-014, 027-211-001- 003, 082-770-002 - 016, 082-770-019 - 032, 082-770-054 - 063, 084-272-002, 427-182-010, 431-210-001; CITY COUNCIL RESOLUTION NO. 5777 – AUTHORIZING THE LEVY AND COLLECTION OF ASSESSMENTS FOR WEED ABATEMENT WITHIN THE CITY OF LOS BANOS. Finance Director Williams presented the staff report, noting an amendment to Exhibit A by removing APN 027-086-009 assessment as the payment was received after the packet was delivered.

Mayor Villalta opened the public hearing. No one came forward to speak and the public hearing was closed.

Motion by Silveira, seconded by Faria to adopt City Council Resolution No. 5777 – Authorizing the Levy and Collection of Assessments for Weed Abatement within the City of Los Banos, with the exclusion of APN 027-086-009 assessment. The motion carried by the affirmative action of all Council Members present.

CANCELLATION OF THE REGULAR CITY COUNCIL MEETING SCHEDULED FOR WEDNESDAY, AUGUST 17, 2016 DUE TO THE SUMMER BREAK. (Please note the next regularly scheduled City Council Meeting is September 7, 2016). Motion by Faria, seconded by Lewis to cancel the regular City Council Meeting scheduled for Wednesday, August 17, 2016 due to the summer break. The motion carried by the affirmative action of all Council Members present.

ADVISEMENT OF PUBLIC NOTICES (One Report). Senior Planner Elms stated that there will be a public hearing at the Planning Commission Meeting on August 10, 2016 to consider a Conditional Use Permit to allow the operation of a spray booth for automotive repair and restoration at Fabian's Auto Body located at 1434 Ward Road.

CITY MANAGER REPORT. City Manager Terrazas stated that last night was National Night Out and thanked the community who attended, Assistant Fire Chief Hurley, Police Chief Brizzee and Mayor Villalta for spending time in the dunk tank and to Police Services Manager Geary and Police Department staff for all their work putting it together it was a great event.

CITY COUNCIL MEMBER REPORTS.

DEBORAH LEWIS: Remind everyone to be mindful of the events going on, the bowling alley will be opening in the near future and will be awesome to have, thanked Police Chief Brizzee for stepping in and acting as our City Manager during the interim time, he is an awesome person, multi-talented and it was a pleasure working with him.

SCOTT SILVEIRA: Reminded everyone to be mindful that school is starting soon, be cautious in the residential areas especially in the school area and hopes for a fantastic school year.

ELIZABETH STONEGROVE: No announcements for this evening, thanked Police Chief Brizzee for his service Interim City Manager, he did a wonderful job.

TOM FARIA: Thanks Police Chief Brizzee, outstanding work to you and all our staff, lots of events going on, spoke regarding how Los Banos Chamber of Commerce has a Community Calendar and advised people to check the calendar to avoid conflicts with other events or fundraiser, excited to see all the events and thanked the volunteers for putting them on, thanked Aqua Entertainment Center for coming to town and opening their business and investing in Los Banos, how school is starting soon and to keep an eye out for the children and to have a wonderful school year, thanked staff and the community for the wonderful event last night at National Night Out.

MAYOR MICHAEL VILLALTA: Thanked Police Chief Brizzee for his service to the City as Interim City Manager, spoke to National Night Out event and how he sat in the dunk tank for a \$100 donation, reminded all about the Veteran's fundraiser at Carl's Jr. for the Veterans Parade, Aqua Entertainment Center is very nice, upcoming Grand Opening for Creekside Junior High School, the Downtown Grapes Hopps & Shops Event, encouraged citizens to call all five council members when they have concerns, you don't have to contact a certain one noting that they can email council members too, and how the information is passed on to the correct city department.

ADJOURNMENT. The meeting was adjourned at 7:36 PM.

APPROVED:

Michael Villalta, Mayor

ATTEST:

Lucille L. Mallonee, City Clerk

**CITY OF LOS BANOS
CITY COUNCIL MEETING MINUTES
SEPTEMBER 7, 2016**

ACTION MINUTES – These minutes are prepared to depict action taken for agenda items presented to the City Council. For greater detail of this meeting refer to the electronic media (CD and/or audio) kept as a permanent record.

CALL TO ORDER: Mayor Pro Tem Faria called the City Council Meeting to order at the hour of 7:02 PM.

PLEDGE OF ALLEGIANCE: Police Chief Brizzee led the pledge of allegiance.

ROLL CALL – MEMBERS OF THE CITY COUNCIL PRESENT: Council Members Deborah Lewis, Scott Silveira, Elizabeth Stonegrove; Absent: Mayor Michael Villalta.

STAFF MEMBERS PRESENT: City Attorney Vaughn, City Clerk/Human Resources Director Mallonee, City Manager Terrazas, Police Chief Brizzee, Finance Director Williams, City Treasurer/Accountant I Brazil, Fire Chief Marrison, Senior Planner Elms, Public Works Director/City Engineer Fachin and Information Technology Director Spalding.

CONSIDERATION OF APPROVAL OF AGENDA: Motion by Silveira, seconded by Stonegrove to approve the City Council Meeting agenda as submitted. The motion carried by the affirmative action of all City Council Members present, Villalta absent.

PUBLIC FORUM: MEMBERS OF THE PUBLIC MAY ADDRESS THE CITY COUNCIL MEMBERS ON ANY ITEM OF PUBLIC INTEREST THAT IS WITHIN THE JURISDICTION OF THE CITY; INCLUDES AGENDA AND NON-AGENDA ITEMS. NO ACTION WILL BE TAKEN ON NON-AGENDA ITEMS. SPEAKERS ARE LIMITED TO A FIVE (5) MINUTE PRESENTATION. DETAILED GUIDELINES ARE POSTED ON THE COUNCIL CHAMBER INFORMATIONAL TABLE. MARK BODLEY, Los Banos Mosquito Abatement District Representative, introduced Allen Inan, Manager of Mosquito Abatement District, who spoke regarding the services they provide and the area they serve, noting the new services this year, their efforts to prevent the spread of the West Nile virus and what citizens can do to help with prevention especially if they have pools, recommended extra caution especially after sunset, recent West Nile virus case in Los Banos and also a Zika case, he will email information to the City Manager to post on the City's website; DIANA THURSTON, Los Banos, spoke regarding Alzheimer's and how she started the local support group, the Walk to End Alzheimer's in Merced on October 15, 2016 and the Los Banos Chili's fundraiser on September 22, 2016, they are a small group and they are really trying to represent Los Banos and make you proud, they meet the 3rd Wednesday of every month at Country Waffles, and she spoke as to why she is so passionate for this cause; GROVER THURSTON, spoke regarding the upcoming event at the Los Banos Arts Council, i.e. The Sun Kings on September 17, 2016 and Los Centzontles on October

22, 2016; BERTHA FARIA, Los Banos Chamber of Commerce, welcomed the new members to the Chamber, looking forward to the upcoming ribbon cuttings, spoke regarding upcoming events: Downtown Street Faire, Annual Pumpkin Patch Quilt Show, unveiling of the downtown mural, mixers, Constitution Day at Chili's, Los Banos Golden Agers dinner, Oasis Community Church drive thru dinner fundraiser, Los Banos Arts Council events; ERIK LIMON, Republic Services, spoke regarding the Annual Fall Clean Up on September 25, 2016 and what can be recycled, also as to when the garbage carts can be put out and when they need to be put back. No one else came forward to speak and the public forum was closed.

CONSIDERATION OF APPROVAL OF CONSENT AGENDA. Police Chief Brizzee presented the staff report for 6F- City Council Resolution No. 5782 – Amending Division 4, Section 4004 Part Time Employee Classifications with the Addition of a Code Enforcement Officer, Council Member Silveira stated that he supports this item because the full time person is out on leave and the grant Code Enforcement Officer (CEO) is only serving one area of town, he would like to see the part time CEO stay on once the full time CEO comes back; Council Member Lewis thanked the Police Department, Police Chief, staff, City Manager for allowing the addition of the part time CEO position and would like to see if the part time can stay once the full time person comes back and would like to see the part time CEO turned into an additional full time CEO position.

Police Chief Brizzee presented 6H - City Council Resolution No. 5784 – Approving the Acceptance of a Walmart Community Program Grant, Number 29520129, in the Amount of \$2,500 and Amending the 2016-2017 Fiscal Year Budget by Increasing the Appropriation Amount for Expenditures and Revenues for the Police Department in the Amount of \$2,500 to Support Community Programs. Council Member Lewis thanked the Chief for taking advantage of this grant and also to Walmart for the grant funding.

Motion by Lewis, seconded by Stonegrove to approve the consent agenda as follows: Check Register for #200115 – #200678 in the Amount of \$2,620,408.72; City Council Resolution No. 5778 – Adopting a Revised Budget for the 2016-2017 Fiscal Year as it Pertains to Expenditures and Revenues for the Police Department Communications Account in the Amount of \$9,100 for Fees Associated with Broadband Air Cards; City Council Resolution No. 5779 – Authorizing the City Manager to Enter into a Contract to Purchase One (1) New Fire Command Vehicle (1500 Crew Cab Pickup 4x4) from Merced Chevrolet in the Amount of \$37,267.83; City Council Resolution No. 5780 – Adopting a Revised Budget for the 2016-2017 Fiscal Year as it Pertains to Expenditures for the IT Technical Services Account in the Amount of \$3,880 for Internet Services Upgrade for City Hall and Police Station; City Council Resolution No. 5781 – Approving Side Letter Agreements to the Existing Memorandums of Understanding with the Los Banos Police Sergeants Association and Los Banos Fire Fighters Association and an Amendment to Division 5 – Personnel Benefits of the City's Policy & Procedures Manual as it Pertains to Reporting the Monetary Value of Uniform Expenses; City Council Resolution No. 5782 – Amending Division 4, Section 4004 Part Time Employee Classifications with the Addition of a Code Enforcement Officer; City Council Resolution No. 5783 – Amending City Council Resolution No. 5605 Relating to the City's Conflict of Interest Code; City Council Resolution No. 5784 – Approving the Acceptance of a Walmart Community Program Grant, Number 29520129, in the Amount of \$2,500 and

Amending the 2016-2017 Fiscal Year Budget by Increasing the Appropriation Amount for Expenditures and Revenues for the Police Department in the Amount of \$2,500 to Support Community Programs; City Council Resolution No. 5785 – Amending the 2016-2017 Fiscal Year Budget by Increasing the Appropriation Amount in the General Fund for Revenue and Expenditures for the Police Department in the Amount of \$1,656.18 to Complete an Approved Equipment Purchase. The motion carried by the affirmative action of all City Council Members present, Villalta absent.

PUBLIC HEARING – TO RECEIVE PUBLIC COMMENT AND CONSIDERATION OF PRESIDENTIAL ESTATES EAST AREA PLAN TO GUIDE FUTURE DEVELOPMENT; A GENERAL PLAN AMENDMENT TO RE-DESIGNATE THE PROJECT SITE FROM PROFESSIONAL OFFICE, MEDIUM DENSITY RESIDENTIAL, AND COMMERCIAL TO LOW DENSITY RESIDENTIAL, ANNEXATION AND PREZONE OF APPROXIMATELY 106 ACRES; AND ASSOCIATED MITIGATED NEGATIVE DECLARATION (SCH #2015061056), PROJECT SITE LOCATED NORTH OF PIONEER ROAD, WEST OF MERCY SPRINGS ROAD (SR 165) AND EAST OF ELEVENTH STREET, APNS 026-290-001, 002, 003, 004, 005, 083-120-012, 013, 014, 015, 016, 017, 018, 019, 020, 021, 022, 023, 024, 027 AND 028; CITY COUNCIL RESOLUTION NO. 5786 – APPROVING MITIGATED NEGATIVE DECLARATION (SCH #2015061056) AND ASSOCIATED MITIGATION MONITORING AND REPORTING PROGRAM FOR THE PRESIDENTIAL ESTATES EAST AREA PLAN AND ANNEXATION #2014-01, GENERAL PLAN AMENDMENT #2015-03, PRE-ZONE #2014-02, AND ASSOCIATED PRE-ANNEXATION DEVELOPMENT AGREEMENTS (MOTION OF INTENT TO ADOPT); CITY COUNCIL RESOLUTION NO. 5787 – APPROVING GENERAL PLAN AMENDMENT #2015-03 FOR PROPERTY LOCATED WITHIN THE PRESIDENTIAL ESTATES EAST AREA PLAN PROJECT, MORE SPECIFICALLY IDENTIFIED AS ASSESSOR’S PARCEL NUMBERS: 026-290-001, 002, 003, 004, AND 005 (MOTION OF INTENT TO ADOPT); ORDINANCE NO. 1145 – AMENDING THE ZONING MAP TO PRE-ZONE APPROXIMATELY 106 ACRES LOCATED NORTH OF PIONEER ROAD AND WEST OF MERCY SPRINGS ROAD (SR 165), MERCED COUNTY, CALIFORNIA, FROM COUNTY R-1 (RESIDENTIAL-SINGLE FAMILY) TO CITY R-1 (LOW DENSITY RESIDENTIAL), TO BE ANNEXED INTO THE CITY OF LOS BANOS. (FIRST READING & INTRODUCTION); CITY COUNCIL RESOLUTION NO. 5788 – REQUESTING THE ANNEXATION AND PRE-ZONE OF APPROXIMATELY 106 ACRES FOR THE PRESIDENTIAL ESTATES EAST AREA PLAN AND ANNEXATION (MOTION OF INTENT TO ADOPT); ORDINANCE NO. 1146 – APPROVING A PRE-ANNEXATION DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LOS BANOS AND STONEFIELD COMMUNITIES, INC., FOR THE PROJECT COMMONLY KNOWN AS THE PRESIDENTIAL ESTATES EAST AREA PLAN AND ANNEXATION (FIRST READING & INTRODUCTION); ORDINANCE NO. 1147 – APPROVING A PRE-ANNEXATION DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LOS BANOS AND THE MANUEL M. CARDOZA PROPERTY, FOR THE PROJECT COMMONLY KNOWN AS THE PRESIDENTIAL ESTATES EAST AREA PLAN AND ANNEXATION (FIRST READING & INTRODUCTION). City Attorney Vaughn stated that he lives within 300 feet of this proposed project and will be excusing himself from the discussion and the Council Chambers.

Senior Planner Elms presented the staff report, which included a PowerPoint presentation, noting that staff has added language to a resolution and is recommending deferral of the two ordinances because of last minute staff and developer discussions.

Mayor Pro Tem Faria opened the public hearing. JEFF ROBERTS, Stonefield Communities, developer of the southern part of the project, stated that he has been working with City staff for many years and spoke to the history behind this project and supports the recommendations by the staff and concurs with the request to defer the approval of the ordinances, appreciates and supports Senior Planner Elms staff report, how this area is right for annexation, an obvious peninsula, how if approved this evening they will have to come back with additional detail for consideration and approval, he has been discussing this actively with City staff and LAFCO and believes they have found a good middle ground, respectfully requests approval of the items before the City Council.

There was Council Member and staff discussion regarding if there has been a definitive answer from LAFCO that they are recommending that CCID allow the Cardoza family to continue the class 1 water rights for which Mr. Roberts stated that no formal action has been taken, but when the Cardoza family is ready to do something with their land they will maintain their class 1 water rights unless the use changes; how CCID will be discussing this topic later this month and then it will go to LAFCO, what is stated is that there will be a hard trigger that would allow for the change of water from Class 1 to Class 2, and there is no document that states this as this is just starting the process with the approval of the resolutions which will be sent to LAFCO and that's when the condition will be stated; wanting to hear from the Cardoza Family and get the sense that they are felling the same confidence that we are; how a draft proposal was presented to LAFCO as to what would happen if an annexation was brought forward to them, changes to language was sent back to CCID, as long as the land remains farming then it would remain Class 1 water rights, as soon as it is developed is will become Class 2; concerns that we have been working on this for a year and really concerned why LAFCO and CCID have not worked out the issue and taken care of this problem a long time ago, feels uncomfortable about making the decision and then LAFCO and CCID being able to back out of the agreement with the Cardoza Family, should have been decided a head of time before it came to the City Council, feelings that we are being asked to do something prematurely.

MIKE CARDOZA, representing the Cardoza Family, stated that he understands what is going on with the water rights, he has been told that CCID will be waiting for LAFCO to get back to them, and if he does not get his water rights agreement to maintain class 1 water rights as long as it is maintained as farmland he will not agree to what is being proposed.

There was additional Council Member and staff discussion regarding how CCID is not changing their policy, they are allowing a certain circumstances for a very unique situation, CCID has been working with LAFCO and we all want it done right. No one else came forward to speak and the public hearing was closed.

Special Legal Counsel Bill Abbott explained the process staff is requesting with the resolutions and ordinances.

Motion by Silveira, seconded by Stonegrove to intent to adopt City Council Resolution No. 5786 – Approving Mitigated Negative Declaration (SCH #2015061056) and Associated Mitigation Monitoring and Reporting Program for the Presidential Estates East Area Plan and Annexation #2014-01, General Plan Amendment #2015-03, Pre-Zone #2014-02, and Associated Pre-Annexation Development Agreements. The motion carried by the affirmative action of all Council Members present, Villalta absent.

Motion by Silveira, seconded by Stonegrove to intent to adopt City Council Resolution No. 5787 – Approving General Plan Amendment #2015-03 for Property Located within the Presidential Estates East Area Plan Project, More Specifically Identified as Assessor's Parcel Numbers: 026-290-001, 002, 003, 004, and 005. The motion carried by the affirmative action of all Council Members present, Villalta absent.

Motion by Silveira, seconded by Stonegrove, to waive the first reading Ordinance No. 1145 – Amending the Zoning Map to Pre-Zone Approximately 106 Acres Located North of Pioneer Road and West of Mercey Springs Road (SR 165), Merced County, California, from County R-1 (Residential-Single Family) to City R-1 (Low Density Residential), to be Annexed into the City of Los Banos. The motion carried by the affirmative action of all Council Members present, Villalta absent.

Motion by Silveira, seconded by Stonegrove, to introduce Ordinance No. 1145 – Amending the Zoning Map to Pre-Zone Approximately 106 Acres Located North of Pioneer Road and West of Mercey Springs Road (SR 165), Merced County, California, from County R-1 (Residential-Single Family) to City R-1 (Low Density Residential), to be Annexed into the City of Los Banos. The motion carried by the following roll call vote: AYES: Faria, Lewis, Silveira, Stonegrove; NOES: None; ABSENT: Villalta.

Motion by Silveira, seconded by Stonegrove to intent to adopt City Council Resolution No. 5788 – Requesting the Annexation and Pre-Zone of Approximately 106 Acres for the Presidential Estates East Area Plan and Annexation. The motion carried by the affirmative action of all Council Members present, Villalta absent.

Motion by Silveira, seconded by Stonegrove to continue consideration of approval of Ordinance No. 1146 – Approving a Pre-Annexation Development Agreement Between the City of Los Banos and Stonefield Communities, Inc., for the Project Commonly known as the Presidential Estates East Area Plan and Annexation and Ordinance No. 1147 – Approving a Pre-Annexation Development Agreement Between the City of Los Banos and The Manuel M. Cardoza Property, for the Project Commonly Known as the Presidential Estates East Area Plan and Annexation to October 19, 2016 Council Meeting. The motion carried by the affirmative action of all Council Members present, Villalta absent.

Mayor Pro Tem Faria requested a 10 minute recess.

City Attorney Vaughn returned to the Council Chambers.

PUBLIC HEARING – TO RECEIVE PUBLIC COMMENT AND CONSIDERATION OF AN AMENDMENT EXTENDING THE TERM OF A REIMBURSEMENT AGREEMENT BETWEEN THE CITY OF LOS BANOS AND RANCHWOOD HOMES, CORP. (NORTHGATE SEWER LIFT STATION); CITY COUNCIL RESOLUTION NO. 5789 – APPROVING A FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT BETWEEN THE CITY OF LOS BANOS AND RANCHWOOD HOMES CORP. FOR REIMBURSEMENT FOR THE CONSTRUCTION OF PUBLIC IMPROVEMENTS AND FACILITIES COMMONLY REFERRED TO AS THE NORTHGATE SEWER MAIN AND PUMP STATION. Public Works Director/City Engineer Fachin presented the staff report.

Mayor Pro Tem Faria opened the public hearing. No one came forward to speak and the public hearing was closed.

Motion by Silveira, seconded by Stonegrove to adopt City Council Resolution No. 5789 – Approving a First Amendment to Reimbursement Agreement between the City of Los Banos and Ranchwood Homes Corp. for Reimbursement for the Construction of Public Improvements and Facilities Commonly Referred to as the Northgate Sewer Main and Pump Station. The motion carried by the affirmative action of all Council Members present, Villalta absent.

PUBLIC HEARING – TO RECEIVE PUBLIC COMMENT AND CONSIDERATION OF A CONDITIONAL USE PERMIT TO ALLOW THE USE OF TYPE 41 ALCOHOL LICENSE FOR THE ON-SALE OF BEER AND WINE IN CONJUNCTION WITH AN EATING PLACE, WINGSTOP, LOCATED AT 1989 E. PACHECO BOULEVARD, SUITE K, APN 083-140-028; CITY COUNCIL RESOLUTION NO. 5790 – APPROVING CONDITIONAL USE PERMIT #2016-15 FOR THE USE OF TYPE 41 ALCOHOL LICENSE FOR THE ON-SALE OF BEER AND WINE IN CONJUNCTION WITH AN EATING PLACE FOR WINGSTOP LOCATED AT 1989 E. PACHECO BOULEVARD, SUITE K. Senior Planner Elms presented the staff report, which included a PowerPoint presentation.

Mayor Pro Tem Faria opened the public hearing. No one came forward to speak and the public hearing was closed.

Motion by Silveira, seconded by Stonegrove to adopt City Council Resolution No. 5790 – Approving Conditional Use Permit #2016-15 for the Use of Type 41 Alcohol License for the On-Sale of Beer and Wine in Conjunction with an Eating Place for Wingstop Located at 1989 E. Pacheco Boulevard, Suite K. The motion carried by the affirmative action of all Council Members present, Villalta absent.

PUBLIC HEARING – TO RECEIVE PUBLIC COMMENT AND CONSIDERATION OF A CONDITIONAL USE PERMIT TO ALLOW THE USE OF TYPE 21 ALCOHOL LICENSE FOR THE OFF-SALE OF GENERAL ALCOHOL AND TYPE 86 ALCOHOL LICENSE FOR INSTRUCTIONAL TASTING OF ALCOHOL FOR SAVE MART SUPERMARKETS LOCATED AT 1400 S. MERCEY SPRINGS ROAD, SUITE B, APN 083-130-040; CITY COUNCIL RESOLUTION NO. 5791 – APPROVING

CONDITIONAL USE PERMIT #2016-14 FOR THE USE OF TYPE 21 ALCOHOL LICENSE, "OFF-SALE GENERAL ALCOHOL" AND TYPE 86 ALCOHOL LICENSE, "INSTRUCTIONAL TASTING", FOR SAVE MART SUPERMARKETS LOCATED AT 1400 S. MERCEY SPRINGS ROAD, SUITE B. Senior Planner Elms presented the staff report, which included a PowerPoint presentation.

Mayor Pro Tem Faria opened the public hearing. No one came forward to speak and the public hearing was closed.

Motion by Silveira, seconded by Stonegrove to adopt City Council Resolution No. 5791 – Approving Conditional Use Permit #2016-14 for the Use of Type 21 Alcohol License, "Off-Sale General Alcohol" and Type 86 Alcohol License, "Instructional Tasting", for Save Mart Supermarkets Located at 1400 S. Mercey Springs Road, Suite B. The motion carried by the affirmative action of all Council Members present, Villalta absent.

CONSIDERATION AND APPROVAL OF RESPONSE LETTERS REGARDING MERCED COUNTY CIVIL GRAND JURY FINAL REPORT 2015-2016, CITY OF LOS BANOS WATER QUALITY EXTERNAL INVESTIGATION 15-09-23. Public Works Director/City Engineer Fachin presented the staff report.

Motion by Silveira, seconded by Stonegrove to approve the letters as submitted and authorize the City Manager and Public Works Director/City Engineer to execute letters. The motion carried by the affirmative action of all Council Members present, Villalta absent.

CONSIDERATION OF APPROVAL OF CITY COUNCIL RESOLUTION NO. 5792 – AUTHORIZING THE CITY MANAGER TO ENTER INTO A COOPERATIVE PROCUREMENT AGREEMENT WITH SUN RIDGE SYSTEMS FOR THE PURCHASE OF THEIR "RIMS" INTEGRATED COMPUTER AIDED DISPATCH/RECORDS MANAGEMENT SYSTEM (CADS/RMS) FOR THE POLICE DEPARTMENT. Police Chief Brizzee presented the staff report.

There was Council Member and staff discussion regarding the lease purchase plan option and how we are buying it, the annual fee for ongoing support, and how it is nice to see the upgrade from a 15 year old system which will be a great for Los Banos Police Department staff and the public.

Motion by Silveira, seconded by Stonegrove to adopt City Council Resolution No. 5792 – Authorizing the city Manager to Enter into a Cooperative Procurement Agreement with Sun Ridge Systems for the Purchase of their "RIMS" Integrated Computer Aided Dispatch/Records Management System (CADS/RMS) for the Police Department. The motion carried by the affirmative action of all Council Members present, Villalta absent.

CODE ENFORCEMENT UPDATE BY THE LOS BANOS POLICE DEPARTMENT. Police Chief Brizzee presented the staff report.

There was Council Member and staff discussion regarding if the full time Code Enforcement Officer (CEO) would be working on weekends, how they will be Monday-

Friday 8am-5pm, but perhaps the part time CEO will be working weekends, how in the southern portion of the City there are some areas that are really prevalent of having a lot of garage sales and posting signs and a-frame signs, how the CEO will still make contact with garage sale holders and explain the registration process, process of Animal Control when they are adopted out and if they are spay and neutered and if there is any follow-up to make sure they use the voucher if given, making the informational flyers available at the Public Works Department and the Community Center and also the Los Banos Chamber of Commerce, having the Los Banos Enterprise report on it, get realtors to also hand out the flyers, the targeted area for the CEO grant that we have now being only for a specific area, how there are some businesses that don't have trash enclosures and the need to educate them on the proper care of trash.

No action required, informational item only.

CONSIDERATION OF INSERTING FLYERS (ENGLISH & SPANISH) IN THE CITY'S UTILITY BILLS TO INFORM CITIZENS OF THE NEWLY PASSED ORDINANCE REGARDING GARAGE SALE REGISTRATIONS. (Continued from July 6, 2016 City Council Meeting) Police Chief Brizzee presented an update stating that he feels that what is currently being done is making a difference, Finance Director Williams stated that it has been included in utility bills, City Hall staff has been handing out the flyers and it does appear that there have been a lot of responses to the actions being taking.

There was Council Member and staff discussion regarding the number of people that have registered for garage sales.

Council Member Lewis stated that since she was the one that brought this forward, she would like to continue what we are doing to see if it can continue to make a change, would like to extend it out another three months and have statistics brought back to Council to see how it is working out, reach out to businesses and the Los Banos Chamber of Commerce to see if they could help educate, how the ordinance came about because of citizen complaints and she appreciates what is being done and would like to extend it even more into the community

Council Member Stonegrove applauded the City departments for their efforts, is very pleased with how many have complied, and does not see the necessity in continuing this item any further.

Motion by Lewis, seconded by Faria to continue this item to December 7, 2016 so that staff can bring statistics back to show that we are making progress. The motion failed by the following roll call vote: AYES: Faria, Lewis; NOES: Silveira, Stonegrove; ABSENT: Mayor Villalta.

APPOINTMENT OF COMMISSION MEMBER – TREE COMMISSION – ONE (1) UNEXPIRED TERM, EXPIRING DECEMBER 31, 2017. Motion by Faria, seconded by Silveira to appoint Brenda Latham to the unexpired term, expiring December 31, 2017, on the Tree Commission. The motion carried by the affirmative action of all Council Members present, Villalta absent.

ADVISEMENT OF PUBLIC NOTICES (No Report).

CITY MANAGER REPORT. Nothing to report.

CITY COUNCIL MEMBER REPORTS.

SCOTT SILVEIRA: Nothing to report

ELIZABETH STONEGROVE: Nothing to report

TOM FARIA: Reminded all about the upcoming Downtown Street Faire and all the other events going on.

DEBORAH LEWIS: Nothing to report

MAYOR MICHAEL VILLALTA: Absent

ADJOURNMENT. The meeting was adjourned at 10:21 p.m.

APPROVED:

Tom Faria, Mayor Pro Tem

ATTEST:

Lucille L. Mallonee, City Clerk



City of
Los Banos
At the Crossroads of California

Agenda Staff Report

TO: Mayor and City Council Members
FROM: Mark Fachin, P.E. Public Works Director/City Engineer
DATE: October 19, 2016
SUBJECT: Notice of Completion for F Street Storm Line
TYPE OF REPORT: Consent Agenda

Mark Fachin

Recommendation:

That the City Council adopts a Resolution accepting the F Street Storm Line project improvements as completed; authorizes the City Manager to file the "Notice of Completion" with the Merced County Recorder; and authorize the Public Works Director/City Engineer to release the five (5) percent retention after the thirty-five (35) day period from the date of filing the Notice of Completion with the County Recorder.

Discussion:

The Public Works Department initiated a construction contract for the installation of a 12 inch storm line from Third Street to Fourth Street and an 18 inch storm line from Fourth Street to Fifth Street. Two new storm drain inlets were added on Third Street and F Street. One storm drain inlet at Fifth Street and F Street was upgraded to the new standards. The purpose of installing the new storm line and inlets is to increase the capacity of the infrastructure for managing storm water in the area. Plans and specifications were designed by O'Dell Engineering. The project was publicly advertised. Bids were opened for this project on June 14, 2016. The City Council awarded the construction contract on July 6, 2016 to McElvany, Inc. of Los Banos, for the amount of \$174,657.40, with a 20% contingency of \$34,900.00. The Public Works Department performed the construction management on the project. One Balancing Change Order was initiated for the project. Balancing Change Order #1 increased the quantities for bid item #17-Curb & Gutter by 25 linear feet and bid item #18-Concrete Sidewalk by 75 square feet in the amount of \$1,525.00. The two bid quantities were increased to provide a proper transition between the existing curb/gutters/sidewalks and new ADA ramp corners.

Fiscal Impact:

The Wastewater Collections fund account 502-432-100-739 expenditures for this project are:

Project Design	\$	21,200.00	encumbered 15-16 FY
Construction Contract	\$	174,657.40	
Balancing Change Order	\$	1,525.00	
Construction Support Services	\$	6,500.00	
Soil Testing	\$	2,096.44	

Reviewed by:



Alex Terrazas, City Manager



Sonya Williams, Finance Director

Attachments:

Resolution
2016-17 Fiscal Budget Sheet
Notice of Completion

RESOLUTION NO.

**A RESOLUTION OF CITY COUNCIL OF THE
CITY OF LOS BANOS ACCEPTING THE F
STREET STORM LINE AS COMPLETE AND
AUTHORIZING THE FILING OF A NOTICE OF
COMPLETION WITH THE MERCED COUNTY
RECORDER**

WHEREAS, on June 14, 2016 the City of Los Banos received competitive bids for the construction of the F Street Storm Line project; and

WHEREAS, on July 6, 2016 the City Council awarded the Construction Contract to McElvany, Inc. for the construction of the F Street Storm Line project; and

WHEREAS, upon final inspection the Public Works Director/City Engineer has determined that all work has been completed in compliance with plans and specifications and in accordance with the approved contract; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Los Banos does hereby accept the F Street Storm Line project as complete; authorize the City Manager to file the Notice of Completion with the Merced County Recorder within ten (10) days after acceptance; and authorize the Public Works Director/City Engineer to release the five percent (5%) retention held in escrow after thirty-five (35) days from the date of filing the Notice of Completion

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Los Banos held on the 19th day of October 2016, by Council Member _____ who moved its adoption, which motion was duly seconded by Council Member _____ and the Resolution adopted by the following vote:

AYES:
NOES:
ABSENT:

ATTEST:

APPROVED:

Michael Villalta, Mayor

Lucille L. Mallonee, City Clerk

City of Los Banos
Wastewater Collection
2016-2017

Account Number	Description	2013-2014	2014-2015	2015-2016	2016-2017
		Actual	Actual	Estimated	Adopted
502-432-100-101	Salaries	325,859	332,542	345,124	366,011
502-432-100-102	Part Time	3,031	3,042	2,975	2,975
502-432-100-103	Overtime	10,376	12,856	13,000	18,000
502-432-100-120	Benefits	281,152	280,512	231,623	242,250
502-432-100-121	Benefits-PERS	0	0	83,467	99,635
	Personnel Services	620,418	628,952	676,189	728,871
502-432-100-202	Fleet Repair & Maintenance	25,000	22,560	25,000	31,200
502-432-100-203	Equipment Repair & Maintenance	9,845	13,458	15,000	15,000
502-432-100-204	Fleet Services	17,000	27,173	30,904	39,211
502-432-100-205	Facility Maintenance	800	1,492	1,000	1,500
502-432-100-206	Property Lease	2,946	2,946	3,000	3,000
502-432-100-208	Rental - Vehicles & Equipment	3,824	9,177	25,000	30,000
502-432-100-231	Professional Services	4,563	2,907	74,000	115,000
502-432-100-235	City Engineer	17,173	19,267	0	15,000
502-432-100-236	Medical Services	523	1,209	1,000	1,600
502-432-100-237	Recruitment	0	298	8	500
502-432-100-238	Technical Services	5,358	2,153	5,000	5,000
502-432-100-240	I.T.Services	4,991	6,932	6,696	6,661
502-432-100-250	Insurance	13,552	13,645	15,772	18,146
502-432-100-251	Memberships & Dues	206	150	300	300
502-432-100-252	Communications	1,294	1,295	1,200	1,800
502-432-100-253	Advertising	0	18	0	100
502-432-100-256	Permits, Fees & Charges	190,574	126,372	130,000	135,000
502-432-100-257	Travel & Training	556	687	400	1,500
502-432-100-259	Community Promotion	0	0	500	500
502-432-100-260	Office Supplies	1,006	963	1,000	1,200
502-432-100-262	Uniform Expenses	2,803	2,011	3,000	3,000
502-432-100-264	Electricity & Gas	57,785	55,052	62,000	66,500
502-432-100-265	Gasoline & Oil	21,000	17,146	17,000	14,646
502-432-100-267	General Materials & Supplies	35,468	37,738	40,000	40,000
	Supplies & Services	416,266	364,646	457,780	546,364
502-432-100-714	Storm Drain Improvement	190,553	45,082	0	0
* 502-432-100-739	Master Plan	0	104,408	1,085,154	2,245,000 *
502-432-100-752	Communication Equipment	0	0	0	1,377
502-432-100-753	Specialized Equipment	34	196,827	0	80,000
502-432-100-770	Computer Equipment	1,488	0	0	491
	Capital Outlay	192,075	346,317	1,085,154	2,326,868
502-432-100-825	Waste Water Charge Out	(4,436)	0	0	0
	Charge Ins - Outs	(4,436)	0	0	0
	Total Wastewater Collection	\$1,224,324	\$1,339,916	\$2,219,123	\$3,602,103

RECORDING REQUESTED BY:

WHEN RECORDED RETURN TO:

CITY OF LOS BANOS
520 'J' Street
Los Banos, California 93635

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN:

- 1. That the interest of estate stated in paragraph 3 below in the real property hereinafter described is owned by the following:

NAME	STREET AND NO.	CITY	STATE
CITY OF LOS BANOS	520 'J' Street	Los Banos	California

(If more than one owner of the interest stated, the name and address of each must be inserted.)

- 2. That the full name and address of the owner of said interest or estate, if there is only one owner, and the full names and addresses of all the co-owners who own said interest or estate as joint tenants, as tenants in common or otherwise, if there is more than one owner, are set forth in the preceding paragraph.

- 3. That the nature of the title of said owner, or if more than one, then of said owner and co-owner is: In Fee.

- 4. That on the 9th day of September, 2016, a work of improvement on the real property hereinafter described was completed.

- 5. That the name of the original contractor, if any, for such work of improvement was McELVANY, INC.

(If no contractor for work of improvement as a whole, insert "No Contractor.")

- 6. That the real property herein referred to is situated in the City of Los Banos

County of Merced State of California, and is described as follows:

"Construction of F Street Storm Drain"

The major work consisted of installing 1,086 feet of 12-inch and 18-inch storm drain pipeline along F Street from Third Street to Fifth Street.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: _____ CITY OF LOS BANOS
Owner

Place: Los Banos, California By: _____

ACKNOWLEDGMENT



City of
Los Banos
At the Crossroads of California

Agenda Staff Report

TO: Mayor & City Council Members
FROM: Mark Fachin, P.E., Public Works Director/City Engineer *Mark Fachin*
DATE: October 19, 2016
SUBJECT: Fiscal Year 2016-2017 Park Maintenance Budget Amendment
TYPE OF REPORT: Consent Agenda

Recommendation:

That the City Council adopts the Resolution approving the Budget Amendment to increase expenditures for Park Maintenance Technical Services by \$20,000.

Background:

The City of Los Banos approved appropriations for the 2016-2017 Fiscal Year Budget for Park Maintenance revenue and expenditures in June 2016.

Discussion:

Recently, the Parks Division has had additional costs due to replacement of aged controllers, valves, and timers in various streetscapes, planters and parks in the City of Los Banos. Funds will be needed to repair these parts and materials that were not previously budgeted in the 2016-2017 Fiscal Year Budget.

Fiscal Impact:

This amendment will increase Park Maintenance Technical Services expenditures in account number 100-452-100-238 by \$20,000.

Reviewed by:

Alex Terrazas, City Manager

Sonya Williams, Finance Director

Attachments:

Resolution
Budget Sheet

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF LOS BANOS AMENDING THE
FISCAL YEAR 2016-2017 BUDGET BY
INCREASING APPROPRIATIONS IN FUNDS
OF THE PARK MAINTENANCE TECHNICAL
SERVICES FOR ADDITIONAL PARTS AND
MATERIAL COSTS TO STREETSAPES,
PLANTERS, AND PARKS**

WHEREAS, the City Council of the City of Los Banos has been presented a proposal to increase the appropriations in the 2016-2017 Fiscal Year Budget; and

WHEREAS, the City Council of the City of Los Banos may adjust the overall appropriation levels in each fund at any time during the Fiscal Year by action to amend the budget; and

WHEREAS, the proposed Park Maintenance Technical Services budget increases expenditures of \$20,000 for account 100-452-100-238; and

WHEREAS, the proposed budget amendment increase of Park Maintenance Technical Services expenditures has been reviewed.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Los Banos hereby approves an increase to the appropriation amount for expenditures within Park Maintenance Technical Services, and amends the 2016-2017 Fiscal Year Budget to include an increase of \$20,000 in expenditures for account 100-452-100-238.

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Los Banos held on the 19th day of October 2016, by Council Member _____ who moved its adoption, which motion was duly seconded by Council Member _____ and the Resolution adopted by the following vote:

AYES:
NOES:
ABSENT:

APPROVED:

Michael Villalta, Mayor

ATTEST:

Lucille L. Mallonee, City Clerk

City of Los Banos
Maintenance
2016-2017

Account Number	Description	2013-2014	2014-2015	2015-2016	2016-2017
		Actual	Actual	Estimated	Adopted
100-452-100-101	Salaries	342,395	366,776	354,500	405,789
100-452-100-102	Part Time	59,816	70,741	56,350	75,460
100-452-100-103	Overtime	3,900	3,762	3,800	5,000
100-452-100-104	Part Time-LLD's	0	0	0	63,000
100-452-100-120	Benefits	283,867	306,355	260,500	294,427
100-452-100-121	Benefits-PERS	0	0	87,900	112,709
	Personnel Services	689,977	747,633	763,050	956,385
100-452-100-202	Fleet Repair & Maintenance	8,295	7,486	10,295	10,295
100-452-100-203	Equipment Repair & Maintenance	492	134	200	500
100-452-100-204	Fleet Services	1,956	2,065	2,348	2,594
100-452-100-205	Facility Maintenance	34,742	36,581	34,148	40,148
100-452-100-213	Water Sewerage & Disposal	21,181	21,084	19,800	21,000
100-452-100-231	Professional Services	115,326	134,871	134,300	134,300
100-452-100-236	Medical Services	825	1,715	1,500	1,700
100-452-100-237	Recruitment	470	323	2,050	2,500
★ 100-452-100-238	Technical Services	0	0	0	20,000 ★
100-452-100-240	I.T. Services	4,991	10,399	10,043	9,991
100-452-100-250	Insurance	16,683	18,556	20,216	23,093
100-452-100-252	Communications	3,133	5,981	5,600	5,600
100-452-100-257	Travel & Training	275	347	300	1,000
100-452-100-260	Office Supplies	3,249	3,352	3,000	4,000
100-452-100-262	Uniform Expenses	2,432	3,468	3,800	4,600
100-452-100-264	Electricity & Gas	36,417	40,141	44,298	47,398
100-452-100-265	Gasoline & Oil	9,842	8,882	8,842	7,617
100-452-100-267	General Materials & Supplies	23,391	36,547	46,024	26,100
100-452-100-273	Special Departmental Exp.	10,374	8,640	10,450	13,450
	Supplies & Services	294,074	340,572	357,214	375,886
100-452-100-720	Building & Structures	0	0	8,181	0
100-452-100-770	Computer Equipment	1,488	0	0	0
	Capital Outlay	1,488	0	8,181	0
100-452-100-825	Charge-Out	(448,002)	(485,961)	(495,983)	(651,373)
	Charge Ins - Outs	(448,002)	(485,961)	(495,983)	(651,373)
	Total Maintenance	\$537,537	\$602,243	\$632,462	\$680,898



City of
Los Banos
At the Crossroads of California

Agenda Staff Report

TO: Mayor & City Council Members

FROM: Lucy Mallonee, MMC *em*
City Clerk/Human Resources Director

DATE: October 19, 2016

SUBJECT: Amending Division 5 – Personnel Benefits of the City's Policy & Procedures Manual as it Pertains to Municipal Clerk Certification Pay

TYPE OF REPORT: Consent Agenda

Recommendation:

That the Council adopt a resolution as requested by the California Public Employees' Retirement System (CalPERS) approving amendments to Division 5 – Personnel Benefits as it pertains to Municipal Clerk Certification Pay.

Discussion:

The City was audited by CalPERS in late 2015 and staff has been diligently working with CalPERS staff on the identified audit findings the past months. One of the findings was that the Municipal Clerk Certification Pay need to be stated to correctly reflect the class of employees this pay pertains to.

In order to comply with this finding, staff is requesting that the City Council adopt a resolution approving amendments to SEC 5010 of Division 5 – Personnel Benefits regarding Municipal Clerk Certification Pay being available to all City Hall employees. CalPERS is requiring that these changes cover the period of July 1, 2011 to current.

Please note that the City has been correctly reporting the Municipal Clerk Certification Pay to CalPERS for affected employees, the current wording just needs to be expanded to be in compliance with CalPERS regulations.

Fiscal Impact:

None

Reviewed by:



Alex Terrazas, City Manager

Attachment:

Resolution

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LOS BANOS APPROVING AN
AMENDMENT TO SEC. 5010 OF DIVISION 5 –
PERSONNEL BENEFITS OF THE CITY'S POLICY
& PROCEDURES MANUAL AS IT PERTAINS TO
MUNICIPAL CLERK CERTIFICATION PAY**

WHEREAS, the City of Los Banos is a public agency located in the County of Merced, State of California; and

WHEREAS, the City of Los Banos is an employer member of the California Public Employees' Retirement System (CalPERS); and

WHEREAS, in response and to be in compliance with CalPERS audit findings, the City of Los Banos has made amendments to the Municipal Clerk Certification Pay retroactive to July 1, 2011; and

WHEREAS, the City Council has reviewed said request and approves the amendment to SEC. 5010 of Division 5 – Personnel Benefits, of the City of Los Banos Policy & Procedures Manual and shall read as attached on "Exhibit A".

NOW, THEREFORE, BE IT RESOLVED THAT the foregoing Resolution was introduced at a regular meeting of the City Council of the City of Los Banos held on the 19th day of October 2016, by Council Member ____ who moved its adoption, which motion was duly seconded by Council Member ____ and the Resolution adopted by the following vote:

AYES:
NOES:
ABSENT:

APPROVED:

Michael Villalta, Mayor

ATTEST:

Lucille L. Mallonee, City Clerk

DIVISION 5 PERSONNEL BENEFITS

SEC. 5001 INTRODUCTION

The purpose of this Division is to identify the Employee Fringe Benefits Package as established by City Council Resolution.

SEC. 5002 FRINGE BENEFITS DEFINED

As used in this Division the term "Fringe Benefits" shall be construed to mean those specified rights, privileges, and payments provided by the City to an entitled employee as supplemental compensation above their base salary.

SEC. 5003 ENTITLED EMPLOYEES DEFINED

For the purposes of this Division, the term "Entitled Employee" refers to those persons who are employed in Regular (full-time) capacity with the City of Los Banos. Part-time, Provisional, and Volunteer Employees shall not be entitled to Fringe Benefit Compensation, except when such benefits are being provided by the City in accordance with: a) the requirements of a Federal or State Law, b) a written contractual agreement approved by the City, or c) a Memorandum of Understanding (MOU) between a specific employee or employee group and the City.

SEC. 5004 ESTABLISHMENT OF FRINGE BENEFITS

The Fringe Benefit Package for entitled employees is established by City Council Resolution for each fiscal year (July 1 – June 30) of the City.

SEC. 5005 BENEFITS PROVIDED TO ALL UNREPRESENTED REGULAR EMPLOYEES

A. Medical Insurance Benefits

The City will contract with the California Public Employees Retirement System (CalPERS) for the purpose of providing employees with medical insurance benefits. The City's maximum monthly contribution for each eligible active employee for the purchase of medical insurance will be equal to the minimum monthly employer contribution required under the Public Employees' Medical and Hospital Care Act (PEMHCA).

B. Cafeteria Plan

The City will maintain a Cafeteria Plan, pursuant to Section 125 of the Internal Revenue Code, for the purpose of providing employees with access to various health

and welfare benefits. Benefits available through the Cafeteria Plan include, but are not limited to, medical, dental, vision, and life insurance benefits.

1. Employees hired before April 1, 2010, and not represented by a City-recognized bargaining unit:

The City will provide on a monthly basis, a Cafeteria Plan Allowance in the amount of:

- a. The employee's (and dependent, if applicable) health care premium, up to a maximum of the amount of the Blue Shield Access HMO premium for the employee's selected level of coverage;
- b. Minus the PEMHCA contribution specified in Section 5005A;
- c. Plus the premium for enrollment in the City's life insurance (coverage up to \$50,000), dental insurance and vision insurance plans, up to a maximum of \$85.00 per month.

2. Employees hired on or after April 1, 2010, and not represented by a City-recognized bargaining unit:

The City will provide, on a monthly basis, a Cafeteria Plan Allowance, based on the employee's level of health care calculated to cover the following:

- Employee Only: One hundred percent (100%) of the premium for employee only coverage for the plan selected by the employee, up to 100% of the premium for employee only coverage in the Blue Shield Access HMO plan; minus the PEMHCA minimum employer contribution for health insurance; plus the premiums for enrollment in the City's life insurance (coverage up to \$50,000), dental insurance and vision insurance plans, up to a maximum of \$85.00 per month.
- Employee Plus One: Ninety percent (90%) of the premium for employee plus one coverage for the plan selected by the employee, up to 90% of the premium for employee only coverage in the Blue Shield Access HMO plan; minus the PEMHCA minimum employer contribution for health insurance; plus the premiums for enrollment in the City's life insurance (coverage up to \$50,000), dental insurance and vision insurance plans, up to a maximum of \$85.00 per month.
- Employee Plus Family: Eighty percent (80%) of the premium for employee plus family coverage for the plan selected by the employee, up to 80% of the premium for employee only coverage in the Blue Shield Access HMO premium; minus the PEMHCA minimum employer contribution for health insurance; plus the premiums for enrollment in the City's life insurance (coverage up to \$50,000), dental insurance and vision insurance plans, up to a maximum of

\$85.00 per month.

3. Employee enrollment in the City-provided life insurance plan and City-provided dental and vision plans is mandatory.
4. Any increase to minimum monthly employer contribution under PEMHCA will result in a corresponding decrease in the employee's Cafeteria Plan Allowance.
5. Employees who opt out of participating in the group medical plans sponsored by the City, and who provide proof of their medical coverage in a group plan, will receive a Cafeteria Plan Allowance of \$485 per month, of which part must be used to enroll in mandatory life insurance, dental insurance and vision insurance coverage.
6. Dental and Vision Insurance: The City will contribute to the employee's Cafeteria Plan Allowance (as indicated above in Cafeteria Plan Allowance description).
7. Life Insurance: The City will pay the full premium cost for \$50,000 coverage in City approved Life Insurance for the entitled employee.

C. Retirement Program

1. Miscellaneous Employees: Regular employees, hired before January 1, 2011 will receive a CalPERS retirement benefit based on the 2.7% @ 55 formula as set forth in CalPERS regulations. The City shall pay the full share of the employer contribution to CalPERS. The employee will be responsible to pay the employee contribution to the CalPERS 2.7% @ 55 Plan.

Regular employees, hired on or after January 1, 2011, will receive a CalPERS retirement benefit based on the 2% @ 60 formula as set forth in CalPERS regulations. The City shall pay the full share of the employer contribution to CalPERS. The employee will be responsible to pay the employee contribution to the CalPERS 2% @ 60 Plan.

Qualifying employees hired on or after January 1, 2013 and considered new members of CalPERS as defined by the Public Employee Pension Reform Act (PEPRA) will receive the 2% at age 62 retirement formula, and shall be subject to the provisions of PEPRA, including provisions governing reportable compensation.

2. Public Safety Employees: Regular employees, hired before January 1, 2011 will receive a CalPERS retirement benefit based on the 3% @ 50 formula as set forth in CalPERS regulations. The City shall pay the full share of the employer contribution to CalPERS. The employee will be responsible to pay the employee contribution to the CalPERS 3% @ 50 Plan.

Regular employees, hired on or after January 1, 2011, will receive a CalPERS retirement benefit based on the 3% @ 55 formula as set forth in CalPERS regulations. The City shall pay the full share of the employer contribution to CalPERS. The employee will be responsible to pay the employee contribution to the CalPERS 3% @ 55 Plan.

Qualifying employees hired on or after January 1, 2013 and considered new members of CalPERS as defined by the Public Employee Pension Reform Act (PEPRA) will receive the 2.7% at age 57 retirement formula, and shall be subject to the provisions of PEPRA, including provisions governing reportable compensation.

D. Retiree Medical

1. The City will provide access to medical insurance coverage for those employees who retire from employment with the City and who constitute "annuitants" as defined by the PEMHCA.

The City's maximum monthly contribution for each eligible annuitant will be equal to the minimum employer contribution required under the PEMHCA, referred to in Section IV(A). The provisions of the PEMHCA will govern medical insurance coverage for annuitants.

2. Employees hired before October 1, 2002 and who, at the time of retirement, constitute an "annuitant" as defined by the PEMHCA, will receive the following:
 - a. From the date of retirement and until such time the retiree becomes eligible for Medicare, the City will contribute an amount equal to the health plan premium cost for the employee's elected health care plan up to the amount of the premium for the Blue Shield Health Maintenance Organization (HMO) or if the Blue Shield HMO is not offered in the area, rates are based on the lowest available plan offered by CalPERS, less the City's minimum monthly employer contribution under PEMHCA.
 - b. Upon attaining Medicare eligibility, the City will contribute an amount equal to the health plan premium cost for the elected health care plan up to the amount of the premium for the Blue Shield Health Maintenance Organization (HMO) or if the Blue Shield HMO is not offered in the area, rates are based on the lowest available plan offered by CalPERS, supplemental Medicare plan, offered by CalPERS, less the amount of the City's minimum monthly employer contribution under PEMHCA.
 - c. Employees will not be entitled to City payments, as specified above, during employment.

3. Employees hired between October 1, 2002 and June 30, 2008 and who, at the time of retirement, constitute an “annuitant” as defined by the PEMHCA, will receive the following:
 - a. From the date of retirement and until such time that the retiree becomes eligible for Medicare, the City will contribute an amount to cover fifty percent (50%) of the Blue Shield Access HMO plan for employees with ten (10) years of service, plus an additional five percent (5%) of the cost of the Blue Shield Access HMO plan for each additional year of service beyond ten (10) years, up to one-hundred percent (100%) of the Blue Shield Access HMO plan after twenty (20) years of service, less the amount of the City’s minimum monthly employer contribution under PEMHCA.
 - b. Upon attaining Medicare eligibility, the City’s contribution will equal the cost of fifty percent (50%) of the supplemental Medicare plan offered by CalPERS for employees with ten (10) years of service, plus an additional five percent (5%) of the cost of the supplemental Medicare plan offered by CalPERS for each additional year of service beyond ten (10) years, up to one-hundred percent (100%) of the supplemental Medicare plan offered by CalPERS after twenty (20) years of service, less the amount of the City’s minimum monthly employer contribution under PEMHCA.
 - c. Employees will not be entitled to City payments, as specified above, during employment.
- E. Health Savings Plan (HSP): For Employees hired on or after July 1, 2008: The City of Los Banos has established a program to which the City and employees participate to save, on a tax deferred basis, money to help pay the cost of healthcare once an individual retires. The HSP may be used for expenses as provided under the terms of the Plan. Any tax consequences resulting from City contributions to the HSP are the sole responsibility of the employee. Participation is mandatory for all employees.
 1. Participation is mandatory for all employees.
 2. Starting after an employee has successfully completed his or her initial probationary period, the City will contribute \$50 per month to the employee’s HSP account. Likewise the employee will contribute \$50 per month to his or her HSP account.
 3. During an employee’s initial hire probationary period with the City, neither the employee nor the City will contribute to the employee’s HSP account. Upon successful completion of the initial hire probationary period, the City will contribute a lump sum of \$50 per month for each month served in the employee’s initial probationary period.
 4. Upon cessation of employment with the City, the City will cease contributions to the individual’s HSP account.

- F. Workers' Compensation Insurance: Workers' Compensation Insurance Benefits (Workers' Compensation) are provided in accordance with the requirements of State Law.

Special Note: California Labor Code Sections 4650, for Miscellaneous Employees; and 4850, for Public Safety Employees, specifically addresses entitlement for paid time off work when disabled due to job injury.

- G. Deferred Compensation: The City shall provide the opportunity for entitled employees to participate, at their own expense, in a Deferred Compensation Program.
- H. Group Continuation of Health and Life Insurance: Federal Legislation (P.L. 99-272, the Consolidated Omnibus Budget Reconciliation Act - COBRA) requires agencies with 20 or more employees to continue health care coverage for terminated employees and for widows, ex-spouses and dependents of employees for eighteen (18) to thirty-six (36) months for certain qualifying events. Such benefits are provided at the expense of the employee or entitled relative or dependent. This area is addressed more extensively in the CalPERS Group Continuation Plan.
- I. Tuition Reimbursement: Subject to administrative approval, the City shall reimburse entitled employees for education-related expenses in accordance with City of Los Banos Tuition Reimbursement Policy; Division 5-A.
- J. Sick Leave Benefits: Sick Leave, will be provided to all eligible employees in accordance with the guidelines set forth in the City of Los Banos Sick Leave Benefits Policy; Division 5-B.
- K. Vacation Leave Benefits: Vacation Leave will be provided to all eligible employees in accordance with the guidelines set forth in the City of Los Banos Vacation Leave Policy; Division 5-C.
- L. Holiday Leave Benefits: Holiday Leave will be provided to all eligible employees in accordance with the guidelines set forth in the City of Los Banos Holiday Leave Policy; Division 5-E.
- M. Catastrophic Leave: Catastrophic Leave Donations will be provided to all eligible employees in accordance with the guidelines set forth in the City of Los Banos Catastrophic Leave Donation Policy; Division 5-D.
- N. Education Incentive Pay: Educational Incentive Pay will be provided to all qualifying employees in accordance with the City of Los Banos Education Incentive Pay Policy for specific guidelines; Division 5-H.

- O. Bilingual Incentive Pay: Bilingual Incentive Pay will be provided to certain employees in accordance with the City of Los Banos Bilingual Incentive Pay Policy for specific guidelines; Division 5-L.
- P. Uniform Reporting: The City will report the monetary value of uniforms and uniform maintenance per California Code of Regulations Section 571 for those employees required to wear uniforms, except those CalPERS members who fall under the PEPRA. The uniform purchase and maintenance amount reported to CalPERS will be derived from the City's total calendar year cost for providing the employee's uniforms, not to exceed \$1,000.00 per fiscal year, per employee (effective retroactively to July 1, 2011).

SEC. 5006 BENEFITS PROVIDED TO ALL REGULAR EMPLOYEES: EXCEPT MANAGERS AND MIDDLE MANAGERS

- A. Compensatory Time Off: All eligible Regular Employees shall, at their choice, be permitted to accrue Compensatory Time Off (CTO) in lieu of receiving overtime pay for hours worked in excess of normal duty assignments. See City of Los Banos Compensatory Time Off Policy for specific guidelines governing this practice; Division 5-F.
- B. Overtime Compensation: All eligible Regular Employees shall be entitled to Overtime Compensation in accordance with the guidelines set forth in the City of Los Banos Overtime compensation Policy; Division 5-G.

SEC. 5007 BENEFITS PROVIDED TO POLICE DEPARTMENT EMPLOYEES ONLY

A. Lateral Transfer Incentive Pay

Effective September 18, 2002, the City Council established Lateral Transfer Incentive Pay not to exceed \$3,000.00. The Police Chief will have authority with concurrence of the City Manager to offer the pay incentive to lateral transfer police officer applicants as an incentive for employment with the Los Banos Police Department. This offer may vary based on the previous experience of the applicant. This incentive pay could also be used to pay for a police academy loan or relocation costs.

The Police Chief shall provide written notification to the Human Resources Director and City Manager when a Police Officer is to receive the Lateral Transfer Incentive Pay.

SEC. 5008 BENEFITS PROVIDED FOR CERTAIN PARTICIPATING EMPLOYEES

State Disability Insurance: The City allows for participation in the State Disability Insurance (SDI) Program for those employee groups who desire such option. Payment of SDI premiums is the responsibility of participating employees. See City of Los Banos State Disability Income (SDI) Policy for specific employee groups currently involved in this program and clarification of the City's position with regard to their participation; Division 5-I.

SEC. 5009 BENEFITS PROVIDED TO CERTAIN PUBLIC WORKS EMPLOYEES

A. Certificate Pay/Water and Wastewater Division Employees

1. Public Works employees shall be entitled to receive the following compensation when they have been awarded and hold the specified certificate issued by the State of California, Department of Health Services Water/Wastewater Treatment; a) \$50.00 per month for Grade II, and b) \$25.00 per month for Grade I.
2. Public Works employees shall be entitled to receive the following compensation when they have been awarded and hold the specified certificate issued by the State of California, Department of Health Services Water Distribution; a) \$25.00 per month for Grade II, and b) \$50.00 per month for Grade III.
3. Employees holding these certificates may be simultaneously compensated for; a) Water Treatment and Water Distribution Certificates, or b) Wastewater Treatment and Water Distribution Certificates. Employees holding these certificates shall not be simultaneously compensated for Water Treatment and Wastewater Treatment certificates.
4. Compensation shall not exceed \$100.00 per month for any combination of certificates.
5. In order to continue to receive this benefit certified employees will be required to submit proof of re-certification to the City Manager as soon as it is issued.

B. Applicator Certificate & License Pay/Parks & Streets Division Employees

1. Public Works employees shall be entitled to receive the following compensation when they have been awarded and hold the specified certificates or license as issued by the State of California, Department of Pesticide Regulation; a) \$50.00 per month for Pesticide License, b) \$25.00 per month for a Qualified Applicator Certificate, and c) \$25.00 per month for each additional category endorsement, maximum three (3) categories will be allowed and/or compensated for.
2. Employees holding these certificates and/or licenses can be compensated for a) Qualified Applicator License or b) Qualified Applicator Certificate. In no case shall the employee be compensated for both. Category compensation shall be limited to the following categories, B-Landscape Maintenance, C-Right of Way, D-Plant Agriculture, F-Aquatic, K-Health Related.
3. Compensation shall not exceed \$100.00 per month for any combination of licenses/certificates.
4. In order to remain eligible for compensation, Certificated/Licensed employees shall be required to submit proof of certificate or license to the Human Resources

Director and department head as soon as it is issued. In addition employees shall be required to maintain their licenses and/or certificates as required by the State of California Department of Pesticide Regulation in order to be eligible for continued compensation. Proof of current valid licenses or certificates shall be submitted annually.

C. Arborist Certificate Pay

Certain Public Works employees shall be entitled to receive the following compensation when they have been awarded and hold an Arborist Certificate issued by the International Society of Arboriculture; \$200.00 per month.

| SEC. 5010 BENEFITS PROVIDED FOR CERTAIN CITY HALL EMPLOYEES

A. Notary Public Pay

1. Certain City Hall employees shall be entitled to receive the following compensation when they have been awarded and hold a Notary Public Certificate issued by the State of California, Department of Secretary of State; \$100.00 per month.
2. The number of persons will be limited to one (1) from each of the following departments at City Hall: Community Development, Finance, and two (2) from Administration.
3. Employees receiving the Notary Public Certificate Pay will be required to notarize documents when requested by the public or City staff during normal business hours.

| B. ~~Certified Municipal Clerk~~ Certification Pay

| ~~Certain~~ All City Hall employees shall be entitled to receive the following compensation when they have been awarded a Certified Municipal Clerk (CMC) or Master Municipal Clerk (MMC) Certificate and Designation from the International Institute of Municipal Clerks (IIMC); \$100.00 per month.

SEC. 5011 BENEFITS PROVIDED FOR MANAGEMENT AND MIDDLE MANAGEMENT EMPLOYEES ONLY

- A. Admin Leave for Management Employees: As designated in job description, Management employees who are not entitled to accrue compensatory time off or receive overtime pay for hours worked in excess of regular duty time, shall be entitled to ten (10) work days off, with full salary and benefits, during every fiscal year of employment in such positions.
- B. Admin Leave for Middle Management Employees: As designated in job description, Middle Management employees, who are not entitled to accrue compensatory time

off or receive overtime pay for hours worked in excess of regular duty time, shall be entitled to five (5) work days off, with full salary and benefits, during every fiscal year of employment in such position. New Middle Management employee hired after the July 1st accrual date will be prorated accordingly. If Admin Leave is not taken during the Fiscal Year it was earned, it will not be carried over and the employee will lose his/her right to the unused days. Further, a Middle Management employee who leaves the City employment shall not be compensated for any unused Admin Leave to which he/she would otherwise have been entitled.

- C. Pro-ration: New Management and Middle Management employees hired after the July 1st accrual date will be prorated accordingly. If Admin Leave is not taken during the fiscal year it was earned, it will not be carried over and the employee will lose his/her right to the unused days. Further, a Management or Middle Management employee who leaves City employment shall not be compensated for any unused Admin Leave to which they would otherwise have been entitled.

SEC. 5012 BENEFITS PROVIDED FOR MAYOR AND CITY COUNCIL MEMBERS

A. Cell Phone Allowance

The Mayor and City Council Members shall be entitled to receive a monthly cell phone allowance in the amount of \$75.00. Proof of a current cell phone contract plan is to be provided to receive cell phone allowance.

SEC. 5013 BENEFITS PROVIDED TO QUALIFYING PART-TIME EMPLOYEES

Effective July 1, 2015, if a Part-time employee is qualifying and elects health insurance coverage while employed with the City, the City shall contribute the following amounts toward the premiums for the cost of CalPERS health coverage for the employee and eligible dependents: a) 30-39 hours worked per week – 50% of the Blue Shield Access (HMO) premium; minus the PEMHCA minimum employer contribution toward monthly health insurance premium; b) 0-29 hours worked per week – No contribution will be made toward a health insurance premium.

SEC. 5014 BENEFITS NOT COVERED IN THIS DIVISION STATEMENT

Any employee benefits not covered in this Division that are required to be offered under provision of State or Federal Law or in conformity with an existing labor agreement, shall be provided.



City of
Los Banos
At the Crossroads of California

Agenda Staff Report

TO: Mayor & City Council Members

FROM: Lucy Mallonee, MMC *em*
City Clerk/Human Resources Director

DATE: October 19, 2016

SUBJECT: Adding Division 26 – Nepotism and Fraternalization Policy to the City of Los Banos Policy & Procedures Manual

TYPE OF REPORT: Consent Agenda

Recommendation:

That the Council adopt a resolution adding Division 26 – Nepotism and Fraternalization Policy to the City of Los Banos Policy & Procedures Manual.

Discussion:

In 2012 the City Policy & Procedures Manual was reviewed by legal counsel who advised the City to adopt a Nepotism and Fraternalization Policy. Staff met and conferred with all labor groups over the new changes to the policy manual; however, not all labor groups were in agreement with incorporating the new nepotism policy.

Over the past four years, staff continued to meet and confer over the proposed nepotism policy and as of June 15, 2016, all labor groups have agreed that Division 26 – Nepotism and Fraternalization Policy can be added to the City's Policy & Procedures Manual. The last labor group agreed to the new policy on June 15, 2016 and therefore, that date was inserted into the new policy to allow any existing relationships prior to June 15, 2016 to be grandfathered in to the new policy.

Fiscal Impact:

None.

Reviewed by:

Alex Terrazas, City Manager

Attachment:

Resolution

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LOS BANOS APPROVING THE
INCORPORATION OF DIVISION 26 – NEPOTISM
AND FRATERNIZATION POLICY TO THE CITY'S
POLICY & PROCEDURES MANUAL**

WHEREAS, the City Council of the City of Los Banos has received a request that Division 26 – Nepotism and Fraternization Policy be added to the City of Los Banos Policy & Procedures Manual; and

WHEREAS, the City Council has reviewed said request and approves the addition of Division 26 – Nepotism and Fraternization Policy to the City of Los Banos Policy & Procedures Manual which shall read as attached on "Exhibit A"; and

NOW, THEREFORE, BE IT RESOLVED THAT the foregoing Resolution was introduced at a regular meeting of the City Council of the City of Los Banos held on the 19th day of October 2016, by Council Member ____ who moved its adoption, which motion was duly seconded by Council Member ____ and the Resolution adopted by the following vote:

AYES:
NOES:
ABSENT:

APPROVED:

Michael Villalta, Mayor

ATTEST:

Lucille L. Mallonee, City Clerk

**DIVISION 26
NEPOTISM AND FRATERNIZATION POLICY**

SEC. 26001 PURPOSE

The purpose of this policy is to establish the nepotism and fraternization policy for the City of Los Banos ("City").

This policy is intended to avoid conflicts of interest between work-related and personal/family obligations; reduce favoritism or even the appearance of favoritism; prevent personal/family conflicts from affecting the workplace; and decrease the likelihood of sexual harassment and/or gender discrimination in the workplace.

SEC. 26002 DEFINITIONS

The following definitions apply to each section of this Policy.

- A. A "romantic and/or sexual relationship" exists when two City employees become personally involved with each other to the point that there is dating, exchange of personal affection, sexual or physical intimacy and/or cohabitation.
- B. The term "dating" includes but is not limited to one or more social meetings under circumstances that may lead to exchange of personal affection, and sexual or physical intimacy.
- C. "A social meeting" occurs when co-employees gather for purposes not related to work for the City.
- D. "Cohabitation" applies to those employees who live together, share room and board or sire children, without being married to one another.
- E. A "significant other" means a relationship between an employee of the City and another individual as defined herein in (a), (b), (c) and/or (d) and elsewhere in the policy.

SEC. 26003 FRATERNIZATION

- A. Romantic Relationships Between Supervisors and Subordinate Employees Are Prohibited.

Public trust, safety and City morale require that employees avoid the appearance of a conflict between their professional responsibilities and any involvement that they may have in a romantic or sexual relationship with other City employees. In order to promote efficient operation of the City and to avoid misunderstandings, complaints of favoritism, other problems of supervision, security, morale, and possible claims of sexual harassment and/or gender based discrimination, romantic and/or sexual relations between supervisors and subordinate employees are prohibited.

B. Romantic Relationships Between Co-Employees In The Same Department Are Prohibited

Public trust, safety and City morale require that employees avoid relations, which may negatively impact the efficient operation of the City. In order to promote efficient operation of the City and to avoid formation of cliques and factions, claims of sexual harassment and gender based discrimination, and the blurring of professional and personal responsibilities and relationships in the workplace, romantic and/or sexual relationships between co-employees in the same Department are prohibited.

C. Enforcement

The City reserves the right to investigate situations in the workplace to determine whether a romantic and/or sexual relationship exists and therefore presents a possible violation of this Policy. If the City determines that a proscribed relationship (as defined by this policy) exists, remedial and/or disciplinary measures, including but not limited to a transfer, reassignment, or dismissal, shall be utilized to mitigate issues that arise relevant to the enforcement of this policy.

1. The City retains the right to refuse to place employees engaged in relationships prohibited by this policy in the same department where it has the potential for creating adverse impact on supervision, safety, security or morale or involves potential conflicts of interest.
2. In order to implement such policies, and where the above circumstances exist and mandate that employees shall not work in a prohibited relationship, the City will attempt to transfer one party to the proscribed relationship to a similar classified position in another City Department, should such a position exist, be available, and should the employee possess the skills and qualifications necessary to perform the essential duties of the position.

Although the wishes of the involved parties as to which will be transferred will be given consideration by the City, the controlling factor in determining who is to be transferred shall be the positive operation and efficiency of the City. If any such transfer results in a reduction in salary or compensation, applicable and legally required due process procedures shall be applied.

3. In lieu of a transfer from one department to another, or in situations where no similar counterpart classification exists to which an employee in a proscribed relationship can be transferred, that employee may continue to be employed within the same City department subject to approval by the Department Director and the City Manager or his/her designee.

However, any such continuing employment is predicated upon both subject employees not reporting to the same immediate supervisor; not being supervised by each other; not working the same shift at the same work site; or, otherwise becoming involved in a work environment having the potential for adverse impact on supervision, safety, security or morale.

4. If continuing employment of employees engaged in proscribed relationships prohibited by this Policy cannot be accommodated consistent with the City's interest in promotion of safety, security, morale and efficiency, then the City retains sole discretion to separate one of the parties from City employ. Absent resignation by one affected employee, the less senior, in terms of overall City service, of the involved employees shall be subject to separation. In the event of separation, applicable and governing due process procedures shall be applied.

The provisions of this fraternization policy are not applicable to individuals employed by the City on or before June 15, 2016 in their current state of marriage or non-marriage.

As such, a change in marital status/cohabitation, etc. of any current employee, will result in the applicability of this policy. Furthermore, those employees are subject to any and all employment-related actions by the City, which are permissible pursuant to existing City policies and procedures to address conduct which is negatively impacting the work environment.

SEC. 26004 NEPOTISM

It is an express finding of the City that the situation specified in this Section, the employment of relatives as that term is defined herein, is contrary to appropriate City goals of safety and efficiency. The purpose of this section is to define those specific circumstances and to delineate the manner in which such employment issues will be addressed.

For purposes of this policy, "relative" means spouse, child, step-child, parent, step-parent, grandparent, grandchild, brother, sister, step-brother, step-sister, aunt, uncle, niece, nephew, parent-in-law, brother-in-law, sister-in-law, legal guardian and/or significant other as defined herein and in the fraternization policy, and/or any other individual related by blood or marriage living in the same household as the City employee.

An employee is defined as any person who receives a City payroll check for services, full or part time, rendered to the City.

Relatives of employees shall not be employed in the same department of such a relative at any time by the City as further proscribed below.

City employees who are related as defined herein as of the effective date of this Policy shall not be affected in their current job status except when the City Manager or his/her designee determines that the circumstances of that employment raises an undue hardship upon the other employees within the particular work unit and that that employment is detrimental to the supervision, safety, security and/or morale of the particular work unit.

It is found by the City that a business purpose exists and dictates that a prohibition on employment of relatives within City departments is essential to safety and efficiency when such employment result in any of the following:

- A supervisor-subordinate relationship
- The employees having job duties, which authorize performance of shared duties on the same or related work assignment
- Both employees being under the jurisdiction of the same immediate supervisor
- An adverse impact on supervision, safety, security and/or morale

SEC. 26005 EFFECT OF POST-EMPLOYMENT MARRIAGE OR CREATION OF OTHER "RELATIVE" STATUS OF CITY EMPLOYEES

A. Principles.

In determining rules and regulations governing the employment of City employees who become related, as defined herein, after commencement of City employment, the City is guided by the principles enunciated in the California Fair Employment and Housing Act, which prohibits discrimination on the grounds of marital status. However, the Act and the Regulations authorize restrictions upon married City employees (or upon people deemed related as a result of marriage [i.e., in-laws]) for business reasons of supervision, safety, security or morale.

The City may refuse to place one spouse or other relative under the direct supervision of another spouse or other relative, and may refuse to place both spouses or other relatives in the same department, division or facility if the work involves potential conflicts of interest or other hazards greater for married couples or other relatives than for other persons. (2 Cal.Admin. Code, Section 7292.5; Government Code Section 12940(a)(3)).

B. Definitions.

With the above principles being recognized, the City determines that "marital status" is defined as an individual's state of marriage, non-marriage, divorce or dissolution, separation, widowhood, annulment, or other marital state for purpose of this policy.

Further, a "spouse" is defined as a partner in marriage.

C. Restrictions.

The City retains the right to refuse to place one spouse or other relative under the direct supervision of the other spouse where there is a potential for creating adverse impact on supervision, safety, security or morale.

The City retains the right to refuse to place both spouses or other relatives in the same department where it has the potential for creating adverse impact on supervision, safety, security or morale or involves potential conflicts of interest.

D. Required Action.

In order to implement these policies, and where the above circumstances exist and mandate that two spouses or other relatives shall not work in a prohibited relationship, the Human Resources Department will attempt to do any of the following:

1. Attempt to redefine the job responsibilities of the related employees within the Department to minimize the conflict;
2. If the redefinition of job status is not feasible, will attempt to transfer one spouse or other relative to a similar classified position in another City department; or
 - a. Although the wishes of the involved parties as to which spouse or other relative is to be transferred will be given consideration by the City, the controlling factor in determining who is to be transferred shall be operation an efficient of the City.
 - b. If any such transfer results in a reduction in salary or compensation, the transfer shall not be considered disciplinary in nature and shall not be the subject of any form of administrative appeal.
3. In lieu of a transfer from one department to another, or in situations where no similar counterpart classification exists to which a spouse or other relative can be transferred, the City may request the voluntary resignation of one of the employees.

If one of the employees does not voluntarily resign, the employee with the least employment experience/service with the City may be discharged by the City Manager.

4. Married or other related employees may continue to be employed within the same City department subject to approval by the Department Director and the City Manager or his/her designee. However, any such continuing employment is predicated upon both spouses or other similarly situated relative as defined in this Policy not reporting to the same immediate supervisor, not being supervised by each other, not working the same shift at the same work site; or, otherwise becoming involved at a work environment having the potential for adverse impact on supervision, safety, security or morale.

It is the duty of all involved employees that are in a situation prohibited under this policy to immediately notify their supervisor either in person or through the chain of command that a situation exists in which the involved employee may be in violation of this policy. The City reserves the right to reasonably investigate the situation and determine whether the employee has violated this policy.



City of
Los Banos
At the Crossroads of California

Agenda Staff Report

TO: Mayor Villalta and City Council Members

FROM: Stacy Souza Elms, Senior Planner *SE*

DATE: October 19, 2016

SUBJECT: Presidential Estates East Mitigated Negative Declaration (SCH #2015061056), Area Plan and Annexation #2014-01, General Plan Amendment #2015-03, Pre-Zone #2014-02, and Pre-Annexation Agreement

TYPE OF REPORT: Public Hearing

Recommendation:

Staff recommends that the City Council:

- Receive presentation of the staff report;
- Open the public hearing and receive public testimony;
- Consider testimony presented at the public hearing, the information in the staff report and the recommendation of the Planning Commission;
- Adopt Resolution No. 5786 to approve Mitigated Negative Declaration (SCH #2015061056) and mitigation monitoring and reporting program;
- Adopt Resolution No. 5787 to approve General Plan Amendment #2015-03;
- Continue Ordinance No. 1145 amending the Zoning Map to Pre-Zone approximately 106 acres bound by Pioneer Road to the south (unincorporated),

developed residential property to the west and Eleventh Street, developed commercial property to the north, and Mercey Springs Road (SR 165) to the east;

- Adopt Resolution No. 5788 requesting the Annexation of approximately 106 acres of property located north of Pioneer Road, east of Eleventh Street, south of developed commercial property to the north, and west of Mercey Springs Road (SR 165), and continue to a later meeting, following adoption of the following Ordinances;
- Waive the first reading and introduce Ordinance No. 1146 authorizing the Mayor to execute a Pre-Annexation Development Agreement between the City of Los Banos and Stonefield Communities, LLC, relative to the Presidential Estates East Annexation; and
- Waive the first reading and introduce Ordinance No. 1147 authorizing the Mayor to execute a Pre-Annexation Development Agreement between the City of Los Banos and Manuel M. Cardoza Life Estate, relative to the Presidential Estates East Annexation.

Background:

On September 7, 2016 the Los Banos City Council provided a motion of intent to approve the Presidential Estates East Annexation Mitigated Negative Declaration (SCH #2015061056), General Plan Amendment #2015-03, and Annexation. The Pre-Zone Ordinance first reading was waived and the Ordinance was introduced by title; however, staff at that meeting requested that the Pre-Annexation Development Agreements be continued to October 19, 2016 to provide ample time for discussions with the applicant regarding a future fire station near the project site.

Staff has met with the applicant, and has discussed the need for a future fire station to service the east side of the City of Los Banos. It was agreed that a Needs Assessment needed to occur first to determine the most appropriate location for a new facility. The applicant has agreed to fund the Fire Station Needs Assessment up to \$30,000. Should the study exceed the capped amount, the remaining difference would be funded by the City's fire impact fee. In addition, the applicant will meet with staff to negotiate an agreement to acquire a site and construct a fire station.

The Stonefield Pre-Annexation Development Agreement has been revised to include the following language as Exhibit C – Special Conditions and Requirements:

Upon 30 days written notice by the City Manager, Developer shall fund a needs study to be undertaken by the City to determine the most suitable location for a new fire station located in the vicinity of the Subject Property. The Developer's contribution shall be capped at thirty thousand dollars (\$30,000.00). The Developer's contribution shall be creditable to the Community Amenity Fee or

City fire impact fee due to be paid by the Project for the Subject Property, as determined in the City's sole discretion.

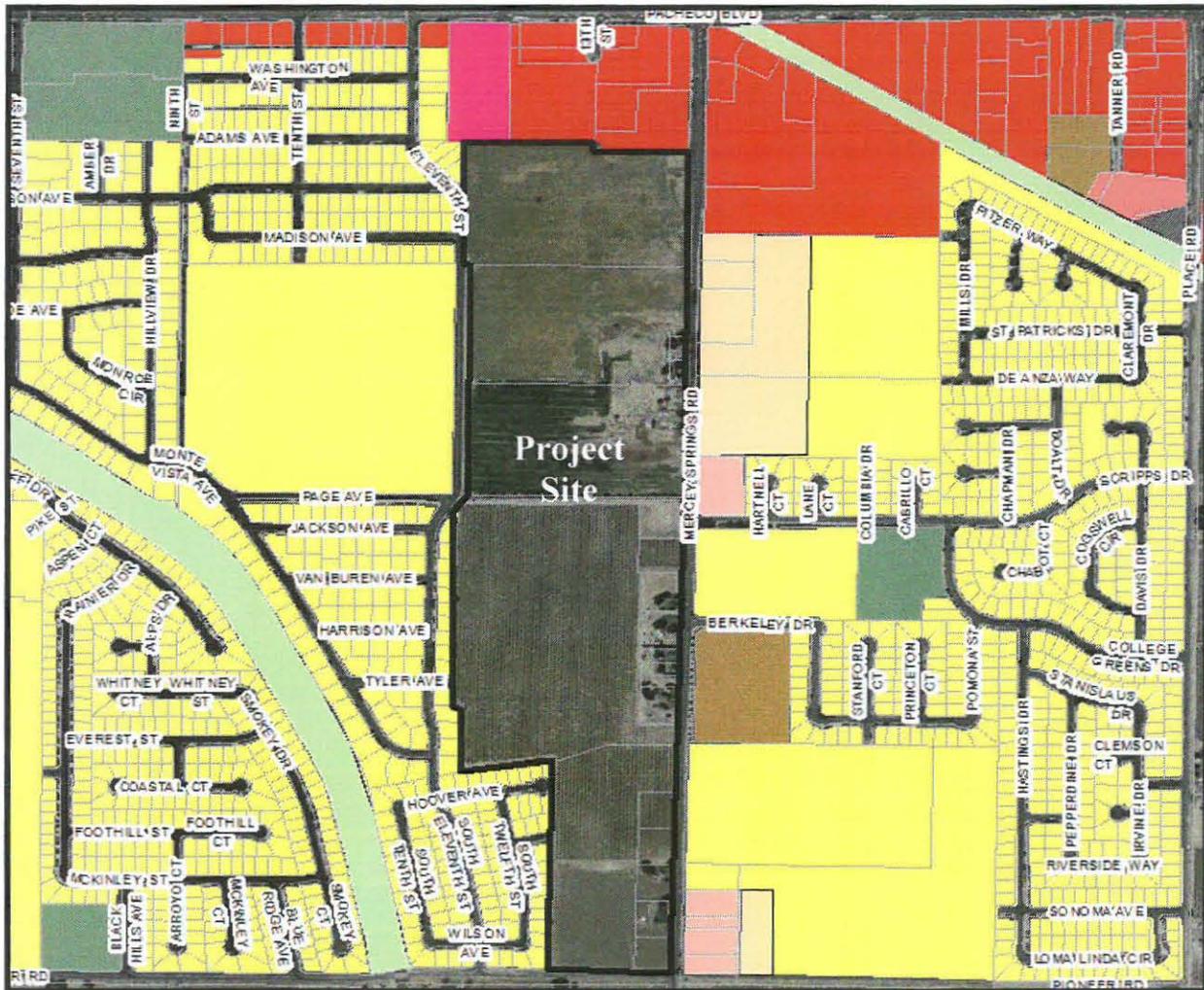
Following acceptance by the City Council of a Fire Station Needs Assessment, the parties shall meet for the purpose of negotiating an agreement for which the developer shall acquire a site and construct a Fire Station. The developer shall be eligible for credits against the City fire impact fee and reimbursement consistent with City policy.

Discussion:

The project proposal is for the consideration of a General Plan Amendment, Area Plan and Annexation of approximately 106 acres of unincorporated lands lying north of Pioneer Road, west of Mercey Springs Road (SR 165), and east of Eleventh Street. These lands currently constitute an undeveloped peninsula of land surrounded by existing urban development and the City limits of the City of Los Banos on three sides (north, east, and west). From a City perspective, this is an undesirable boundary as it sits right now. The land use proposed for the project area is Low Density Residential.

LOCATION AND ACCESS:

The Project site is located adjacent to the City of Los Banos in Merced County. As depicted on the map below, the project site is surrounded by the City boundaries on three sides (colored areas). The annexation area is approximately 106 acres and is bound by Pioneer Road to the south (unincorporated), developed residential property to the west, developed commercial property to the north, and Mercey Springs Road (SR 165) to the east. The project site is largely held by two landowners. The majority of the northern portion (north of Page Avenue) is controlled by the Manuel M. Cardoza Life Estate, which is currently used for agricultural pasture land. The majority of the southern portion (south of Page Avenue) is controlled by the project proponent, Stonefield Communities, Inc. The project area also consists of one acre residential parcels along Mercey Springs Road, which through this entitlement process will be brought into the City limits as well. The existing agricultural uses will be allowed to continue until such time the property owners are ready for development.



ENVIRONMENTAL ASSESSMENT:

Pursuant to the California Environmental Quality Act (CEQA) and the City of Los Banos Environmental Quality Guidelines, an Initial Study was prepared to identify and assess potential environmental impacts as a result of this project. Through the Initial Study, staff determined that the project would not result in any significant adverse effects with the incorporation of mitigation measures.

Staff prepared a Notice of Intent to adopt a Mitigated Negative Declaration (SCH #2015061056) which was posted at the Merced County Clerk's Office and submitted to the State Clearinghouse for circulation and review by various agencies on June 10, 2016, and closed on July 11, 2016. The Notice of Intent was also published in the Merced Sun-Star on June 11, 2016, to allow the public to comment on the proposed Initial Study/Mitigated Negative Declaration. As of the date of this staff report, four comment letters have been received. Copies of those letters are attached under Attachment 2 of this staff report.

A Mitigated Negative Declaration is appropriate when an initial study has been prepared

and a determination can be made that no significant environmental effects will occur because mitigation measures will be implemented which will reduce all potentially significant impacts to less than significant levels.

Applicable mitigation measures have been incorporated into the Mitigation Monitoring and Reporting Program and have reduced any potential impacts to less than significant.

ANNEXATION ANALYSIS

The proposed annexation provides a logical boundary, as required by Merced County LAFCo annexation policies. The annexation area is an in-fill of an area north of Pioneer Road. Land to the east, north, and west of the property are already within the City limits, and the project site is presently the only area on the north side of Pioneer Road between Place Road and Black Hills Avenue that is not within the City limits. The annexation request includes the entire right-of-way width of Pioneer Road. The City will assume maintenance of the right-of-way with a higher level of service. If the City approves the annexation request, a formal application will be made by the City to LAFCo for annexation.

Existing General Plan Land Use and Zoning Designations

While the project site is currently located outside the City of Los Banos' jurisdictional boundary, it is within the City's Sphere of Influence. The City of Los Banos General Plan land use designations for the Project site is mostly made up of Low Density Residential, with exceptions in the northeast area of the project site being listed as Medium Density Residential, Office/Professional and Commercial. As part of this project, the applicant is proposing a General Plan Amendment for the entire project area to be designated as Low Density Residential. Residential land uses and build-out are assumed using the average density in accordance with the City's 2030 General Plan Update.

Land Use Designation	Average Density	Acreage	Units
Low Density Residential	4 units/acre	106	424
Total		106	424 units

Proposed Water

Domestic water will be distributed throughout the project site via the City water distribution grid, by connecting to the existing water distribution line located in the Presidential Estates subdivision to the west. An eighteen (18) inch water line is designated for installation in the Pioneer Road right-of-way and the new residential development within the project site will include the installation of eight (8) inch water lines to provide service to individual residential units.

The existing one acre residential parcels along Mercey Springs currently utilize water wells for domestic consumption. The property owners will be allowed to continue the use of their wells until such time they fail or become non-operational. At that time, the property owners will be required to connect to City water services.

Proposed Wastewater

Wastewater will be treated at the City's wastewater treatment plant (WWTP) located northeast of the City. Wastewater flows from the project site will be conveyed via an existing fifteen (15) inch sewer line that extends easterly of the project site at the future Madison Avenue connection/extension.

The existing one acre residential parcels along Mercey Springs currently utilize septic systems for wastewater purposes. The property owners will be allowed to continue the use of their existing septic systems until such time they fail or become non-operational. At that time, the property owners will be required to connect to City wastewater services.

Proposed Storm Drainage

Storm water runoff is proposed to be contained in dual use park/basin facilities. The system designed for the proposed project will gravity drain to the existing storm water collection system in State Route 165/Mercey Springs Road.

Parks and Open Space

Future development within the proposed project will include a dual use park/detention basin. The dual use park/detention basin will be sized in accordance with the City's 2030 General Plan and based on determinations made by the City's Public Works Director.

Community Amenity Fee

Resolution 5045 was adopted by the Los Banos City Council July 2008 that establishes an amenity fee for new annexations into the City of Los Banos. The resolution states that the City will support annexation proposals based upon the overall benefit to the City. Options to address the City's requirements include the following:

- a) Payment of a Community Amenity Fee to be used for financing or constructing community facilities as determined by the City Council, or
- b) Construction or financing of public improvements which add to the quality of life for the existing and future residents of the City, or
- c) Other amenities or contributions as may be approved by the City Council, or
- d) Development of industrial or regional retail land uses, or
- e) Contribution towards meeting the City's non-market rate housing needs as stated in the Housing Element, or
- f) A combination of the above.

Upon development of the Project, each residential dwelling unit will be required to pay a Community Amenity Fee in the amount of \$5,000 to be used for the benefit of the community as determined by the Los Banos City Council.

Pre-Annexation Development Agreement

The Pre-Annexation Development Agreement is a vehicle to provide for conditions of development which sets forth the requirements for the property to develop. It assures

developers that they may proceed with their projects with the assurance that approvals granted by the City will not change during the period of development.

The special conditions within the Agreements (Exhibit C) require payment of the Community Amenity fee, participation in a Community Facilities District (CFD) for public safety, and participation in a Lighting and Landscape District (L&LD). The CFD and L&LD are both taxing mechanisms to cover City costs for providing services.

In addition, the special conditions within the Pre-Annexation Development Agreements require a Master Plan to be approved by the City prior to any application for further entitlements, building permits or other development. The Stonefield Communities Inc., Pre-Annexation Development Agreement specifies that the Master Plan shall be for custom homes within a gated community. The Master Plans will be processed the same as a Zone Change which requires a recommendation by the Planning Commission and ultimate approval by the City Council. The Pre-Annexation Development Agreements state that the Master Plan will expire five (5) years following the date of approval, unless building permits have been issued for 25% of the estimated building square footage of the Master Plan. Site Plans for projects within the approved Master Plan area will only be accepted for review if they are consistent with the approved Master Plan.

PUBLIC COMMENT:

A public hearing notice was published in the Los Banos Enterprise and notices were mailed out to property owners within a 300' radius of the project site on August 26, 2016, for a public hearing on September 7, 2016 and continued to October 19, 2016. All comment letters are attached as Attachment 2 of this staff report.

Reviewed by:



Alex Terrazas, City Manager

Attachments:

1. Resolution – Mitigated Negative Declaration
 - Exhibit A: CEQA Findings
 - Exhibit B: Initial Study/Mitigated Negative Declaration
 - Exhibit C: Mitigation Monitoring and Reporting Program
2. Initial Study/Mitigated Negative Declaration Comment Letters
3. Resolution – General Plan Amendment #2015-03
 - Exhibit A: Findings for Approval

4. Ordinance – Pre-Zone #2014-02
Exhibit A: Legal Description
5. Resolution – Presidential Estates East Area Plan and Annexation #2014-01
Exhibit A: Project Findings
Exhibit B: Conditions of Approval
Exhibit C: Presidential Estates East Area Plan – January 2016
6. Ordinance – Pre-Annexation Development Agreement
Exhibit A: Pre-Annexation Development Agreement (Stonefield Communities)
7. Ordinance – Pre-Annexation Development Agreement
Exhibit A: Pre-Annexation Development Agreement (Cardoza)
8. Public Hearing Notice – August 26, 2016

RESOLUTION NO. 5786

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS BANOS APPROVING MITIGATED NEGATIVE DECLARATION (SCH #2015061056) AND ASSOCIATED MITIGATION MONITORING AND REPORTING PROGRAM FOR THE PRESIDENTIAL ESTATES EAST AREA PLAN AND ANNEXATION #2014-01, GENERAL PLAN AMENDMENT #2015-03, PRE-ZONE #2014-02, AND ASSOCIATED PRE-ANNEXATION DEVELOPMENT AGREEMENTS

WHEREAS, Stonefield Communities, Inc., initiated consideration of an Annexation, General Plan Amendment, and Pre-Zone application with the City of Los Banos; and

WHEREAS, pursuant to the California Environmental Quality Act and the City of Los Banos Environmental Quality Guidelines, the project environmental impacts were evaluated in an Initial Study/Mitigated Negative Declaration (Exhibit B) incorporated herein by this reference; and

WHEREAS, a Notice of Intent was posted and the Mitigated Negative Declaration was made available for public review on June 10, 2016, thru July 11, 2016; and

WHEREAS, the Presidential Estates East Area Plan and Annexation (ANX #2014-01) and Pre-Zone (ZC #2014-02) was found not to have a significant effect on the environment, and all impacts were found to be less than significant; and

WHEREAS, the Presidential Estates East Area Plan and Annexation (ANX #2014-01), General Plan Amendment #2015-03, Pre-Zone (ZC #2014-02), and Pre-Annexation Development Agreements were reviewed and examined by City of Los Banos staff; and

WHEREAS, the Los Banos Planning Commission held a public hearing on July 13, 2016, for the purpose of considering the project and at the completion of the public hearing, duly considered the evidence presented and recommended approval to the Los Banos City Council; and

WHEREAS, a public hearing was duly noticed for September 7, 2016 and continued to October 19, 2016, in accordance with California Government Code Section 65091 by advertisement in the Los Banos Enterprise and by mail to property owners

within 300 feet of the project boundaries on August 26, 2016, to consider and take testimony regarding the Presidential Estates East Area Plan and Annexation (ANX #2014-01), General Plan Amendment #2015-03, and Pre-Zone (ZC #2014-02); and

WHEREAS, at the September 7, 2016 meeting the Los Banos City Council continued the public hearing to October 19, 2016 and heard and considered testimony of all persons desiring to be heard; reviewed the project proposal and staff report; studied the compatibility of the applicant's request with adjacent land uses; has considered the applicant's request in accordance with the criteria established in Section 9-3.2314 of the Los Banos Municipal Code.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Los Banos has reviewed the Presidential Estates East Area Plan and Annexation Mitigated Negative Declaration (SCH #2015061056) (Exhibit B), CEQA Findings (Exhibit A), and Mitigation Monitoring and Reporting Program (Exhibit C), incorporated herein by reference; and

BE IT FURTHER RESOLVED, that the City Council of the City of Los Banos does hereby adopt the Presidential Estates East Area Plan and Annexation Mitigated Negative Declaration (SCH #2015061056) and Mitigation Monitoring and Reporting Program.

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Los Banos held on the 19th day of October, 2016, by Council Member _____ who moved its adoption, which motion was duly seconded by Council Member _____ and the Resolution adopted by the following vote:

AYES:
NOES:
ABSENT:

APPROVED:

Michael Villalta, Mayor

ATTEST:

Lucille L. Mallonee, City Clerk

EXHIBIT A

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FINDINGS FOR PRESIDENTIAL ESTATES EAST AREA PLAN AND ANNEXATION #2014-01, GENERAL PLAN AMENDMENT #2015-03, PRE-ZONE #2014-02, AND THE ASSOCIATED DEVELOPMENT AGREEMENTS

Pursuant to the requirements of California Public Resources Code Section 21000 et seq. ("CEQA") and Title 14, California Code of Regulations Section 15000 et seq. (the "CEQA Guidelines"), the City as Lead Agency under CEQA adopts the following findings required by CEQA, along with the facts and evidence upon which each finding is based.

The City of Los Banos City Council hereby finds as follows:

1. Pursuant to CEQA, the CEQA Guidelines, and the City of Los Banos Environmental Quality Guidelines, the Presidential Estates East Area Plan, Annexation #2014-01, General Plan Amendment #2015-03, Pre-Zone #2014-02, and the associated Pre-Annexation Development Agreements were evaluated in an Initial Study which determined that the project would not involve any significant environmental effects, provided that the mitigation measures described in the Initial Study were implemented and a Mitigated Negative Declaration (SCH#2015061056) was prepared.
2. The Mitigated Negative Declaration was adequately noticed and circulated for public review and comment on the proposed Mitigated Negative Declaration. The City distributed the Notice of Intent with copies of the Mitigated Negative Declaration, and posted the Notice of Intent at the Merced County Clerk's office on June 10, 2016.
3. On the basis of the whole record, including the Mitigated Negative Declaration and public comment, there is no substantial evidence that the Project may have a significant effect on the environment with proper mitigation.
4. The Mitigated Negative Declaration was prepared in compliance with CEQA and on the basis of the whole record, there is no substantial evidence of significant new information or changes in the environmental setting that have occurred that would result in new or greater significant effects not studied in the Initial Study/Mitigated Negative Declaration.
5. The Mitigated Negative Declaration reflects the independent judgment and analysis of the City of Los Banos.
6. The City of Los Banos Community and Economic Development Department, located at 520 J Street in Los Banos, is the custodian of the documents that constitute the record of proceedings upon which the determination to adopt the Mitigated Negative Declaration is based.

7. Upon approval of the project analyzed in the Mitigated Negative Declaration, the City of Los Banos will monitor the implementation of the mitigation measures in accordance with the Mitigation Monitoring and Reporting Program which have been adopted as conditions of approval.
8. Prior to considering the proposed Project, the City of Los Banos City Council considered the Mitigated Negative Declaration.



City of
Los Banos
At the Crossroads of California

NOTICE OF INTENT TO ADOPT MITIGATED NEGATIVE DECLARATION
AND NOTICE OF PUBLIC MEETING

Presidential Estates East
Application Nos. ANX 2014-01 and GPA 2015-03

Notice is hereby given that the City of Los Banos has prepared an Initial Study (IS) of environmental effects, and intends to adopt a Mitigated Negative Declaration (MND), for the Presidential Estates East Annexation, Application Nos. ANX 2014-01 and GPA 2015-03. The proposed project consists of a General Plan Amendment, Area Plan, and Annexation of approximately 106 +/- acres of unincorporated lands lying north of Pioneer Road and west of Mercey Springs Road (SR 165).

The IS/MND has analyzed the potential environmental effects of the project in the range of environmental subject areas specified in the California Environmental Quality Act (CEQA) and the CEQA Guidelines. On the basis of this analysis, the IS/MND finds that the project will not involve any significant environmental effects, provided that the mitigation measures described in the IS/MND are implemented. The City will consider the adoption of the Mitigated Negative Declaration, and proposed mitigation measures in a Mitigation Monitoring/Reporting Plan before approval of the proposed improvement project.

Copies of the IS/MND are available for public review at the City of Los Banos City Hall at 520 J Street, Los Banos, California 93635.

The City of Los Banos will accept public and agency comments on the IS/MND during a 30-day review period that will begin on June 10, 2016 and end on July 11, 2016. Comments may be sent to the City of Los Banos, 520 J Street, Los Banos, CA 93635, Attn: Stacy Souza Elms, Senior Planner.

In addition, notice is hereby given that the Los Banos Planning Commission will consider adoption of the IS/MND and a Mitigation Monitoring/Reporting Plan for the project at a public meeting scheduled for July 13, 2016 at 7:00 PM in the Council Chambers at Los Banos City Hall, 520 J Street, Los Banos, CA 93635.

June 9, 2016

Stacy Souza Elms, Senior Planner

**INITIAL STUDY /
MITIGATED NEGATIVE DECLARATION**

for the

**PRESIDENTIAL EAST ESTATES
AREA PLAN, GENERAL PLAN AMENDMENT AND ANNEXATION
APPLICATION NOS. ANX 2014-01 and GPA 2015-03**

City of Los Banos

June 2016

Prepared for:

City of Los Banos
Community and Economic Development Department
520 J. Street
Los Banos, CA 93635

Prepared by:



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APPENDIX B	Traffic Impact Analysis, dated April 18, 2016, prepared by KD Anderson & Associates

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MITIGATED NEGATIVE DECLARATION

Lead Agency:
City of Los Banos
520 J Street
Los Banos, California 93635

PROJECT NAME:

Presidential East Estates – Area Plan, General Plan Amendment, and Annexation 2015-03

PROJECT PROPONENT AND LEAD AGENCY:

Project Proponent: Stonefield Communities
923 Pacheco Boulevard, Suite C
Los Banos, California 93635

Lead Agency: City of Los Banos
Community and Economic Development Department
520 J Street
Los Banos, California 93635

PROJECT LOCATION:

The proposed project is located within the City of Los Banos, County of Merced. Specifically, the proposed project consists of 106± acres (APN Nos. 083-120-012, 013, 014, 015, 016, 017, 018, 019, 020, 021, 022, 023, 024, 027 & 028; 026-290-001, 002, 003, 004 & 005) and is bounded by the following:

North: Commercial Developments within the City of Los Banos

South: Agricultural lands

East: Single-family residences and Vacant Land

West: Los Banos High School and Single-family residences

PROJECT DESCRIPTION:

The proposed project is for the consideration of an Area Plan and annexation of approximately 106± acres of unincorporated lands lying north of Pioneer Road and west of Mercey Springs Road (SR 165). These lands currently constitute an undeveloped peninsula of land virtually surrounded by existing urban development and the City limits of the City of Los Banos. This project will also include a General Plan Amendment which will designate the entire 106± acre project site as Low-Density Residential (LDR). Presently, under the City’s 2030 General Plan, only 82± acres of the project site are designated as LDR.

To the extent feasible, the environmental analysis contained in the Initial Study that will be prepared for the proposed project will be tiered from the City of Los Banos 2030 General Plan EIR (approved July 15, 2009).

The current City of Los Banos General Plan land use designations for the 106± acre site is mostly made up of Low Density Residential, with a small portion in the northeast area of the project site of approximately 15± acres designated as Medium Density Residential, Office/Professional and Commercial. As stated above, the applicant is requesting to modify the General Plan designation of the project site to solely allow for Low-Density Residential uses. As part of this project, the applicant has also asked the City of Los Banos to pre-zone the project site as both Planned-Development (P-D) and Unclassified (U). The difference between these residential zoning designations is to distinguish between those properties which have executed a Pre-Annexation Development Agreement (zoned P-D), and those which have not executed a Pre-Annexation Development Agreement (zoned U). The proposed Low-Density Residential land uses and build-out are assumed using the average density in accordance with the City’s 2030 General Plan irrespective of the different zoning designations.

Below, Table 1-1, Land Use Matrix, provides land use assumptions provided by the City’s General Plan and potential development included as part of the applicant’s request:

Table 1-1 Land Use Matrix

Land Use Designation	Average Density	Acreage	Units
Low Density Residential	4 Units/Acre	106±	424

The County of Merced currently has the project site designated as “Agricultural - (A)” in its General Plan. The County’s zoning designation is listed as Single-Family Residential (R-1).

As noted above, the Applicant has also submitted an Area Plan for consideration by the City of Los Banos, which is also included as part of this Initial Study. At full build-out, the proposed project will include the construction of the roadways, including underground utilities in those roadways, as needed to serve the project, consistent with City standards and infrastructure master plans.

The following is a general description of the proposed project's plans for providing public utilities and parks and open space:

Domestic Water:

The Presidential Estates Area Plan is subject to the provisions of the City of Los Banos 2010 Water Master Plan (WMP) and will conform to its requirements, including payment of applicable water impact fees and construction of system improvements consistent with the City's Standards & Specifications to serve future development. Development projects will be served by connecting to existing water distribution lines in adjacent subdivisions. Service will be provided by extending the grid system consistent with the WMP. All water mains, local lines and other system improvements will conform to the WMP.

Water will be distributed throughout the plan area via the City water distribution grid, by connecting to existing water distribution line located in the Presidential Estates subdivision to the west. An 18" water line is designated for installation in the Pioneer Road ROW corridor; new residential development will include 8" water distribution lines to provide service to individual residential units. Water system improvements will be consistent with the WMP and Standard Specifications.

Wastewater Infrastructure:

Wastewater will be treated at the City's wastewater treatment plant (WWTP) located northeast of the City, to be fed by a gravity system with lift station. Wastewater flows from the project site will be conveyed via an existing fifteen (15) inch sewer line that extends east of the plan area at the future Madison Avenue connection/extension. All system improvements will be consistent with the City's Improvement Standards & Specifications.

Total estimated daily sewage discharge from the plan area is 170,000 gpd, with peak flows of 0.8 cfs and 510,000 gpd.

Storm Drainage:

The Presidential Estates Area Plan site currently drains to the northeast. The plan area is located within the City of Los Banos "Central City" Storm drainage watershed. Storm runoff will be collected in the dual-use park/basin facilities. The system will be designed to gravity-drain to the existing collection system in SR 165 / Mercy Springs Road.

Within the plan area, north of the Page Avenue extension, all storm drainage system improvements (transmission lines and pump discharge stations) will be designed according to City Standards & Specifications, and the City's Storm Drainage Master Plan. Development will comply with the Phase II Storm Water Regulations as well. Storm drainage infrastructure will be installed and dedicated to the City for operation and maintenance. A Drainage Maintenance District is proposed to accommodate the maintenance and operation of these storm drainage facilities. South of future Page Avenue within the

Area Plan boundary, utilities, facilities and infrastructure will be privately owned, operated and maintained.

Parks and Open Space:

Development within the Area Plan boundary will incorporate dual-use park/detention basins. Some examples of features that could be designed into these public park facilities include recreational fields and play structures. Any traffic arriving at parks from other neighborhoods would use on-street parking to access the park(s) from public residential streets. Consistent with the General Plan policy stating new development must contribute to the City's Park facilities by providing 5 acres of parkland per 1,000 residents; this proposal is expected to include adequate parkland to meet this requirement.

Agricultural Preservation:

As part of the project, the applicant has also recorded a perpetual agricultural preservation restriction that vests to the benefit of the public on January 1, 2017, on two parcels totaling approximately 100 acres in Merced County. (See Merced County Recorder, Doc. No. 2016012724.) The proposed properties are located seven miles southeast of the City of Los Banos near Cotton Gin Road at APNs 088-180-059 and -060. The properties are identified as "Farmland of Statewide Importance" under the California Farmland Mapping and Monitoring Program.

ENVIRONMENTAL DETERMINATION:

The Lead Agency has prepared an Initial Study, following, which considers the potential environmental effects of the proposed project. The Initial Study shows that there is no substantial evidence, in light of the whole record before the Lead Agency, that the project may have a potentially significant effect on the environment, provided that the following mitigation measures are included in the project.

MITIGATION MEASURES:

The following mitigation measures shall be incorporated into the proposed project:

CULTURAL RESOURCES

Mitigation Measure V-1:

In the event of the accidental discovery or recognition of any human remains in any location other than a dedicated cemetery, the following steps shall be taken:

1. There shall be no further excavation or disturbance of the site or any nearby area reasonably suspected to overlie adjacent human remains until;

- a) The coroner of the County in which the remains are discovered must be contacted to determine that no investigation of the cause of death is required; and,
- b) If the coroner determines the remains to be Native American:
 1. The coroner shall contact the Native American Heritage Commission within 24 hours.
 2. The Native American Heritage Commission shall identify the person or persons it believes to be the most likely descended from the deceased Native American.
 3. The most likely descendent may make recommendations to the landowner or the person responsible for the excavation work, for means of treating or disposing of, with appropriate dignity, the human remains and any associated grave goods as provided in Public Resources Code Section 5097.98.

HAZARDS AND HAZARDOUS MATERIALS

Mitigation Measure VIII-1:

Prior to the approval of any subsequent development/re-development of project site, the applicant and/or project proponent, shall submit to the City a Phase I/Environmental Site Assessment (ESA) prepared by an Environmental Professional consistent with the requirements of ASTM E1527-05. The recommendations of the Phase I/ESA shall be incorporated into the proposed project, as deemed necessary by City staff.

TRANSPORTATION/TRAFFIC

Mitigation Measure XVI-1:

Project proponents shall install applicable intersection improvements when frontage improvements are constructed at the SR 165 / Pioneer Road intersection. The scope and design of these intersection improvements shall be identified and approved by the City and Caltrans prior to the approval of the first Tentative Subdivision Map.

Mitigation Measure XVI-2:

Project proponents shall pay the cost of neighborhood traffic calming measures on neighborhood streets such as Page Avenue, Madison Avenue, Jefferson Avenue between 4th Street and 11th Street. The traffic calming measures shall be developed through the preparation and adoption of a Neighborhood Traffic Calming Program development by the City of Los Banos and with input from the neighborhood.

Mitigation Measure XVI-3:

The City's Transportation Master Plan addresses the SR 152/11th Street intersection, and suggests that traffic signal may be installed. To determine the need for a traffic signal, Caltrans shall conduct a Screenline ICE assessment to identify a feasible control alternative if mainline traffic on SR 152 is to be stopped, install the traffic signal when needed based on satisfaction of traffic warrants as determined by Caltrans, or install a barrier to left turning traffic that prohibits left turns. The Project proponents shall contribute fair share to the cost of intersection improvements at Pacheco Blvd (SR 152) / 11th Street. The fair share contribution shall be agreed upon by the City and the Project Proponent prior to the approval of the first Tentative Subdivision Map within the proposed project.

Mitigation Measure XVI-4:

The City's Transportation Master Plan address the SR 165/Scripps Drive/Page Avenue intersection, and a traffic signal at this intersection is included in the City's traffic impact fee program. To determine the need for a traffic signal, Caltrans shall conduct a Screenline ICE assessment to identify a feasible control alternative prior to extending Page Avenue to SR 165, install the traffic signal when needed based on satisfaction of traffic warrants as determined by Caltrans, and receive fee program reimbursement for costs beyond the project's fair share. The Project proponents shall install improvements to SR 165 (Mercey Springs Road) / Scripps Drive intersection. The fair share contribution shall be agreed upon by the City and the Project Proponent prior to the approval of the first Tentative Subdivision Map within the proposed project.

Therefore, the Lead Agency proposes to adopt a Mitigated Negative Declaration for the project, in accordance with the provisions of the California Environmental Quality Act (CEQA) and the State CEQA Guidelines.

Ms. Stacy Souza Elms, Senior Planner

Date

SECTION 1.0

INTRODUCTION

PROJECT TITLE

Presidential Estates East Area Plan, General Plan Amendment and Annexation (Application No. 2015-03)

LEAD AGENCY NAME AND ADDRESS

City of Los Banos
Community Development Department
520 J Street
Los Banos, California 93635

CONTACT PERSON AND PHONE NUMBER

Ms. Stacy Souza Elms, Senior Planner
(209) 827-7000
Stacy.elms@losbanos.org

PROJECT SPONSOR'S NAME AND ADDRESS

Stonefield Communities
923 Pacheco Boulevard, Suite C
Los Banos, California 93635

PROJECT LOCATION AND SETTING

The proposed project is located within the City of Los Banos, County of Merced. Specifically, the proposed project consists of 106± acres (APN Nos. 083-120-012, 013, 014, 015, 016, 017, 018, 019, 020, 021, 022, 023, 024, 027 & 028; 026-290-001, 002, 003, 004 & 005) and is bounded by the following:

North: Commercial Developments within the City of Los Banos

South: Agricultural lands

East: Single-family residences, Mercey Springs Elementary, and Vacant Land

West: Los Banos High School and Single-family residences

Figure 1 - Location Map, and Figure 2 - Area Map, provides an illustration of the proposed project's location.

The proposed project site was historically utilized for agricultural purposes. The northern portion of the site does not currently produce any agricultural crops, but the southern portion of the project site is currently being farmed with almond trees. Urban development (primarily single-family development) has occurred on the north, east and west sides of the project site, along with associated street and utility improvements. Topography of the site is relatively flat. There are trees located along an abandoned irrigation ditch as well as small vegetation located throughout the project site. These trees

and other vegetation may be removed as part of any future development/construction of the project site but it is important to note that no development is being proposed at this time.

GENERAL PLAN AND ZONING DESIGNATIONS

General Plan: Low Density Residential (LDR), Medium Density Residential (MDR), Professional Office (PO), and Commercial (COM)

Zoning: R-1, Low Density Residential

PROJECT DESCRIPTION

The proposed project is for the consideration of an Area Plan and annexation of approximately 106± acres of unincorporated lands lying north of Pioneer Road and west of Mercey Springs Road (SR 165). These lands currently constitute an undeveloped peninsula of land virtually surrounded by existing urban development and the City limits of the City of Los Banos. This project will also include a General Plan Amendment which will designate the entire 106± acre project site as Low-Density Residential (LDR). Presently, under the City’s 2030 General Plan, only 82± acres of the project site are designated as LDR.

To the extent feasible, the environmental analysis contained in the Initial Study that will be prepared for the proposed project will be tiered from the City of Los Banos 2030 General Plan EIR (approved July 15, 2009).

The current City of Los Banos General Plan land use designations for the 106± acre site is mostly made up of Low Density Residential, with a small portion of approximately 15± acres in the northeast area of the project site designated as Medium Density Residential, Office/Professional and Commercial. As stated above, the applicant is requesting to modify the General Plan designation of the project site to designate the entire site as Low-Density Residential. As part of this project, the applicant has also asked the City of Los Banos to pre-zone the project site as both Planned-Development (P-D) and Unclassified (U). The difference between these residential zoning designations is to distinguish between those properties which have executed a Pre-Annexation Development Agreement (zoned P-D), and those which have not executed a Pre-Annexation Development Agreement (zoned U). The proposed Low-Density Residential land uses and build-out are assumed using the average density in accordance with the City’s 2030 General Plan irrespective of the different zoning designations.

Below, Table 1-1, Land Use Matrix, provides land use assumptions provided by the City’s General Plan and potential development included as part of the applicant’s request:

Table 1-1 Land Use Matrix

Land Use Designation	Average Density	Acreage	Units
Low Density Residential	4 Units/Acre	106±	424

The County of Merced currently has the project site designated as “Agricultural - (A)” in its General Plan. The County’s zoning designation is listed as Single-Family Residential (R-1).

As noted above, the Applicant has also submitted an Area Plan for consideration by the City of Los Banos, which is also included as part of this Initial Study. At full build-out, the proposed project will include the construction of the roadways, including underground utilities in those roadways, as needed to serve the project, consistent with City standards and infrastructure master plans.

The following is a general description of the proposed project’s plans for providing public utilities and parks and open space:

Domestic Water:

The Presidential Estates Area Plan is subject to the provisions of the City of Los Banos 2010 Water Master Plan (WMP) and will conform to its requirements, including payment of applicable water impact fees and construction of system improvements consistent with the City’s Standards & Specifications to serve future development. Development projects will be served by connecting to existing water distribution lines in adjacent subdivisions. Service will be provided by extending the grid system consistent with the WMP. All water mains, local lines and other system improvements will conform to the WMP.

Water will be distributed throughout the plan area via the City water distribution grid, by connecting to existing water distribution line located in the Presidential Estates subdivision to the west. An 18” water line is designated for installation in the Pioneer Road ROW corridor; new residential development will include 8” water distribution lines to provide service to individual residential units. Water system improvements will be consistent with the WMP and Standard Specifications.

Wastewater Infrastructure:

Wastewater will be treated at the City’s wastewater treatment plant (WWTP) located northeast of the City, to be fed by a gravity system with lift station. Wastewater flows from the project site will be conveyed via an existing fifteen (15) inch sewer line that extends east of the plan area at the future Madison Avenue connection/extension. All system improvements will be consistent with the City’s Improvement Standards & Specifications.

Total estimated daily sewage discharge from the plan area is 170,000 gpd, with peak flows of 0.8 cfs and 510,000 gpd.

Storm Drainage:

The Presidential Estates Area Plan site currently drains to the northeast. The plan area is located within the City of Los Banos “Central City” Storm drainage watershed. Storm runoff will be collected in the

dual-use park/basin facilities. The system will be designed to gravity-drain to the existing collection system in SR 165 / Mercy Springs Road.

Within the plan area, north of the Page Avenue extension, all storm drainage system improvements (transmission lines and pump discharge stations) will be designed according to City Standards & Specifications, and the City's Storm Drainage Master Plan. Development will comply with the Phase II Storm Water Regulations as well. Storm drainage infrastructure will be installed and dedicated to the City for operation and maintenance. A Drainage Maintenance District is proposed to accommodate the maintenance and operation of these storm drainage facilities. South of future Page Avenue within the Area Plan boundary, utilities, facilities and infrastructure will be privately owned, operated and maintained.

Parks and Open Space:

Development within the Area Plan boundary will incorporate dual-use park/detention basins. Some examples of features that could be designed into these public park facilities include recreational fields and play structures. Any traffic arriving at parks from other neighborhoods would use on-street parking to access the park(s) from public residential streets. Consistent with the General Plan policy stating new development must contribute to the City's Park facilities by providing 5 acres of parkland per 1,000 residents, this proposal is expected to include adequate parkland to meet this requirement.

Agricultural Preservation:

As part of the project, the applicant has also recorded a perpetual agricultural preservation restriction that vests to the benefit of the public on January 1, 2017, on two parcels totaling approximately 100 acres in Merced County. (See Merced County Recorder, Doc. No. 2016012724.) The proposed properties are located seven miles southeast of the City of Los Banos near Cotton Gin Road at APNs 088-180-059 and -060. The properties are identified as "Farmland of Statewide Importance" under the California Farmland Mapping and Monitoring Program.

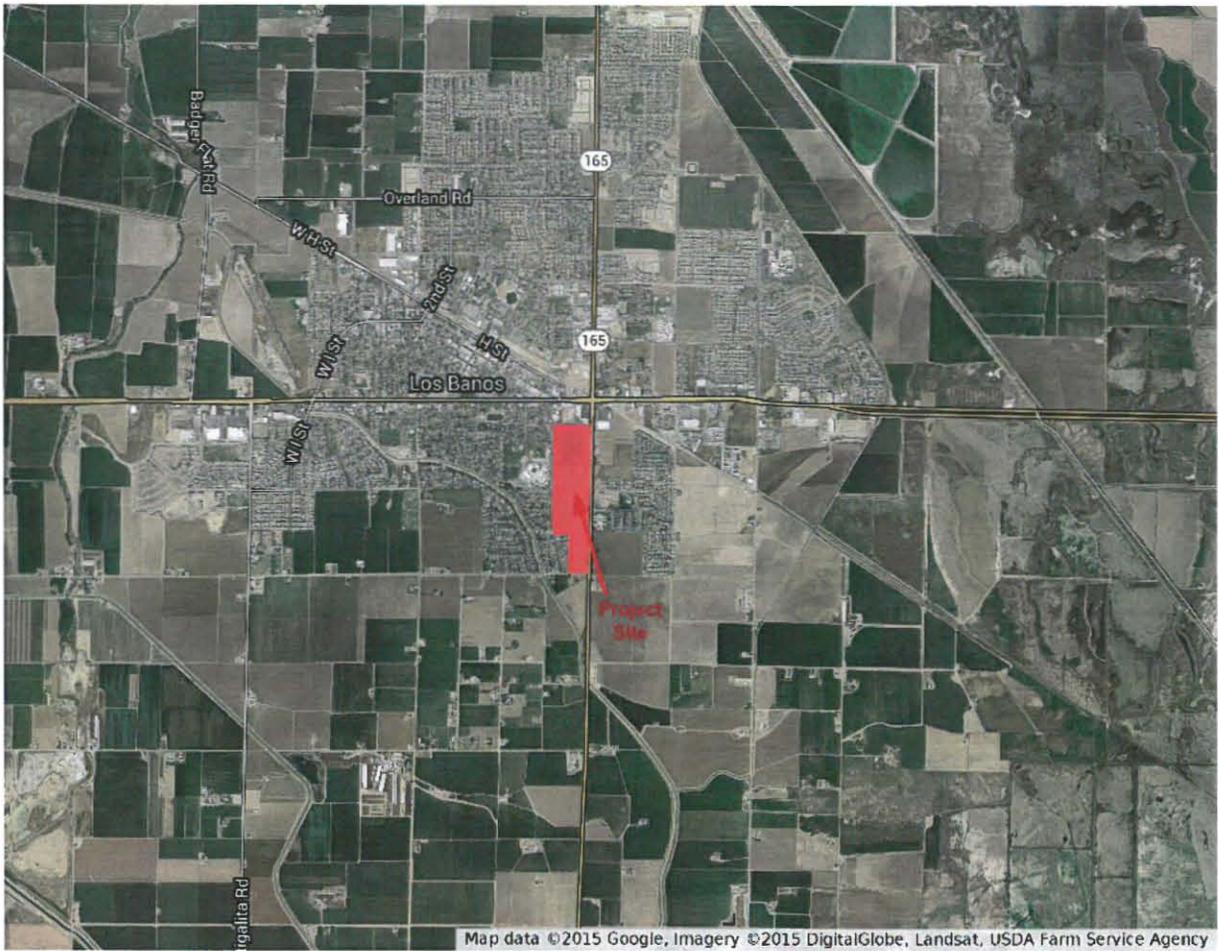


Figure 1 – Location Map



Figure 2 – Area Map

OTHER PUBLIC AGENCIES WHOSE APPROVAL IS REQUIRED (E.G., PERMITS, FINANCING APPROVAL, OR PARTICIPATION AGREEMENT.)

Merced Local Agency Formation Commission (LAFCO)
 City of Los Banos City Council

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

	Aesthetics		Agriculture and Forestry Resources		Air Quality
	Biological Resources	X	Cultural Resources		Geology and Soils
	Greenhouse Gas Emissions	X	Hazards and Hazardous Materials		Hydrology and Water Quality
	Land Use and Planning		Mineral Resources		Noise
	Population and Housing		Public Services		Recreation
X	Transportation/Traffic		Utilities and Service Systems		Mandatory Findings of Significance

LEAD AGENCY DETERMINATION:

On the basis of this initial evaluation:

	I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
X	I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
	I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
	I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
	I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.
<hr/> <p>Ms. Stacy Souza Elms, Senior Planner</p>	<hr/> <p>Date</p>

SECTION 2.0 EVALUATION INSTRUCTIONS:

- 1) A brief explanation is required for all answers except "No Impact" answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A "No Impact" answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A "No Impact" answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
- 2) All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
- 3) Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. "Potentially Significant Impact" is appropriate if there is substantial evidence that an effect may be significant. If there are one or more "Potentially Significant Impact" entries when the determination is made, an EIR is required.
- 4) "Negative Declaration: Less Than Significant With Mitigation Incorporated" applies where the incorporation of mitigation measures has reduced an effect from "Potentially Significant Impact" to a "Less Than Significant Impact." The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level (mitigation measures from Section XVII, "Earlier Analyses," may be cross-referenced).
- 5) Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). In this case, a brief discussion should identify the following:
 - a) Earlier Analysis Used. Identify and state where they are available for review.
 - b) Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
 - c) Mitigation Measures. For effects that are "Less than Significant with Mitigation Measures Incorporated," describe the mitigation measures, which were incorporated or

refined from the earlier document and the extent to which they address site-specific conditions for the project.

- 6) Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
- 7) Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
- 8) This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project's environmental effects in whatever format is selected.
- 9) The explanation of each issue should identify:
 - a) The significance criteria or threshold, if any, used to evaluate each question; and
 - b) The mitigation measure identified, if any, to reduce the impact to less than significance

SECTION 3.0

INITIAL STUDY CHECKLIST

This section of the Initial Study incorporates the most current Appendix "G" Environmental Checklist Form, contained in the CEQA Guidelines.

I. AESTHETICS -- WOULD THE PROJECT:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Have a substantial adverse effect on a scenic vista?			X	
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?				X
c) Substantially degrade the existing visual character or quality of the site and its surroundings?			X	
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?			X	

DISCUSSION:

- I-a) According to the City of Los Banos 2030 General Plan and Environmental Impact Report (EIR), the proposed project area is not considered a scenic vista. The project site consists of open land and scattered single family residences. The public views from the site to the west and north are of urban uses. To the east is a mixture of urban uses and open ground in the City, and to the south is open ground within the County. Aesthetic qualities of the area would change as future development occurs. Any future development will be consistent with development currently existing or approved around the site. Therefore, the proposed project will have a less than significant impact.
- I-b) The proposed project is located within the City of Los Banos, and is not located on a state designated highway. Based on a review of the California Department of Transportation website (<http://www.dot.ca.gov/hq/LandArch/scenic/schwy.htm>), the nearest state scenic highway is Interstate 5, between the Merced County line and San Joaquin County line. The proposed project is not located on or adjacent to Interstate 5, and therefore will have no impact to a state scenic highway.

- I-c) The proposed project is comprised of 106±-acres in Merced County, adjacent to the City of Los Banos and is nearly surrounded by urban development that is within the City. The existing visual character of the proposed project and its surroundings consists of single-family residential and commercial development. In addition, the City of Los Banos, through its General Plan, has designated the proposed project site for development consistent with commercial, office, and low to medium density residential. The project proposes to designate the entire project site Low Density Residential, which is less intense than the current General Plan Land Use designations therefore will have a less than significant impact to the project site's visual character and its surroundings.

- I-d) All exterior lighting installed as a part of any future development of the site will be required to be designed in such a way as to minimize glare and light spill in order to preserve existing day-time/night-time views. As such, this project will have a less than significant impact on light or glare that would affect daytime or nighttime views.

MITIGATION MEASURES:

Mitigation is not required for this topic.

II. AGRICULTURE AND FORESTRY RESOURCES: WOULD THE PROJECT:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?			X	
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?			X	
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104 (g))?			X	
d) Result in the loss of forest land or conversion of forest land to non-forest use?			X	
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?			X	

DISCUSSION:

II-a) The proposed project seeks to annex and pre-zone a peninsula of unincorporated land approximately 106 acres in size, and surrounded on three sides by the current City limits. The proposed project would convert land that is currently agricultural pasture land in the northern half and used for almond crop production on the southern half to low-density residential land uses. According to the most recent data provided by the Natural Resources Conservation Service (NRCS), the majority of the site’s soils are classified as Woo Clay Loam (0 to 2 percent slopes, Storie Index I). This soil type is considered to be Prime Farmland when irrigated.

The 2030 General Plan identified this site, among many others, as targeted for future urban growth as the City builds out its General Plan between its adoption and 2030. The City’s 2030 General Plan Draft Program EIR (“GP DEIR”)(SCH #2006121055) analyzed the General Plan’s impact on agricultural lands due to conversion to urban uses resulting from the City’s planned growth. The GP DEIR identified a loss of nearly 3,000 acres of prime farmland as a result of

buildout of the City's proposed General Plan. The GP DEIR identified several General Plan policies that were intended to reduce the project's impact on farmland, such as incorporating an Urban Growth Boundary where growth will occur (GP Policy LU-I-1), working with the County of Merced and the Grasslands Water District to preserve agricultural uses outside the Urban Growth Boundary (GP Policy LU-I-3), working with the Central California Irrigation District to retain water rights in annexed areas to allow agricultural production to continue until the time of development of the property (GP Policy POSR-I-35). (2030 GP DEIR, pgs. 41-43.) In addition, the GP DEIR proposed one mitigation measure:

2030 General Plan DEIR Mitigation Measure

Conversion of agricultural land to urban use is not directly mitigable, aside from preventing development altogether. In order to minimize the impact of converting prime agricultural lands, the City may consider requiring conservation easements on agricultural land of similar quality to that within the proposed development sites. Although this mitigation measure would not reduce the amount of acreage converted under buildout of the proposed General Plan, it would help ensure protection of remaining agricultural acreage.

Despite the addition of several policies and the mitigation measure, the City's GP DEIR still found the impact on farmland to be significant and unavoidable. The City considered the GP DEIR, GP Final EIR, and the project at a public hearing where the Council: (1) adopted a smaller overall project that would result in approximately 1,900 acres of prime farmland conversion, approximately 1,100 acres less than the GP DEIR analyzed; and (2) adopted findings for approval and a statement of overriding considerations.

Project Site

While the GP DEIR determined that buildout of the City's proposed General Plan would convert nearly 3,000 acres of prime farmland to urban uses, the maps used in the GP DEIR inadvertently identified the project site as "Urban and Built-Up Land." The 2006 State Farmland Mapping and Monitoring Program map identified the project site as predominately "Prime Farmland," with some small areas of "Rural Residential Land" and "Urban and Built-Up Land."

It is unclear whether the map was a scrivener's error or whether the underlying data was incorrect. Even if the City assumes the most conservative scenario, adding approximately 106± acres of prime farmland converted as a result of the project to the City's adopted General Plan's finding that approximately 1,900 acres of prime farmland conversion would occur, brings the total converted prime farmland to approximately 2,000 acres as a result of buildout of the City's adopted 2030 General Plan. The additional impact of 106± acres of farmland conversion is not substantially more severe than the impact from the City's adopted 2030 General Plan, because

the site was already anticipated for urban development and amounts to an approximate increase of only 5% to the total amount of prime farmland to be converted.

The applicant, in an effort to conserve valuable farmland in the County of Merced, has voluntarily recorded a "Restrictive Covenant" on two parcels totaling 100 acres of valuable farmland within the County. (See Merced County Recorder, Document No. 2016012724) The properties are identified as "Farmland of Statewide Importance" under the California Farmland Mapping and Monitoring Program. The voluntary recording of the Covenant was completed by the applicant and will "offset" the conversion (to urban uses) of all of the land within the project area.

For all of these reasons, the proposed project's impacts from the conversion of farmland are less than significant.

- II-b,c) The proposed project is seeking to annex and adopt an Area Plan that would allow low-density residential uses. Although currently zoned for agricultural uses by the County of Merced, the project site was evaluated by the City's 2030 General Plan/EIR and identified as being "Urban and Built-up Land", and therefore, is not considered to be agricultural or forest land. In addition, a Williamson Act Contract does not exist for the project site. Therefore, the proposed project will have a less than significant impact.
- II-d) The proposed project is located on existing agricultural pasture land, as well as land currently in production for almond crops, and is bounded by existing residential land uses to the north, east, and west. The project site is not situated on lands considered to be forest land. Therefore, the proposed project will have a less than significant impact.
- II-e) As noted above, a portion proposed project is located on existing agricultural pasture land as well as land that is currently in production for agricultural crops. The southern portion is currently being farmed with almond trees. The project site is bounded by existing residential land uses to the north, east, and west, and it is designated for residential land uses by the City of Los Banos 2030 General Plan. Therefore, the proposed project will have a less than significant impact.

MITIGATION MEASURES:

Mitigation is not required for this topic.

III. AIR QUALITY -- WOULD THE PROJECT:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Conflict with or obstruct implementation of the applicable air quality plan?			X	
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?			X	
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?			X	
d) Expose sensitive receptors to substantial pollutant concentrations?			X	
e) Create objectionable odors affecting a substantial number of people?			X	

BACKGROUND DISCUSSION:

The proposed project is located in west Merced County, which is a portion of the San Joaquin Valley Air Basin (SJVAB). Air quality management under the federal and state Clean Air Acts is the responsibility of the San Joaquin Valley Air Pollution Control District (SJVAPCD).

The federal and state governments have adopted ambient air quality standards (AAQS) for the primary air pollutants of concern, known as "criteria" air pollutants. Air quality is managed by the SJVAPCD to attain these standards. Primary standards are established to protect the public health; secondary standards are established to protect the public welfare. The attainment status of the SJVAB for Merced County with respect to the applicable AAQS are shown in the following table.

The SJVAB is considered non-attainment for ozone and particulate matter (PM10 and PM2.5), because the AAQS for the pollutants are sometimes exceeded. The SJVAB is Attainment/Unclassified for carbon monoxide, but select areas, not including the City of Los Banos, are required to abide by adopted carbon monoxide maintenance plans.

The California Air Resources Board (CARB) through the Air Toxics Program is responsible for the identification and control of exposure to air toxics, and notification of people that are subject to

significant air toxic exposure. A principal air toxic is diesel particulate matter, which is a component of diesel engine exhaust.

The SJVAPCD has adopted regulations establishing control over air pollutant emissions associated with land development and related activities. These regulations include:

- Regulation VIII (Fugitive Dust Rules)
- Rule 4101 (Visible Emissions)
- Rule 9510 (Indirect Source Review)

**SAN JOAQUIN VALLEY FEDERAL AND STATE
AAQS ATTAINMENT STATUS**

Pollutant	Designation / Classification	
	Federal Standards ^a	State Standards ^b
Ozone, 1-hour	No federal standard ^f	Nonattainment / Severe
Ozone, 8-hour	Nonattainment / Extreme ^e	Nonattainment
PM10	Attainment ^c	Nonattainment
PM2.5	Nonattainment ^d	Nonattainment
Carbon Monoxide	Attainment / Unclassified	Attainment / Unclassified
Nitrogen Dioxide	Attainment / Unclassified	Attainment
Sulfur Dioxide	Attainment / Unclassified	Attainment
Lead (particulate)	No designation	Attainment
Hydrogen Sulfide	No federal standard	Unclassified
Sulfates	No federal standard	Attainment
Visibility-Reducing Particles	No federal standard	Unclassified
Vinyl Chloride	No federal standard	Attainment

^aSee 40 CFR Part 81

^bSee CCR Title 17 Sections 60200-60210

^cOn September 25, 2008, EPA redesignated the San Joaquin Valley to Attainment for the PM10 National AAQS and approved the PM10 Maintenance Plan

^dThe SJV is designated nonattainment for the 1997 PM2.5 NAAQS. EPA designated the SJV as nonattainment for the 2006 PM2.5 on November 13, 2009 (effective December 14, 2009).

^eThough the SJV was initially classified as serious nonattainment for the 1997 8-hour ozone standard, EPA approved reclassification of the SJV to extreme nonattainment in the Federal Register on May, 2010 (effective June 4, 2010).

^fEffective June 15, 2005, the EPA revoked the federal 1-hour ozone standard, including associated designations and classifications. EPA has previously classified the SJV as extreme nonattainment for this standard. EPA approved the 2004 Extreme Ozone Attainment Demonstration Plan on March 8, 2010 (effective April 7, 2010). Many applicable requirements for extreme 1-hour ozone nonattainment areas continue to apply to the SJVAB.

The SJVAPCD has adopted a CEQA impact analysis guideline titled *Guide for Assessing and Mitigating Air Quality Impacts* (GAMAQI). The GAMAQI is utilized in the following air quality impact analysis where

applicable. The GAMAQI establishes impact significance thresholds for the non-attainment pollutant PM10 and precursors to the non-attainment pollutant ozone: reactive organic gases (ROG) and oxides of nitrogen (NOx).

ROG	10 tons/year
NOx	10 tons/year
PM10	15 tons/year

Projects that do not generate emissions in excess of these thresholds are considered to have less than significant air quality impacts. As the proposed project is limited to the annexation and pre-zoning of the site, no possibility of exceeding emission thresholds are expected to occur at this time.

Future site development and construction will be subject to SJVAPCD rules related to control of construction emissions, including the various rules comprising Regulation VIII and SJVAPCD Rule 9510 Indirect Sources. Future development associated with the proposed project site will exceed the thresholds triggering the requirements of Rule 9510 and comply with the Indirect Source Review (ISR) process with the SJVAPCD. Compliance with Rule 9510 will require the Project Proponent to complete the ISR process prior to the issuance of the first building permit within the proposed project area.

In addition to compliance with the rules and regulations listed above, an independent CEQA analysis may be required prior to the project site being developed and the potential air quality impacts would be evaluated at that time.

DISCUSSION:

III-a) The City of Los Banos is located within the San Joaquin Valley Air Basin. The air quality impacts for the project have been analyzed within the General Plan EIR. Although no construction or development is proposed, it is important to note that implementation of General Plan policies would reduce the impact of future construction activity associated with the project site. General Plan Policy "POSR-I-48" requires the implementation of Best Management Practices to reduce air pollutant emissions due to construction work and/or operation of equipment. Therefore, the impact is considered to be less than significant.

III-b-c) The 2030 General Plan EIR determined that air quality impacts associated with the development of the General Plan area would be significant and unavoidable, and as such a statement of overriding consideration was adopted. Although this project is not proposing or authorizing immediate development, the proposed "pre-zone" designations are at similar densities and designations as those considered in the General Plan and EIR. Based on the foregoing, the project would generate similar or lower air quality impacts than considered and overridden in the General Plan EIR, therefore the project's impact on air quality is less than significant.

- III-d) The proposed project will not result in short-term air quality impacts resulting from construction as the proposed project consists of an Area Plan, General Plan Amendment, Pre-Zoning, and Annexation.. However, in addition to future CEQA evaluation of the project site prior to development, General Plan Policy POSR-I-50 requires the City to use the SJVAPCD Guidelines in the review of development proposals. Compliance with SJVAPCD Regulation VIII and implementation of General Plan Policy POSR-I-50 would reduce future development and construction emissions to a less than significant level.

- III-e) The proposed project does not involve any features that will generate odors. Therefore, the proposed project will have a less than significant impact.

MITIGATION MEASURES:

Mitigation is not required for this topic.

IV. BIOLOGICAL RESOURCES -- WOULD THE PROJECT:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?			X	
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?			X	
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?			X	
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?			X	
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?				X
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?				X

DISCUSSION:

IV-a) As noted previously, the proposed project is located on undeveloped land, and is surrounded by urban development on the north, east, and west sides. Based on a review of the City's 2030 General Plan/EIR, and most notably, Figure 3.8-1 of the EIR, the proposed project is not located within an area known for the potential of containing any species identified as a candidate,

sensitive, or special status species by the California Department of Fish and Wildlife or the U.S. Fish and Wildlife Service. As such, the proposed project will have a less than significant impact.

- IV-b) Based on a review of the City's 2030 General Plan and EIR, the proposed project is not located within an area known to contain riparian habitat. Most, if not all, of the riparian habitat located within the City is located along the Los Banos Creek corridor. The proposed project is not located within, or adjacent to, Los Banos Creek. Therefore, the proposed project will have a less than significant impact.
- IV-c) Based on a review of the City's 2030 General Plan and EIR, there are no identified wetlands within the project site. Therefore, the proposed project will have a less than significant impact.
- IV-d) Based on a review of the City's 2030 General Plan and EIR, significant impacts to wildlife corridors, as a result of the build out of the General Plan Planning Area, occur with construction of the Highway 152 bypass. It is also noted that new development would cause an increase in both vehicular traffic levels and nighttime light levels, which would serve to deter wildlife movement. However, the proposed project is not located within the Highway 152 bypass area. Additionally, the proposed project is surrounded by existing city development on the north, east, and west sides. Therefore, new development created as a result of the proposed project would have minimal impacts to wildlife corridors as surrounding urban development already exist. Therefore, the proposed project will have a less than significant impact.
- IV-e) As noted previously, the proposed project is consistent with the City's 2030 General Plan and Zoning Ordinance. Additionally, while future development within the proposed project area will require the removal of trees, the City does not have an adopted Tree Preservation Ordinance that would apply. Therefore, the proposed project will have no impact.
- IV-f) As evaluated and noted in the City's 2030 General Plan and EIR, the City of Los Banos, including the proposed project site, is not located within an adopted Habitat Conservation Plan or Natural Community Plan. Therefore, the proposed project will have no impact.

MITIGATION MEASURES:

Mitigation is not required for this topic.

V. CULTURAL RESOURCES -- Would the project:

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Cause a substantial adverse change in the significance of a historical resource as defined in '15064.5?			X	
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to '15064.5?			X	
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?			X	
d) Disturb any human remains, including those interred outside of formal cemeteries?		X		

DISCUSSION:

V-a) Based on a review of the City's 2030 General Plan EIR, there are thirteen (13) historic resource sites within the City's Planning Area, primarily in the downtown area. None of these sites include the proposed project. As such, there are no historic resources or sites as defined by Section 15064.5 of the Government Code within the proposed project area. Therefore, the proposed project will have a less than significant impact.

V-b) Based on a review of the City's 2030 General Plan and EIR, *"there are seventeen recorded prehistoric archaeological sites and two historic archaeological sites within the Planning Area. Features of the prehistoric archaeological sites include prehistoric villages, occupational sites containing tools and milling equipment, burial grounds, and human skull fragments. The General Plan identifies the Los Banos Creek area as a highly sensitive area for potential archaeological sites."*

The proposed project is not located within the Los Banos Creek area, and therefore, potential impacts to archaeological resources are considered to be minimal. Therefore, the proposed project will have a less than significant impact.

V-c) The City's 2030 General Plan and EIR does not identify any unique paleontological resources or sites or unique geologic features within the proposed project area. As noted in the 2030 General Plan, paleontological resources have been typically identified within the Los Banos Creek area. Therefore, the proposed project will have a less than significant impact.

V-d) It is not anticipated that the proposed project will disturb any human remains. However, future development and construction of the proposed project site, human remains may be identified, particularly during activities requiring ground disturbance (i.e. grading, trench digging, etc.). As such, the proposed project shall incorporate Mitigation Measure No. V-1, specified below, in accordance with Section 15064.5(e) of the CEQA Guidelines, to reduce any potentially significant impacts to a level of less than significant.

MITIGATION MEASURES:

The following mitigation measure shall be incorporated into the proposed project:

Mitigation Measure V-1:

In the event of the accidental discovery or recognition of any human remains in any location other than a dedicated cemetery, the following steps shall be taken:

1. There shall be no further excavation or disturbance of the site or any nearby area reasonably suspected to overlie adjacent human remains until;
 - a) The coroner of the County in which the remains are discovered must be contacted to determine that no investigation of the cause of death is required; and,
 - b) If the coroner determines the remains to be Native American:
 1. The coroner shall contact the Native American Heritage Commission within 24 hours.
 2. The Native American Heritage Commission shall identify the person or persons it believes to be the most likely descended from the deceased Native American.
 3. The most likely descendent may make recommendations to the landowner or the person responsible for the excavation work, for means of treating or disposing of, with appropriate dignity, the human remains and any associated grave goods as provided in Public Resources Code Section 5097.98.

VI. GEOLOGY AND SOILS -- WOULD THE PROJECT:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:			X	
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.			X	
ii) Strong seismic ground shaking?			X	
iii) Seismic-related ground failure, including liquefaction?			X	
iv) Landslides?			X	
b) Result in substantial soil erosion or the loss of topsoil?			X	
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?			X	
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?				X
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?				X

DISCUSSION:

- VI-a) No known earthquake faults are located on the project site. According to the City's 2030 General Plan there are two known earthquake faults near the City of Los Banos; the Calaveras and the Ortigalita faults which are both located near Interstate 5. The Los Banos General Plan has policies such as S-I-8 that require new and existing development to conform to existing State and federal regulations. With the General Plan policies set in place, the potentially significant impact is reduced to a less than significant level.

- VI-b) The proposed project does not include any grading of the site. Thus, no activity is proposed that could result in the loss of topsoil. However, any future development of the project site will be required to obtain a Grading Permit from the City of Los Banos. The Grading Permit process will ensure the proposed project is graded in accordance with City of Los Banos standards and specifications, as well as the conclusions and recommendations identified in the future project's Preliminary Geotechnical Investigation. Therefore, the proposed project will have a less than significant impact.

- VI-c) As previously mentioned, this project is not proposing any construction or development on the site. Future applications consisting of tentative subdivision maps, Final Development Agreements, etc. will be evaluated in order to determine that the site's soils are able to support the type of development proposed, and said soils are deep, well drained and stable. Therefore, the impact is less than significant.

- VI-d) The existing terrain is relatively flat and is not conducive to land slippage. In addition, the site is not shown on published landslide maps; therefore, there is no impact.

- VI-e) As noted above, this project is not proposing any construction or development on the site. Future site development of residential and commercial uses will be served by City of Los Banos sanitary sewer services and system. The use of septic tanks, or alternative waste water systems are not part of the proposed project. Therefore, the proposed project will have no impact.

MITIGATION MEASURES:

Mitigation is not required for this topic.

VII. GREENHOUSE GAS EMISSIONS -- WOULD THE PROJECT:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?				X
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?			X	

BACKGROUND DISCUSSION:

Human-generated emissions greenhouse gases (GHGs) are understood to be an important cause of global climate change, which is a subject of increasing scientific, public concern, and government action. Atmospheric concentrations of GHGs that trap heat in the earth’s atmosphere and lead to a variety of effects, including increasing temperature, changes in patterns and intensity of weather and various secondary effects resulting from those changes, including potential effects on public health and safety.

California AB 32 identifies global climate change as a “serious threat to the economic well-being, public health, natural resources and the environment of California.” As a result, global climate change is an issue that needs to be considered under CEQA.

GHGs include carbon dioxide (CO₂), the most abundant GHG, as well as methane, nitrous oxide and other gases, each of which have GHG potential that is several times that of CO₂. GHG emissions result from combustion of carbon-based fuels; major GHG sources in California include transportation (40.7%), electric power generation (20.5%), industrial (20.5%), agriculture and forestry (8.3%) and others (8.3%).

The State of California is actively engaged in developing and implementing strategies for reducing GHG emissions. State programs for GHG reduction include a regional cap-and-trade program, new industrial and emission control technologies, alternative energy generation technologies, advanced energy conservation in lighting, heating, cooling and ventilation, reduced-carbon fuels, hybrid and electric vehicles, and other methods of improving vehicle mileage reduction programs. Using these and other strategies, the State’s Global Climate Change Scoping Plan, adopted in December 2008, proposes to achieve a 29% reduction in projected business-as-usual emission levels for 2020.

The City of Los Banos 2030 General Plan and EIR includes policies and mitigation measures that reduce the impact level that is less than significant. Policies POSR-I-46, 52, 53, and C-I-4 of the City’s 2030 General Plan include measures, that upon implementation, help reduce the amount of greenhouse gases generated per capita in the City.

The SJVAPCD adopted a Climate Change Action Plan in 2008, and issued guidance for development project compliance with the plan in 2009. The guidance adopted an approach that relies on the use of Best Performance Standards to reduce GHG emissions. Projects implementing Best Performance Standards would be determined to have a less than cumulatively significant impact. For projects not implementing Best Performance Standards, demonstration of a 29% reduction in GHG emissions from business-as-usual conditions is required to determine that a project would have a less than cumulatively significant impact.

DISCUSSION:

- VII-a) Because this project would not directly result in any construction and/or operation, no emissions of GHG are anticipated to occur as a result of this project, beyond what has previously been identified in the City's 2030 General Plan and EIR document. As such, the proposed project would have no impact due to greenhouse gas emissions. Furthermore, the proposed project is considered to be less intense than the land uses that were considered within the 2030 General Plan, and will comply with the Policies noted in the discussion above.

- VII-b) The proposed project will not involve any known conflict with any adopted plan, policy, or regulation for reducing greenhouse gas emissions. Therefore, the proposed project will have a less than significant impact.

MITIGATION MEASURES:

Mitigation is not required for this topic.

VIII. HAZARDS AND HAZARDOUS MATERIALS -- WOULD THE PROJECT:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?		X		
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?			X	
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?			X	
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?				X
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?			X	
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?				X
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?				X
h) Expose people or structures to a significant risk of loss, injury or death involving wild land fires, including where wild lands are adjacent to urbanized areas or where residences are intermixed with wild lands?			X	

DISCUSSION:

- VIII-a) The Area Plan, Annexation and Pre-Zoning of an area (project site) to allow for residential uses does not typically involve the transport, use, or disposal of hazardous materials. However, the project site has historically been utilized for agricultural purposes, and as such, there may be hazardous materials within the soil. Therefore, prior to the approval of any subsequent development/re-development of the project site, the applicant and/or project proponent shall prepare and submit to the City a Phase I/Environmental Site Assessment (ESA). The recommendations of the Phase I/ESA shall be incorporated into the subsequent proposed project, as necessary. Therefore, the proposed project will have a less than significant impact with mitigation incorporated. **(Refer to Mitigation Measure VIII-1, below)**
- VIII-b) It is not anticipated that through the Area Plan, Annexation, and Pre-Zoning of the proposed project site, any foreseeable upset and accident conditions will occur. Subsequent development of the proposed project area will comply with all Federal, State, and local policies and regulations related to the construction of the proposed project. Therefore, the proposed project will have a less than significant impact.
- VIII-c) The proposed project is located less than one-quarter mile of Los Banos High School, which is located at 1966 South 11th Street, west of the project site. However, as noted above in VIII-a, the action of annexation and the pre-zoning of an area does not typically involve the emission or handling of hazardous materials. If, through future construction of the proposed project site, hazardous materials are identified, all Federal, State, and local policies and regulations related to hazardous materials shall be complied with. Therefore, the proposed project will have a less than significant impact.
- VIII-d) Appendix A of the City's 2030 General Plan provides a list of hazardous sites within the City of Los Banos. Based on a review of Appendix A, the proposed project is not located on a site identified as hazardous. Therefore, the proposed project will have no impact.
- VIII-e) The Los Banos Municipal Airport is located within the City of Los Banos. The Los Banos Municipal Airport is a general aviation facility with a single paved runway 3,800 feet in length. According to the Merced County Airport Land Use Compatibility Plan, adopted June 21, 2012, the proposed project is located outside of the airport's "Airport Influence Area." Therefore, the proposed project will have a less than significant impact.
- VIII-f) The proposed project is not located within the vicinity of any documented or known private airstrips. Therefore, the proposed project will have no impact.

- VIII-g) As previously stated, this project, the annexation and pre-zoning of the project site, is not proposing any development that would result in modifications or impacts to any adopted emergency response plan or emergency evacuation plan. As such, this project has no impact. However, it is important to note that future development, including all on-site circulation patterns, designs and improvements may be subject to Los Banos Fire Department approval to ensure adequate access for emergency response situations.
- VIII-h) The proposed project is located within a pocket of an urban area and is surrounded by existing City of Los Banos development on the north, east, and west sides. As such, no wild lands exist within or adjacent to the proposed project. Therefore, the proposed project will have a less than significant impact.

MITIGATION MEASURES:

The following mitigation measure shall be incorporated into the proposed project:

Mitigation Measure VIII-1:

Prior to the approval of any subsequent development/re-development of project site, the applicant and/or project proponent, shall submit to the City a Phase I/Environmental Site Assessment (ESA) prepared by an Environmental Professional consistent with the requirements of ASTM E1527-05. The recommendations of the Phase I/ESA shall be incorporated into the proposed project, as deemed necessary by City staff.

IX. HYDROLOGY AND WATER QUALITY -- WOULD THE PROJECT:

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Violate any water quality standards or waste discharge requirements?			X	
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?			X	
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?			X	
d) Substantially increase the rate or amount of surface runoff in a manner which would result in flooding on-or off-site?			X	
e) Create or contribute runoff water which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff?			X	
f) Otherwise substantially degrade water quality?			X	
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?			X	
h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?			X	
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?			X	
j) Inundation by seiche, tsunami, or mudflow?			X	

Discussion:

- IX-a) The proposed project will not violate any Federal, State, or local water quality standards or waste discharge requirements. Under the existing General Construction Permit requirements of the National Pollutant Discharge Elimination System (NPDES), any reasonably foreseeable future construction of a site in the proposed annexation area will require preparation of a storm-water pollution prevention plan (SWPPP) that incorporates water quality control Best Management Practices (BMPs). The implementation of water quality control BMPs would minimize water quality impacts from future construction to a level that is considered less than significant. Therefore, the proposed project will have a less than significant impact.

- IX-b) According to the City's 2030 General Plan, the project area is identified as being designated for development of various residential uses. According to Section 8.2 of the City's 2030 General Plan, *"the 2008 Urban Water Management Plan estimates that this supply is sufficient to meet city needs through 2030."* Therefore, it is anticipated that the City has sufficient supply to meet the potential demands of the proposed project area. As such, the proposed project will have a less than significant impact.

- IX-c) The proposed project will not alter the existing drainage pattern of the site by way of construction and converting the site from raw ground to urban development. However, any future development of the project site may do so and as such, any storm drainage design, will need to comply with the City's Drainage Design Manual and City standards and specifications. Compliance will be ensured through the future proposed project's Improvement Plan process at the time development of the site occurs. Therefore, the proposed project will have a less than significant impact.

- IX-d) The proposed project will not substantially increase the rate or amount of surface runoff in a manner which would result in flooding on-or off-site. Future development in the proposed annexation area could potentially result in an increase in surface water runoff due to reduced absorption from the addition of impervious surfaces, however, storm water quality and quantity treatment would be provided in accordance with the State NPDES requirements, verified by the City of Los Banos during building plan check review and subsequent site inspections. As such, the impact is considered to be less than significant.

- IX-e) The proposed project will not degrade water quality within the vicinity of the project site. Therefore, the proposed project will have a less than significant impact.

- IX-f) Please refer to the discussion and determination above, for IX-a.

- IX-g,h) Based on a review of the Flood Insurance Rate Map (FIRM) No. 06047C0850G, dated December 12, 2008, which includes the proposed project, the proposed project is not located within a 100-year flood plain. Therefore, the proposed project will have a less than significant impact.
- IX-i) The proposed project site is located within the Planning Area as it is defined in the 2030 General Plan. According to Section 7.2 of the City's 2030 General Plan, *"three dams close to Los Banos have the potential of inundating portions or the whole of the Planning Area. Flood zone mapping by the U.S. Army Corps of Engineers indicates that all of the Planning Area is located within the San Luis Reservoir dam inundation area. Northern portions of the Planning Area are also located within the Los Banos Detention Reservoir and the Little Panoche Reservoir Dam inundation area."* All three dams are owned by the Bureau of Reclamation, and are inspected regularly for their structural integrity. In response to the potential of inundation by a result of dam failure, the City has adopted General Plan policies, which include coordination with the U.S. Army Corps of Engineers on potential flooding risks, and ensuring that City staff and Emergency Response Services are trained to respond to catastrophic dam failure. Therefore, the proposed project will have a less than significant impact.
- IX-j) The City of Los Banos, including the proposed project, is located approximately sixty-six (66) miles east of the Pacific Ocean. Exposure of future residents within the proposed project to the risk of seiches, tsunami, or mudflows is minimal. Therefore, the proposed project will have a less than significant impact.

MITIGATION MEASURES:

Mitigation is not required for this topic.

X. LAND USE AND PLANNING - Would the project:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Physically divide an established community?			X	
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?			X	
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?				X

DISCUSSION:

- X-a) The proposed project is located adjacent to the City of Los Banos, which is an urbanized City located along the Interstate 5 corridor. Specifically, the proposed project is located in a peninsula of unincorporated land surrounded by existing City development on the north, east, and west sides of the project site. Subsequent development shall connect to existing streets and services within the City. Therefore, the proposed project would not physically divide the established community, and would have a less than significant impact.
- X-b) Presently, the proposed project site is designated for Commercial, Residential, and Professional Office land uses by the City of Los Banos 2030 General Plan. The proposal will modify the General Plan to allow for the entire site to be designated as low-density residential. As such, the proposed project, if approved, will be consistent with the City’s 2030 General Plan and will therefore have a less than significant impact.
- X-c) The proposed project is not located within an adopted Habitat Conservation Plan or Natural Community Conservation Plan. Therefore, the proposed project will have no impact.

MITIGATION MEASURES:

Mitigation is not required for this topic.

XI. MINERAL RESOURCES -- WOULD THE PROJECT:

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?				X
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?				X

DISCUSSION:

XI-a,b) Section 5.6 of the City of Los Banos 2030 General Plan, dated July 15, 2009, states, “according to the Department of Conservation: Mines and Geology, there are no known significant mineral resources located within the Planning Area. The Planning Area contains parts of San Luis Ranch alluvium and Modesto alluvium, known mineral occurrences of underdetermined mineral resources significance. According to the State Office of Mine Reclamation, sand and gravel is currently mined within portions of the Los Banos Creek Fan, located southwest of the Planning Area. Although further exploration of the Planning Area could result in the reclassification of specific localities, no mineral resources have been historically exploited or are being currently exploited commercially within the Planning Area.”

The proposed project is located within the Planning Area as it is defined in the 2030 General Plan, and is consistent with “urban” land uses prescribed by the General Plan. The proposal will modify the General Plan to allow for low-density residential in place of the current “Commercial/Office” type of uses. Therefore, the proposed project will have no impact to mineral resources of Statewide or local importance.

MITIGATION MEASURES:

Mitigation is not required for this topic.

XII. NOISE -- WOULD THE PROJECT RESULT IN:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?			X	
b) Exposure of persons to or generation of excessive ground borne vibration or ground borne noise levels?			X	
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?			X	
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?			X	
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?			X	
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?			X	

DISCUSSION:

XII-a) Within the City of Los Banos, a primary source of noise is vehicle traffic. Under the City of Los Banos 2030 General Plan noise standards, the maximum allowable noise exposure to ground transportation is 60 dB CNEL for outdoor activity areas in residential, transient lodging, medical facilities, and church land uses. These land uses, which include the proposed project's intended use (residential), require a maximum allowable noise level of 45 dB CNEL for interior spaces. Although development is not included in this project, future construction/development of the project area will increase the number of vehicle trips within the project area which could potentially lead to an increase in noise levels. However, based on a review of Figure 3.11-3 of the City's 2030 General Plan EIR, the proposed project is not located within an area identified as exceeding the City's General Plan noise standard upon build-out of the City's "Planning Area."

Therefore, the proposed project will not exceed the 2030 General Plan noise standards, and will have a less than significant impact.

XII-b) The proposed Area Plan, annexation and pre-zoning, is not expected to expose persons to or generate excessive ground borne vibration or ground-borne noise levels. Any future development /construction of the project area will be required to comply with the City's Noise Control Ordinance, Article 27. Therefore, the proposed project will have a less than significant impact.

XII-c,d) The City's 2030 General Plan EIR states, "*the future noise contours suggest that even at build-out there is virtually no land, other than directly on the roadways, being exposed to noise levels above 60dB.*" Figure 3.11-3 of the 2030 General Plan EIR further illustrates areas within the City that would be exposed to noise levels above the City's standard. Future development of the proposed project site may increase noise levels in the project area. However, the proposed project is not located within an area anticipated to generate noise levels above the standard identified in the City's 2030 General Plan. Therefore, the proposed project will have a less than significant impact.

XIII. POPULATION AND HOUSING -- Would the project:

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?			X	
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				X
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?			X	

DISCUSSION:

XIII-a) Development of the annexation area pursuant to City designations/zoning and development standards (including road and infrastructure improvements) was considered by the City's General Plan, where community-wide impacts of the entire General Plan area "build-out" was evaluated. Upon annexation, the population growth associated with development of the project area is considered to be less than significant. The table below outlines the specific growth, expected on the project site.

LAND USE	ACREAGE	UNITS
Low Density Residential*	106±	424
Totals	106±	424 Units
*Assumes average density of 4 units/acre.		

XIII-b) The proposed project will not require significant displacement of existing housing which would necessitate the construction of replacement housing. Therefore, the proposed project will have no impact.

XIII-c) Minor displacement of people within the project area may occur as properties within the annexation area undergo development/redevelopment. Given the small number of individuals who would be displaced, this impact is considered to be a less than significant impact.

MITIGATION MEASURES:

Mitigation is not required for this topic.

XIV. PUBLIC SERVICES

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:			X	
Fire protection?			X	
Police protection?			X	
Schools?			X	
Parks?			X	
Other public facilities?			X	

DISCUSSION:

XIV-a) Fire and police protection are provided by the City of Los Banos via the Los Banos Fire Department and Los Banos Police Department. To offset any potential impacts to fire and police services as a result of the proposed project, the proposed project will be required to pay the appropriate Capital Facilities Fees at the time development occurs and/or a Building Permit is issued. In addition, when development occurs within the project area, any development will be required to annex into a Community Facilities District (CFD), which is an annual tax assessed to each new parcel within the proposed project area. Therefore, potential impacts to fire and police protection services will be offset by payment of the applicable Capital Facilities Fees and annexing into the appropriate CFD. Therefore, the proposed project will have a less than significant impact to Fire and Police protection services.

Once construction and development of the proposed project area begins, it is expected that the area will generate new students (impacts to school district). Further evaluation of these impacts may be studied at the time that a formal proposal is made to the City. It is important to note that at this time, this current project is an Area Plan proposal and annexation/pre-zoning request with no submissions to develop the project site at this time. However, it should be noted that the Los Banos Unified School District charges development impact fees to offset the

cumulative costs of providing additional school facilities, once such facilities required. Furthermore, an agreement titled, *“School Impact Mitigation Agreement Between The Los Banos Unified School District And Ranchwood Homes”* is currently in effect and specifically covers new development on the project site. This mitigation agreement was established in 2004 and outlines the *“Developer’s Commitment to School Facilities Financing”* with specific requirements that address the potential impacts to the local school district and their ability to accommodate the impacts (new students) created by any new development. With the current project being an Annexation only, the requirements of the above agreement will be triggered once a formal development proposal is made on the project site. Therefore, the current project impact would be considered to be less than significant.

The City provides parkland through a requirement of parkland dedication and/or improvement, or the requirement that a project pay park fees, or a combination of the two. Once development occurs, the project will be required to meet its General Plan park requirements by these methods, as determined at the time of review and approval of any development requests such as site plan approvals or tentative maps. Based on the requirements of the City’s General Plan, the Area Plan identifies that the parkland dedication requirements may be met by a minimum of 2.50± acres and a maximum of 9.0± acres of open space. As such, the current annexation request’s impact on park land is less than significant.

The City of Los Banos collects development impact fees to offset the cumulative costs of providing additional public facilities. The appropriate fees will be collected once development of the site occurs but, as stated previously, the current request is for annexation of the project area with no construction proposals at this time. Therefore, the proposed project would have a less than significant impact.

MITIGATION MEASURES:

Mitigation is not required for this topic.

XV. RECREATION

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?			X	
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?			X	

DISCUSSION:

XV-a) The proposed project will not directly result in an increase in the use of existing park facilities in the City. All future development of the site will be required to pay the applicable Capital Facilities Fees, which include park facilities, at the time of building permit issuance. This Capital Facilities Fee is intended to offset impacts of new development to public services, including parks and park facilities. Therefore, the proposed project will have a less than significant impact.

XV-b) The proposed project does not consist of the development of new recreational facilities, nor will it necessitate the construction or expansion of existing recreational facilities. As noted above, future development of the site will be required to pay the applicable Capital Facilities Fee at the time of building permit issuance. The intent of the Capital Facilities Fee is to offset any potential impacts to public services and facilities, including parks and recreational facilities, as a result of new development. Therefore, the proposed project will have a less than significant impact.

MITIGATION MEASURES:

Mitigation is not required for this topic.

XVI. TRANSPORTATION/TRAFFIC -- WOULD THE PROJECT:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?		X		
b) Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?		X		
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?			X	
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?			X	
e) Result in inadequate emergency access?			X	
f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?			X	

DISCUSSION:

As part of this Initial Study, a Traffic Impact Analysis, dated April 18, 2016, was prepared by KD Anderson and Associates, Inc. The discussion below summarizes the findings provided in this Traffic Impact Analysis. The Traffic Impact Analysis is included in this Initial Study as Appendix B.

The Traffic Impact Analysis concluded that the proposed project will result in 4,036 daily vehicle trips, with 318 trips in the AM Peak Hour, and 424 trips in the PM Peak Hour. The land uses prescribed under the City's General Plan for this area could generate approximately 9,320 average daily vehicle trips. The intersections and roadways evaluated by the Traffic Impact Analysis include the following:

1. Pacheco Boulevard (SR 152)/11th Street
2. SR 152/Mercey Springs Road (SR 165)
3. SR 165/Madison Avenue (future)
4. 11th Street/Page Avenue
5. SR 165/Scripps Drive
6. Pioneer Road/New Collector (future)
7. Pioneer Road/SR 165

The Traffic Impact Analysis concluded that the development of the proposed project will be expected to complete frontage improvements that are consistent with City of Los Banos requirements for all new development in the City. At full built out, the following improvements will have been made:

1. Widening the west side of Mercey Springs Road (SR 165) to half of its ultimate four lane section, including left turn lanes at new intersections.
2. Widening of Pioneer Road to half its ultimate section along the project frontage, including development a left turn lane on eastbound Pioneer Road and a westbound right turn lane, similar to the improvements installed at the 11th Street / Pioneer Road intersection.

XVI-a) The Traffic Impact Analysis identified two safety-related potentially significant impacts. The first impact noted revolved around the intersection on SR 165/Pioneer Road and the potential need for the installation of a northbound left turn lane. However, it appears that the volume of current/anticipated traffic is not at the threshold to require a turn lane to be installed, based on the current AASHTO guidelines. The Traffic Analysis noted that Cal-Trans may require this issue to be resolved prior to issuing any future encroachment permits at this intersection. As such, Mitigation Measure XVI-1 has been incorporated into this project to reduce any potential impacts to a less than significant level.

The second impact cited in the Traffic Impact Analysis was the potential effects to the "neighborhood" streets within and adjacent to the project site. Particularly noted were the

neighborhood streets: Page Avenue, Madison Avenue, and Jefferson Avenue between 4th Street and 11th Street. While the measurement of LOS was not identified as part of the proposed project's Traffic Impact Analysis, the analysis notes that, ".....development of the Presidential Estates East Area Plan will generate traffic that may use local streets to travel west, especially if a traffic signal is not installed at the SR 152/11th Street intersection." The Traffic Impact Analysis concludes that traffic calming measures, developed with neighborhood consensus, could be installed to alleviate increased traffic on the identified neighborhood streets. The analysis also concludes that a Neighborhood Traffic Calming Program should be developed with neighborhood input to address and clarify the specific traffic calming measures to be implemented, or installed on these neighborhood roads.

As such, Mitigation Measure XVI-2 has been incorporated into this project to reduce any potential impacts to a less than significant level.

- XVI-b) The City of Los Banos' standard for Level of Service (LOS) is D, or better. Table 8 of the Traffic Impact Analysis summarizes the existing LOS for the intersections evaluated as part of the proposed project, as well as the LOS created as a result of the proposed project.

As noted in the Traffic Impact Study, the proposed project will result in an LOS D or better for the roads/intersections evaluated, with the improvements that are a result of this project. Without the project improvements, the intersections at Pacheco Blvd/11th Street, and SR 165/Scripps Drive have the potential to drop below the minimum LOS of D during peak hours, therefore this is considered to be a significant impact. The City of Los Banos Transportation Master Plan does identify future upgrades to the Pacheco Blvd/11th Street and SR 165/Scripps Avenue intersection (traffic light, roundabout...etc.).The Transportation Master Plan identifies and collects fees towards the improvement of the Pacheco Blvd/11th Street and SR 165/Scripps Drive, which the developer will need to contribute towards and/or install the improvements, once warranted by the City/Cal-Trans.

With the mitigation measures (XVI-4 through XVI-5) incorporated, the proposed project will have a less than significant impact.

- XVI-c) The proposed project will not result in the change of air patterns, most notably from the Los Banos Municipal Airport. Therefore, the proposed project will have a less than significant impact.
- XVI-d) No street improvements are included as part of the proposed project. As such, hazards due to a design feature are not anticipated to occur. Therefore, the proposed project will have a less than significant impact.

- XVI-e) The proposed project provides multiple points of access. Having multiple points of access allows sufficient emergency access to future residents within the proposed project. Therefore, the proposed project will have a less than significant impact.
- XVI-f) The proposed project's Traffic Impact Study determined that impacts to pedestrian facilities, bicycle facilities, and transit service would be less than significant as it will be developed in accordance with the City's adopted Transportation Master Plan, and ultimately, the Circulation Element of the City's General Plan. Standard frontage improvements (i.e. sidewalks) and connectivity to existing streets will allow for non-motorized transportation and access to the project. Therefore, the proposed project will have a less than significant impact.

MITIGATION MEASURES:

The following mitigation measure shall be incorporated into the proposed project:

Mitigation Measure XVI-1:

Project proponents shall install applicable intersection improvements when frontage improvements are constructed at the SR 165 / Pioneer Road intersection. The scope and design of these intersection improvements shall be identified and approved by the City and Caltrans prior to the approval of the first Tentative Subdivision Map.

Mitigation Measure XVI-2:

Project proponents shall pay the cost of neighborhood traffic calming measures on neighborhood streets such as Page Avenue, Madison Avenue, and Jefferson Avenue between 4th Street and 11th Street. The traffic calming measures shall be developed through the preparation and adoption of a Neighborhood Traffic Calming Program development by the City of Los Banos and with input from the neighborhood.

Mitigation Measure XVI-3:

The City's Transportation Master Plan address the SR 152/11th Street intersection, and suggests that traffic signal may be installed. To determine the need for a traffic signal, Caltrans shall conduct a Screenline ICE assessment to identify a feasible control alternative if mainline traffic on SR 152 is to be stopped, install the traffic signal when needed based on satisfaction of traffic warrants as determined by Caltrans, or install a barrier to left turning traffic that prohibits left turns. The Project proponents shall contribute fair share to the cost of intersection improvements at Pacheco Blvd (SR 152) / 11th Street. The fair share contribution shall be agreed upon by the City and the Project Proponent prior to the approval of the first Tentative Subdivision Map within the proposed project.

Mitigation Measure XVI-4:

The City's Transportation Master Plan address the SR 165/Scripps Drive/Page Avenue intersection, and a traffic signal at this intersection is included in the City's traffic impact fee program. To determine the need for a traffic signal, Caltrans shall conduct a Screenline ICE assessment to identify a feasible control alternative prior to extending Page Avenue to SR 165, install the traffic signal when needed based on satisfaction of traffic warrants as determined by Caltrans, and receive fee program reimbursement for costs beyond the project's fair share. The Project proponents shall install improvements to SR 165 (Mercey Springs Road) / Scripps Drive intersection. The fair share contribution shall be agreed upon by the City and the Project Proponent prior to the approval of the first Tentative Subdivision Map within the proposed project.

XVII. UTILITIES AND SERVICE SYSTEMS -- WOULD THE PROJECT:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?			X	
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?			X	
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?			X	
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?			X	
e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the projects projected demand in addition to the providers existing commitments?			X	
f) Be served by a landfill with sufficient permitted capacity to accommodate the projects solid waste disposal needs?			X	
g) Comply with federal, state, and local statutes and regulations related to solid waste?			X	

DISCUSSION:

- XVII-a) Although this project does not include any construction, future development of the project site will need to connect to the City's existing sanitary sewer system. The Area Plan submitted by the applicant, identifies the project site (at full build-out) as generating an estimated 170,000 gallons per day (gpd) of wastewater with a peak flow of no more than 510,000 gpd. As noted in the Area Plan, the City's Wastewater Treatment Plant (WWTP) has a combination of current capacity and future expansion capacity to serve the future needs of the entire build-out of the City's General Plan area, which includes the project site. Furthermore, according to City Public Works staff, the City has sufficient capacity to accommodate any wastewater needs and will not exceed any treatment requirements imposed by the Regional Water Quality Control Board. Therefore, the proposed project will have a less than significant impact.
- XVII-b) The Area Plan identifies potential connection locations and a general layout for the public water, wastewater, and storm drainage facilities within the project site. Although, the proposed project is not proposing to connect to the City's existing water and sanitary sewer system at this time, future development will need to connect to the City's infrastructure and will be required to pay the applicable Capital Facilities Fees, which include water and sanitary sewer fees, at the time of Building Permit issuance. Therefore, the proposed project will have a less than significant impact.
- XVII-c) The proposed project is not proposing construction which would connect to the City's existing storm drainage system. However, the Area Plan does identify the appropriate infrastructure needed to connect the project site to the City of Los Banos "Central City" drainage system. The Area Plan also discusses that development within the project site will need to incorporate dual-use park/basin facilities to detain stormwater runoff. All future development including the design and installation of the proposal's storm drainage system will be done in accordance with the City's Drainage Design Manual. Therefore, the proposed project will have a less than significant impact.
- XVII-d) Potable water services within the City are provided by the City of Los Banos, Public Works Department Water Services. The City is located within the San Joaquin River Hydrologic Region (groundwater basin) and extracts its water supply from groundwater aquifers via a series of thirteen (13) municipal water wells with most of the wells concentrated in the southwest area of the City. In addition to the thirteen (13) water wells, the City also has an elevated storage tank with a capacity of 100,000 gallons, and a 5 million gallon surface mounted storage tank equipped with 4 booster pumps, which are utilized to pump additional water during high demand periods. City water users total approximately 12,730 connections, split between residential, commercial and industrial land uses. According to the City's Water Master Plan (2011), it is anticipated that the City has sufficient groundwater supply to provide potable water

services to meet the expected future demands based on the buildout assumptions made in the 2030 General Plan. Therefore, the proposed project will have a less than significant impact.

- XVII-e) Wastewater services within the City are provided by the City of Los Banos, Public Works Department. The City's most recently adopted Wastewater Master Plan describes the City's wastewater capacity as 4.0 million gallons per day ("mgd"). Current flows through the City's wastewater system are approximately 3.0 mgd, leaving the City with current wastewater capacity of over 1.0 mgd. Therefore, the City has adequate capacity to the serve the proposed addition of 424 dwelling units.
- XVII-f) Solid waste in the City of Los Banos is managed by the Merced County Association of Governments. The majority of the City's solid waste is taken to Billy Wright Landfill and additional waste is taken to Highway 59 Landfill. The City's 2030 General Plan EIR determined that there are sufficient options for expansion or relocation of services to meet the demand created by future growth in Los Banos. As noted previously, the proposed project is consistent with the 2030 General Plan, and as a result, consistent with the determinations made in the 2030 General Plan EIR. Therefore, the proposed project will have a less than significant impact.
- XVII-g) The proposed project will comply with all Federal, State, and local statutes and regulations related to solid waste. Therefore, the proposed project will have a less than significant impact.

MITIGATION MEASURES:

Mitigation is not required for this topic.

XVIII. MANDATORY FINDINGS OF SIGNIFICANCE:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?			X	
b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?			X	
c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?			X	

DISCUSSION:

XVIII-a) Finding (a) is checked as "Less Than Significant Impact" on the basis of the proposed project's potential impacts on biological resources, as described in Section 3.0-IV of this Initial Study. Potential impacts were identified in this issue area but they were identified to be less than significant.

XVIII-b) As described in this Initial Study, the potential environmental effects of the proposed project will either be less than significant, or will have no impact at all. Where the proposed project involves potentially significant impacts, these impacts would have a less than significant impact with mitigation measures incorporated.

The potential environmental impacts identified in this Initial Study have been considered in conjunction with each other as to their potential to generate other potentially significant impacts. The various potential environmental impacts of the

proposed project will not combine to generate any potentially significant cumulative impacts.

The City of Los Banos 2030 General Plan and EIR comprehensively account for ongoing and foreseeable urban development within the City's "Planning Area" and the cumulative environmental impacts of planned development. Future urban development in Los Banos includes the provision of roads, utilities, schools, and recreational facilities needed to serve City residents and visitors as their demands for urban services increase over time.

The proposed project will contribute to planned urban development in the City of Los Banos, by annexing an area identified in the General Plan as being appropriate for residential uses. The potential environmental impacts associated with the proposed project represent a portion of the environmental consequences of the planned growth and development permitted by the 2030 General Plan. The proposed project may involve a minor addition to the potential environmental impacts identified in the 2030 General Plan EIR, but the proposed project will not result in any substantial contribution to any of the significant cumulative impacts identified in the 2030 General Plan EIR.

XVIII-c)

This Initial Study has considered the potential environmental impacts of the proposed project in the discrete issue areas outlined in the CEQA Environmental Checklist. During the environmental analysis, the potential for the proposed project to result in substantial impacts on human beings in these issue areas, as well as the potential for substantial impacts on human beings to occur outside of these issue areas, was considered, and no other such impacts were identified.

SECTION 4.0

REFERENCES

In accordance with Section 15063(a)(3) of the CEQA Guidelines, the following expert opinion, technical studies, and substantial evidence has been referenced and/or cited in the discussion included in Section 3.0, Initial Study Checklist:

1. City of Los Banos 2030 General Plan, dated July 2009.
2. City of Los Banos 2030 General Plan Environmental Impact Report (EIR), dated July 2009.
3. City of Los Banos Zoning Ordinance.
4. City of Los Banos Noise Control Ordinance, Article 27.
5. Merced County Airport Land Use Compatibility Plan, adopted June 21, 2012, prepared by the Merced County Airport Land Use Commission.
6. California Department of Transportation Online Database of State Scenic Highways (www.dot.ca.gov/hq/LandArch/scenic/cahisys.htm).
7. California Department of Conservation Farmland Mapping and Monitoring Program, published October 2007.
8. Guide for Assessing and Mitigating Air Quality Impacts, adopted August 20, 1998, and as revised January 10, 2002, prepared by the San Joaquin Valley Air Pollution Control District.
9. Guidance for Valley Land-use Agencies in Addressing GHG Emission Impacts for New Projects under CEQA, dated December 17, 2009, prepared by the San Joaquin Valley Air Pollution Control District.
10. Flood Insurance Rate Map (FIRM) No. 06047C0850G, dated December 12, 2008, prepared by the Federal Emergency Management Association (FEMA).
11. Traffic Impact Analysis, dated April 18, 2016, prepared by KD Anderson & Associates.

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SECTION 5.0 APPENDICES

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APPENDIX A

Presidential Estates East – Area Plan, dated January 2016, prepared by O'Dell Engineering

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APPENDIX B

Traffic Impact Analysis, dated April 18, 2016, prepared by KD Anderson & Associates

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Exhibit C

City of Los Banos
Presidential East Area Plan, Annexation, General Plan Amendment 2015-03, Pre-Zone 2014-01,
and Pre-Annexation Development Agreements
Mitigation Monitoring & Reporting Program
SCH# 2015061056

Environmental Issue	Proposed Mitigation	Mitigation Monitoring Reporting Responsibility and Timing	Mitigation Reporting and/or Monitoring Program
Cultural Resources	<p>In the event of the accidental discovery or recognition of any human remains in any location other than a dedicated cemetery, the following steps shall be taken:</p> <ol style="list-style-type: none"> 1. There shall be no further excavation or disturbance of the site or any nearby area reasonably suspected to overlie adjacent human remains until; <ol style="list-style-type: none"> a) The coroner of the County in which the remains are discovered must be contacted to determine that no investigation of the cause of death is required; and, b) If the coroner determines the remains to be Native American: <ol style="list-style-type: none"> 1. The coroner shall contact the Native American Heritage Commission within 24 	Public Works Department, During Project Construction	During project construction, the Project Engineer and Construction Manager shall monitor construction activities for any discovery of human remains.

	<p>2. The Native American Heritage Commission shall identify the person or persons it believes to be the most likely descended from the deceased Native American.</p> <p>3. The most likely descendent may make recommendations to the landowner or the person responsible for the excavation work, for means of treating or disposing of, with appropriate dignity, the human remains and any associated grave goods as provided in Public Resources Code Section 5097.98.</p>		
Hazards and Hazardous Materials	<p>Prior to the approval of the proposed project's Improvement Plans and Final Map, the applicant, or project proponent, shall prepare and submit to the City a Phase I/Environmental Site Assessment (ESA). The recommendations of the Phase I/ESA shall be incorporated into the proposed project, as deemed necessary by City staff.</p>	<p>Public Works Department, Prior to Approval of Improvement Plans and Final Map</p>	<p>Prior to approval of the Project's Improvement Plans and Final Map, the Project Proponent shall submit a Phase I/Environmental Site Assessment to the City's Public Works Department.</p>
Transportation/Traffic	<p>Project proponents shall install applicable intersection improvements when frontage improvements are constructed at the SR 165 / Pioneer Road intersection.</p>	<p>Public Works Department and Caltrans prior to the approval of the first Tentative Subdivision Map</p>	<p>Concurrent to the installation of frontage improvements at the intersection of SR 165/Pioneer Road, the Project Proponent shall install applicable intersection improvements as approved by City Public Works staff.</p>

Transportation/ Traffic	Project proponents shall contribute fair share to the cost of neighborhood traffic calming measures on neighborhood streets such as Page Avenue, Madison Avenue, Jefferson Avenue between 4th Street and 11th Street.	Public Works Department, Prior to Approval of Improvement Plans and Final Map	The Project Proponent shall contribute the fair share cost of neighborhood traffic calming measures. This fair share cost shall be reviewed and approved by City Public Works staff.
Transportation/ Traffic	Project proponents shall contribute fair share to the cost of intersection improvements at Pacheco Blvd (SR 152) / 11th Street.	Public Works Department, Prior to Approval of first Tentative Subdivision Map	The Project Proponent shall contribute the fair share cost towards future improvements at the intersection of SR 152/11 th Street. This fair share cost shall be reviewed and approved by City Public Works staff.
Transportation/ Traffic	Project proponents shall install improvements to SR 165 (Mercey Springs Road) / Scripps Drive/ Page Avenue intersection.	Public Works Department, Prior to Approval of first Tentative Subdivision Map	Specific timing of the installation of these improvements shall be determined concurrent to the processing of the first Tentative Subdivision Map application within the Area Plan.

DEPARTMENT OF TRANSPORTATION

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July 7, 2016

10-MER-165 PM 007.782
State Clearinghouse # 2015061056
Presidential Estates East Area Plan
and Annexation – Initial Study

Ms. Stacy Souza Elms
Senior Planner
City of Los Banos - Community Development Department
520 J. Street
Los Banos, CA 93635

Dear Ms. Souza Elms:

Thank you for the opportunity to review the above-referenced document, the Initial Study for the Presidential Estates East Area Plan and Annexation (SCH# 2015061056). The Department has the following comments:

The Department concurs with the provided Traffic Impact Analysis, dated April 18, 2016, prepared by KD Anderson & Associates.

The list of all the improvement for this proposed project should be completed with the following Mitigation Measures:

Mitigation 1: Project proponents shall contribute fair share to the cost of intersection improvements at Pacheco Blvd. (SR 152) / 11th Street.

The City's Transportation Master Plan addresses the Pacheco Blvd. (SR 152) / 11th Street intersection. That document suggests that a traffic signal may be installed. If this were to be the case, it will be necessary for the City of Los Banos and the Department to:

1. Conduct a Screenline Intersection Control Evaluation (ICE) assessment to identify a feasible control alternative if mainline traffic on Pacheco Blvd. is to be stopped.
2. Install a traffic signal or roundabout when needed based on satisfaction of traffic warrants as determined by the Department, or
3. Install a barrier to left turning traffic that prohibits left turns.

Mitigation 2: Install improvements to Mercey Springs Road (SR 165) / Scripps Drive intersection.

The Mercey Springs Road (SR 165) / Scripps Drive / Page Avenue intersection's new eastbound approach is projected to operate at LOS F in the a.m. and LOS E in the p.m. peak hours. As this exceeds the minimum Level of Service (LOS) D goal, this is a significant impact. Peak hour traffic signal warrants are satisfied in the morning peak hour, and it is likely that a traffic signal will be needed at that time. However, the p.m. peak hour volume does not satisfy warrants, and it is likely that a full warrant analysis will prove that a traffic signal is not justified.

The Department plans to install a High-Intensity Activated Crosswalk (HAWK) Hybrid Pedestrian Crossing Beacon later this year. That device was applicable for a "tee" intersection but would not provide an improved LOS and may be problematic for a four-way intersection.

Current Caltrans policy requires that an Intersection Control Evaluation (ICE) be prepared when it is determined that traffic on the state highway needs to be stopped. The assessment would consider the feasibility of all-way stop control, traffic signals or a roundabout intersection. While a traffic signal would deliver adequate LOS and may be desirable to control pedestrian activity at this location adjoining Mercey Springs Elementary School a decision regarding applicable traffic control will be made by the Department, and the resulting solution would be incorporated into project design.

The City's Transportation Master Plan addresses Mercey Springs Road (SR 165) / Scripps Drive / Page Avenue intersection, and a traffic signal at this intersection is included in the City's traffic impact fee program. Thus, development in the project area is not responsible for all of the cost to install a traffic signal or roundabout. It will be necessary for development in the project area to:

1. Conduct a Screenline ICE assessment to identify a feasible control alternative prior to extending Page Avenue to Mercey Springs Road (SR 165)
2. Install the traffic signal or roundabout when needed based on satisfaction of traffic warrants as determined by the Department.
3. Receive fee program reimbursement for costs beyond the project's fair share.

Ms. Souza Elms
July 7, 2016
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Project Impact Based on Safety:

Mitigation 3: Install applicable intersection improvements when frontage improvement are constructed.

The need for separate left turn lanes at the study area intersections has been evaluated based on city standards and AASHTO guidelines. Left turns lanes will be required at the new access on Pioneer Road as a part of standard City of Los Banos requirements, as was the case at the 11th Street intersection. Review of projected traffic volumes reveals that AASHTO guidelines for a northbound left turn lane will not be satisfied at the SR 165 / Pioneer Road intersection; however, it is likely that the Department will ask that this issue be reconsidered as part of an encroachment permit for frontage improvements at the intersection.

Mitigation 4: Contribute fair share to the cost of neighborhood traffic calming measures.

Project impacts to neighborhood streets such as; Page Avenue, Madison Avenue, and Jefferson Avenue between 4th Street and 11th Street.

The improvements based on the above listed mitigations for these intersections needs to be provided with this encroachment permit.

We suggest that the City continue to coordinate and consult with the Department to identify and address potential cumulative transportation impacts that may occur from this project and other developments near this geographical location. If you have any questions, please contact Steven Martinez at (209) 948-7936 (email: steven.r.martinez@dot.ca.gov) or me at (209) 941-1921. We look forward to continuing to work with you in a cooperative manner.

Sincerely,



FOR

TOM DUMAS, Chief
Office of Metropolitan Planning

c: State Clearinghouse



Local Agency Formation Commission
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July 11, 2016

Stacy Souza-Elms, Assistant Planner II
City of Los Banos
520 J Street
Los Banos, CA 95635

RE: Comments on the 2016 Draft Initial Study for the Presidential Estates East Annexation

Dear Mrs. Souza-Elms:

Thank you for providing an opportunity to comment on the Draft Initial Study/Mitigated Negative Declaration for the Presidential Estates East Area Plan, Annexation and Rezoning Project. This analysis replaces the previous Initial Study prepared and commented on by LAFCO previously in July 2015. The overall document is much more accurate, and with the addition of the updated January 2016 Draft Area Plan, there is a more complete project description. The Area Plan now proposes a General Plan land use of Low Density Residential without the previous Medium Density Residential, Professional Office and Commercial land use designations. The rezoning proposes a Planned Development (PD) Zoning on the southern portion of the annexation area and Unclassified (U) Zoning on the northern portion where no "Pre-Annexation Development Agreement" has been adopted.

As referenced on Page 13 of the Initial Study, LAFCO approval of the annexation is required as part of this project. The LAFCO Commission typically acts as a "Responsible Agency" under the CEQA Guidelines, for processing an annexation application. Therefore, the comments provided in this letter need to be addressed in order for LAFCO to rely on the City's document, which is tiered from the City's 2030 General Plan EIR.

The following specific comments are provided on the Initial Study Document and the overall CEQA review and annexation process.

General Plan Amendment and Rezoning Limitations:

LAFCO has no authority over land use density or intensity of development (Government Code Section 56375(C)(6)). However, there is another provision of the Government Code the City should be aware of in recognition that the City is amending the General Plan and adopting rezoning designations as part of this project. Section 56375(e) of the Government Code limits a city's ability to approve a subsequent change to the General Plan or zoning designations for two years after the annexation. Normally, LAFCO would not support an annexation with a rezoning of "Unclassified" as it does not indicate the timing is ripe for annexation. If the City is proposing annexation, there should be plans for development of the property. However, we are well aware of the landowner's intentions of the northern portion of the project territory – which is to remain in agricultural use into the indefinite future. Although the landowners are not interested in annexation, to leave this northern half of the Area Plan out of the annexation boundary would create an unincorporated island in conflict with section 56744 of the Government Code.

While the Area Plan does not detail any subdivision or development concept for the property, earlier discussions with LAFCO Staff, City and applicant representatives outlined the concept for larger "estate" lots to be developed rather than the more traditional small subdivision tract-map

housing development pattern common in the City. Given the large existing inventory of vacant residential land within the City limits, this project was proposed to provide a more "high end" product currently lacking in the City. However, according to the Area Plan, there is no such reference to any special type of development features, and the 4 dwelling units per acre density estimated on Page 6 of the Area Plan matches that anticipated in the 2030 General Plan for all land designated Low Density Residential. The City will be requested to identify the justification for this annexation given the current inventory of land in the city during the annexation application process in compliance with Merced LAFCO adopted Implementation Measure "a" under Section C, Policy 7, which reads:

Consider the amount of existing vacant land within the City that is available for similar types of development to the proposed annexation. Make a comparison of existing vacant and available land to the amount of land needed to accommodate growth needs over a ten year period as established in the City's General Plan or other official projection such as that adopted by the Merced County Association of Governments. The City must provide evidence why the consideration of existing vacant land is not appropriate based on such factors as location, limitations to infrastructure, development constraints, agricultural viability, economic market conditions, or unique characteristics of the annexation project.

Agricultural Resources:

The Initial Study/Mitigated Negative Declaration (IS/MND) correctly identifies the current agricultural land uses and prime soil within the project boundary. It is correctly noted that the land is identified as "Prime" farmland on the State Important Farmland Map.

The conclusion that the conversion of approximately 106 acres of prime farmland is not significant is based on a variety of arguments, including the mistaken analysis in the City's 2030 General Plan raised in the previous Initial Study. However, the change to the project description reflected in the analysis now indicated the applicant "has voluntarily recorded a 'Restrictive Covenant' on two parcels totaling 100 acres of valuable farmland within the County" and concludes that this voluntary act will "offset" the conversion of the entire project to urban uses.

Without this "offset," the City could not conclude that the impact was less than significant, and would need to prepare an Environmental Impact Report to adopt a statement of overriding considerations for this impact. However, the form of the "Restrictive Covenant" is still not adequate to ensure actual mitigation for the loss of prime farmland from this project for the following reasons:

- 1) The recorded "Declaration of Agricultural Restrictions and Servitudes" recorded by one of the landowners, Hostetler Investments, LLC, can be unilaterally revoked until December 31, 2016 (Section 9 of Document No. 2016012724, Official Records, Merced County);
- 2) The easement can be transferred to a different parcel anywhere in the State at any time and there is no reference whether the parcel has to have irrigation water (Sections 2 and 6);
- 3) The property can be used for agriculture or open space, which may include fallowing and grazing (Section 1);
- 4) Enforcement of the easement is left to "any and all members of the Public each of whom may pursue all remedies available at law or in equity" (Section 4);
- 5) The easement land is on "Farmland of Statewide Importance" which is a lower quality soil than the "Prime Farmland" converted by the project.

Stacey Souza-Elms
City of Los Banos
July 11, 2016
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The City should require that the easement be enforceable by either becoming a party to the "Restrictive Covenant" to ensure that it remains in place in perpetuity, that any transfer is to irrigated prime farmland located within Merced County, and that the land remain in agricultural rather than open space use. As a commonly accepted alternative, a more formal conservation easement can be granted to a non-profit farmland trust who's function is to manage and monitor conservation easements.

Should the City decide not to take a role in the implementation of this "offset" then the Commission may consider doing so when acting on the related annexation application. While the Commission has not been directly involved in becoming a party to conservation easements in the past, this would be an option in order to rely on the Initial Study/Mitigated Negative Declaration for this project.

Public Services and Utilities:

As part of the LAFCO annexation application package, the City will be required to submit a "plan for services" in accordance with Section 56653 of the Government Code. This requires the City to quantify the demand for services anticipated to be provided by the City, an indication of when the services can be made available, an indication of what facility upgrades may be required, and how these services will be financed. The Initial Study and Area Plan contain a detailed summary of water, wastewater and stormwater lines, treatment needs and capacities, but the application package will require identification of the infrastructure capacity required by other approved but unbuilt projects already within the City limit and how capacity for this project will be made available.

This concludes the LAFCO comments on the Draft Initial Study/Mitigated Negative Declaration. Please contact me at 385-7671 if you would like to discuss the comments in this letter or if you have any questions regarding the annexation process.

Sincerely,



Bill Nicholson
Executive Officer

cc: LAFCO Commissioners
LAFCO Counsel
Jeffrey Roberts, Applicant Representative

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July 12, 2016

City Council, City of Los Banos
City of Los Banos Planning Commission
520 J Street
Los Banos, California 93635

Re: Presidential Estates East -- Notice of Intent to Adopt Mitigated Negative Declaration
and Notice of Public Meeting

Ladies & Gentlemen:

The Central California Irrigation District ("CCID") presents the following comments to the Notice of Intent to Adopt a Mitigated Negative Declaration for the Presidential Estates East proposed annexation of 106± acres to the City of Los Banos.

The Board of Directors of CCID request that the City of Los Banos Planning Commission and City Council withdraw this Environmental Assessment and proposed Negative Declaration. We cannot emphasize strongly enough that there are solutions to the problems presented, but attempting to move forward in this fashion with this Environmental Assessment and Project Description is likely to make those solutions more difficult to achieve, if not impossible.

Very truly yours,

A handwritten signature in cursive script that reads "Chris White".

Chris White
General Manager

CW:mm

Enclosures

- I. The Project Description is improper and incomplete. The detachment of the land from Central California Irrigation District (“CCID”), the timing of detachment and termination of delivery of surface water for irrigation use by CCID, or alternatives such as (a) cessation of irrigated agricultural use of the land area, (b) City service of well water for agriculture uses proposed to be continued on land annexed to the City of Los Banos, or (3) a cooperative agreement between the City and District under which, although detached from CCID, CCID continues to serve water under certain conditions as “outside lands” must be described as a part of the Project and alternatives. The significant environmental impacts of the Project must be identified and mitigated for the changes of use of the land under these alternatives. This Project Description and discussion fails in this regard and does not comply with the California Environmental Quality Act.

“A curtailed, enigmatic or unstable project description draws a red herring across the path of public input” in a CEQA proceeding. *County of Inyo I*, 71 Cal.App.3d 185 (1977). The attempt to adopt a negative declaration – rather than prepare a full EIR – if based on an inadequate project description sentences the CEQA process to be reversed and recommenced with a proper description. *City of Redlands v. County of San Bernardino* (4th Dist. 2002) 96 Cal.App.4th 398.

Here, there is no mention in the project description of a critical part of the Project: The order and impacts of cessation of irrigation water supplies for the land from CCID and agricultural use and detachment from CCID of the land proposed for development is not discussed or described. There is no mention of cessation of agricultural water deliveries by CCID or any alternatives, yet this is an inevitable and integral part of the “Project” and significant environmental impacts arise and are caused if the “project” is not properly conducted in that respect.

The Project Description omits any description of the mechanisms for cessation of surface water irrigation. Particularly, the Project Description seems to intentionally ignore detachment from CCID and an organized process for delivery of CCID water on an outside lands basis or delivery of City well water to allow irrigated agriculture to continue until urban development is imminent.

- II. The project description purports to ignore cessation of agricultural use and unavailability of irrigation water supplies and detachment of the land and the time for that detachment from CCID. If this is a mechanism to designate the City of Los Banos as Lead Agency for the LAFCO determination under CEQA, it fails. It is not explained how the City can act as Lead Agency when LAFCO is the sole agency with authority to coordinate and determine the order of urbanization from agricultural land use and the provision of governmental services related to either agricultural water service or urban development services by the City and CCID to these lands.

Whether labeled improper as piecemealing of the CEQA examination of impacts through inadequate project descriptions (*Santiago Water District v. County of Orange* (4th Dist. 1981) 118 Cal.App.3d 818, 829-30), or labeled as simply containing an inadequate project description, this Environmental Assessment results in a blatant violation of CEQA requirements. Equally important, as discussed in more detail hereafter, this analysis fails to identify significant environmental impacts that will arise from failing to resolve the impacts from annexation, ignoring the detachment from CCID and cessation or continuation of irrigated agriculture under planned circumstances. *San Joaquin Raptor/Wildlife v. County of Stanislaus* (5th Dist. 1994) 27 Cal.App.4th 713 stated that a “truncated project concept” resulted in a “fallacy of division” causing an EIR in that case (we have only an environmental assessment here) to focus only on “parts of the whole.”

The problem is that LAFCO – not the City – is the agency which makes the determination of whether annexation to the City is appropriate at this time and determines whether the concurrent determination of detachment from CCID is appropriate. Agricultural use of water from CCID must eventually end and urban use of the land commence, yet the City purports to appoint itself as the Lead Agency. In Section IV below, we cite to the importance of the proper Lead Agency performing the CEQA analysis.

Here, the “Project” is described as a “General Plan Amendment,” “Area Plan” and an “Annexation of Approximately 106 Acres” on the Notice of Intent. On page 2, the project is described as “Annexation of Approximately 106 Acres.” Yet no mention is made of the cessation of agricultural irrigation and production, alternatives for maintaining irrigation uses after detachment from CCID, or the terms of coordination agreements between CCID and the City which could resolve the details of this Project in that regard.

III. Reasonably foreseeable future actions or phases must be accounted for and included as part of the “project.”

The case of *Laurel Heights Improvement Assoc. v. Regents of University of California* (1988) 47 Cal.3d 376 could not be clearer that attempts to narrowly describe a project sentences the CEQA action to be set aside because it is not in conformance with law. This assessment and project description ignores the obvious fact that unless the City intends to stop all irrigated agriculture in the area the moment annexation is approved, part of this “project” is determining how irrigated agriculture will be phased out without significant impacts upon CCID landowners in adjacent areas of CCID.

IV. The Lead Agency is not the agency that acts first but is instead the agency that has the principal responsibility for the action.

Friends of Cuyamaca Valley v. Lake Cuyamaca Rec. & Park District (4th District 1994) 28 Cal.App.4th 419, 427-8; *CEQA Guidelines* §15051 subd.(d), is clear that the proper Lead Agency is the agency which State law appoints to have overall authority over the question of annexation and detachment. LAFCO is the agency responsible for

organizing and coordinating governmental services on this 106-acre tract. How the City may envision housing or other uses of the land is secondary to the question that if the land is to be annexed to the City at this time, is it to receive urban services, and the question of whether this land should be detached from CCID simultaneously and irrigation water supplied by the City if continued farming use of the annexed land is desired, or should irrigation water be served under a cooperative agreement between the City and CCID to lands “outside the CCID boundaries” to the extent that is feasible?

Choosing the wrong Lead Agency is fatal to the process and often results in a myopic view of the environmental impacts and alternatives, as is occurring here. *Planning & Conservation League v. DWR* (3rd Dist.) 82 Cal.App.4th 892 (lead agency DWR improperly designated public agency contractor of DWR to prepare CEQA documents).

LAFCO is designated as the agency to consider the broad ramifications and impacts upon local government structure (Government Code §56668(c), the services to be provided by the new agency to which the lands are to be annexed, the sufficiency of revenues to support existing agencies such as CCID (Government Code §56668(j)), and the timely availability of water supplies for both agricultural uses and urban uses (Government Code § 65352.5), and these must all be weighed and judged by LAFCO.

This Environmental Assessment makes no mention that the Government Code requires LAFCO – not the City -- to judge whether the City’s idea of simply not planning as part of the Project for either the continuance of agricultural water service within the area pending urban development, or electing an alternative of detachment and immediate termination of agricultural use because the City refuses to enter into a coordination agreement with CCID to serve the area as “outside lands.” LAFCO is required to consider that unless detachment from CCID of the land within the 106-acre area used for residential housing occurs. Those residents have a right to vote in CCID and demand water service to their residential lots if the land is not detached from CCID. The City does not examine the full and complete Project because it is not the proper Lead Agency. LAFCO is the proper Lead Agency to balance urban expansion, reduce agricultural water service, and provide the mitigation measures to reduce the impacts to a level below significance, if possible.

Government Code §5668(b) assigns to LAFCO – not to the City -- consideration of community services, including “probable effect of the proposed incorporation...and alternative courses of action.”

Any contention that LAFCO is not the “lead agency” and that LAFCO may not assign or informally pass this responsibility to the City of Los Banos is rebutted by these authorities. The Governor’s Office of Planning and Research is to resolve which agency is the proper lead agency if there is any question. Public Resources Code §21165, *CEQA Guidelines* §15053(A). We can immediately apply to the Office of Planning and Research for a determination of Lead Agency if the City of Los Banos or the sponsor developer of this

annexation has any doubt as to LAFCO being the proper Lead Agency and the agency required to conduct the CEQA study after consideration of the facts.

The Lead Agency may not delegate to another agency the authority to make decisions or determinations. Here, if the City of Los Banos and its consultants persist, that principal will be violated. *Guidelines* §15025(b)(b). LAFCO must determine if detachment and cessation of surface water irrigation supplies from CCID should occur simultaneous with annexation, whether the City should enter into an agreement with CCID for outside land service to the area to the degree feasible, or whether the City should deliver water from its well system to landowners who wish to continue farming, and whether the City really has any workable plan which will reduce significant impacts.

V. **Significant Environmental Impacts capable of mitigation and mitigation measures are not mentioned.**

As demonstrated by the following comments, this Environmental Assessment is totally inadequate because significant impacts will occur unless mitigation measures are adopted for the following effects of the "Project":

1. Will the land annexed seek to detach from CCID one (1) acre at a time as houses are constructed? Who will be responsible for agricultural water service if an election to approve detachment from CCID at a later time fails? Is it not more organizationally appropriate to condition annexation to the City upon simultaneous detachment from CCID and provide for a means to continue irrigation service on an outside land basis or from the City's well system? The City has a plan; it is simply not fleshed out as to agricultural use in this CEQA process and Project Description. It must be. The City "Project" cannot simply omit environmental impacts from agricultural water delivery problems to this annexed land to CCID when there are obvious alternatives which avoid any impacts reaching a level of significance. Leaving the problem for CCID is not a "plan".

2. The expense of attempting to continue agricultural water deliveries from the CCID system with small pockets of the 106 acres being randomly developed to homes will be large and will be borne by farmers in the area annexed and the other CCID landowners. There is no continued "service plan" presented in the Environmental Assessment that is financially feasible. The premature abandonment of irrigated agricultural use because of cost and a lack of planning is a significant impact and is avoidable.

3. As residences are established on the 106 acres, those residents would have a right to vote in CCID elections or run to serve on the Board of Directors, even though they may receive no water service. Detachment now remedies that potential social and environmental impact. Will those residents ever vote to detach land from CCID in the future if detachment is not ordered now as a condition of annexation? Will those landowners expect all areas of CCID to pay the extra cost of delivering surface water to their residential landscaping and open space with delivery ditches and pipes winding between

developed home sites? The Environmental Assessment simply ignores how this land will ever be detached from CCID.

4. Significant environmental impacts and social disruption can be avoided by simultaneous detachment of the entire 106 acres from CCID and coordination by agreement of the City and CCID of continued surface water deliveries to the extent economically and physically feasible. However, the Environmental Assessment does not even consider this alternative or its effect to mitigate negative environmental impacts from the extreme costs of attempting to deliver irrigation water between randomly developed urban improvements and homes for perhaps a decade or more. If the City has a plan (if it is to dry up all annexed land the moment the annexation occurs), that should be included in its description. The simultaneous detachment from CCID should be part of the “project.” If the City’s plan is to deliver City well water to land to be farmed in the annexed area on an interim basis, the capacity and costs must be described. Detachment can be immediately and concurrently accomplished, but the impacts of not detaching or detaching must be considered. If instead the plan is to leave it to CCID to try to straighten out the City and this Developer’s half-considered plan over several decades, it violates CEQA to not fully describe the impacts and alternatives to that “plan”. It appears at this stage to be cheaper for CCID to litigate to enforce CEQA and LAFCO and the City of Los Banos’ duties than to try to reduce the damages and impacts of a poorly-contrived plan for several decades on this land.

VI. Miscellaneous sections of Environmental Assessment which fail to comply with CEQA requirements:

1. On page 20 of the Environmental Assessment, it is pointed out that the City’s General Plan recognizes that annexation of land for urban purposes is inconsistent with maintenance of the land within the boundaries of the Central California Irrigation District (“CCID”) and maintenance of agricultural water supplies within the area, but the obvious mitigation measure of simultaneous detachment is not examined.

2. The act of annexing land is a determination that the land is ready for urban development. Because the impacts of attempting to maintain agricultural production and delivery of agricultural water in an area in which residences may be built poses risk of liability from flooding roads and houses, and also provides for substantial increases in the maintenance costs of delivery systems, the absence of any discussion of the cost of maintenance of the CCID facilities and the effect of those costs upon users in the annexed area and cost increases suffered by other landowners within the District is particularly noteworthy. The project description ignores those significant impacts that will occur for several decades if urban development is slow or only occurs in certain areas of the 106-acre site.

3. LAFCO’s Policy No. 1, “City and Urban Service District Annexation Policy”, states in Section a. that LAFCO shall:

“Avoid the creation of islands...or other undesirable boundary characteristics that lead to service inefficiencies and potential land use conflicts.”

Comment: It is difficult to imagine anything more undesirable or more subject to conflict than CCID having to maintain and attempt to deliver agricultural water through facilities that cannot be economically upgraded or maintained because less land in the annexed area is served annually, and certain areas of the annexed land are converted to residential use while other areas demand water service. By including detachment from CCID as part of the “Project”, the City can prevent these impacts and prevent having voters within CCID boundaries who are refused water service, even though their residences have not been detached from CCID boundaries.

4. Section d. of the LAFCO Policy requires that evaluation occur of “...the alternatives to the annexation which would be more consistent with orderly growth, open space protection, and public service efficiency goals of LAFCO.”

This Environmental Assessment refuses to examine the alternative of detaching all of this annexed land from CCID simultaneous with annexation, thus violating LAFCO’s own policy. A CEQA process which does not examine alternatives and labels impacts as insignificant because it does not comply with the requirement of describing the full Project does not comply with CEQA.

5. In subsection D. of LAFCO’s “Rural Service District Organization Policies”, subsection (d) requires the maintenance of physical and economic integrity of the agricultural lands, and subsection (c) requires consideration of alternatives that better meet the LAFCO policy goals.

The mitigation measures are obvious: The land can and should be detached from the District simultaneous with the annexation to the City. The mitigation measures must be undertaken by the City gathering the requisite signatures for the petition, the legal description for the petition, and the agreement of at least some of the landowners to pay the costs of detachment, including the District’s processing fees. The City can seek a coordination agreement with CCID for continued agricultural water deliveries to “outside lands”, if that is the City’s plan and Project. The Environmental Assessment does not discuss any of these steps or logical mitigation measures.

6. There is also a substantial question of whether or not the General Plan of the City of Los Banos itself would be violated by failure to conjoin this annexation proposal with a detachment from the CCID boundaries of the same lands. Whether an election approving the detachment would pass or is required, the City’s General Plan does not provide for the annexation of lands to the City and the simultaneous existence of those lands within the boundaries of CCID with a right to demand water service through the District’s delivery system, which is largely open ditches. If the City’s General Plan had included such

an option it would have had to provide for mitigation of any adverse impacts from attempting to maintain agricultural surface water deliveries within the City boundaries, but the General Plan did not provide for that. The City must first change its General Plan or revise its Project to detach from CCID simultaneous with annexation.

The problem of non-conformance with the City's General Plan is significant. The City can go back and attempt to modify its General Plan and then satisfy CEQA by providing for an accurate description of the impacts and the potential mitigation measures for this particular annexation. However, the only logical mitigation measure to reduce impacts, if the General Plan is first amended, is for the City to provide for all of the paperwork and the detachment of the lands simultaneous with the lands' annexation to the City. The District will then cease water deliveries to the property unless there is a coordination agreement between CCID and the City.

The City's Environmental Assessment could analyze using a City well or the drilling or leasing of a well to continue agricultural service to the portions of the land which may not develop rapidly as part of its "project". The City does not provide any estimate of how long it will take for the full 100+ acres to develop to residential uses. The Environmental Assessment could consider a potential mitigation measure in which the City seeks annexation of only the portion of the 106 acres likely to be developed in the next 5- to 10 years. The City has ruled out that option because it wishes certain economies of scale in levying its assessments and providing for its improvements. However, CEQA requires a full discussion of mitigation and weighing of alternative impacts, even if inconvenient to the City and developer. In the process of eliminating this option without discussing it in the Environmental Assessment, the Developer and the City have failed to properly describe the full extent of the project and the alternatives available.

7. CCID specifically declines to comment upon the theory included on pages 20-21, stating that under the General Plan, a covenant to preserve in agricultural use some 1900 acres of prime farm land due to the City's urbanization plan in some way mitigates for the development of this site and avoids the duty to analyze adverse potential impacts to agricultural land. The device of recording covenants assuring continued agricultural use of other lands as an "offset" for the conversion to urban uses of this approximate 106 acres does not explain or examine the significant impacts from failing to coordinate continued service. Such a covenant has no effect in describing the impacts of continuing the obligation of CCID to deliver agricultural water to all or portions of the 106 acres or in mitigating or preventing those significant impacts unless the exact plan for detachment from CCID and cessation of irrigated agricultural use of the 106 acres is set forth in the Environmental Assessment. The "project" is not fully described without that description.

8. In the "Land Use and Planning" section of the Environmental Assessment, it is concluded that there would be no conflict with any applicable land use plan, policy or regulation of an agency with jurisdiction over the Project, and therefore there would be no significant impact. This is not correct. The LAFCO Commission has jurisdiction and must

consider removal from CCID of land planned for urban development by detachment. The City's General Plan currently has no other option. An Environmental Assessment and Project Description must include the details of the City's plan for CCID. It cannot do that without identifying significant impacts.

9. There have been a number of instances in which the City has promised to cause land to be detached from CCID while it is in the process of development or building commercial structures within the City; however, the City has not completed the detachment of those parcels in the past. As a result, lands which are receiving no water service from CCID remain within CCID boundaries because the City has failed to obtain the requisite signatures for detachment. If lands that have residences built upon them are allowed to remain within the boundaries of CCID by accident or the same lack of the City's initiative, persons who are not receiving agricultural water service from CCID will be allowed to run for office or to vote in CCID elections, thus skewing the representation and responsiveness of true consumers and individuals receiving water service from CCID, which is counter to the policies of LAFCO.

The proper mitigation measure to in fact assure that no significant impact will occur is to provide for the simultaneous detachment of the lands and a coordination agreement between the City and CCID or a cessation of water service; yet the alternatives and mitigation measures are not chosen or even mentioned.

10. **CEQA Environmental Assessment, Section XIV, Public Services.** This discussion does not address continued agricultural water use. If the intention is that there would be continued agricultural water service from CCID, substantial and significant impacts would occur which must be described and mitigated.

If the City wishes continued irrigated agricultural use of this area not immediately developed for urban purposes, the City can provide for water for agricultural use by a coordination agreement with CCID or from alternative sources such as deep wells, or can prohibit the growing of crops except for winter crops reliant upon only rainfall. The Environmental Assessment has not properly considered the impacts to public services or explained what public services, such as the delivery of surface water for agricultural purposes, will be terminated.

11. **CEQA Environmental Assessment, Section XVII, Utilities and Service Systems.** This section of the Environmental Assessment assumes no significant impacts but does not explain that either agricultural water service from CCID to the area will be terminated by detachment of the lands, or that the lands will be required to provide for their own surface water deliveries through deep well pumping prior to residential development. This is a failure to properly describe the Project, since the full 106± acres is not proposed to be developed for urban uses simultaneously, and significant environmental impacts will occur as a result of the development scheme chosen by the City and the developer.

12. **Environmental Assessment Section XVIII, Mandatory Findings of Significant Cumulative Impacts; Adverse Effects on Human Beings.** The City's Project Description has not explained how the agricultural land within the Project Area will either be fallowed and/or dry farmed, or will continue to be irrigated from surface water sources. Therefore, the Project Description is inadequate, and the conclusion that no significant cumulative impacts will occur is in error.

If the City included an adequate description of the project it would be required to recognize significant effects upon humans, risk of conflicts with and burdening irrigated agricultural operations occurring both in this area and on adjacent lands within CCID. The impacts to the water users and taxpayers within CCID being required to maintain a surface water delivery system within the City improvements, obstructions to maintenance of the District's canals and delivery facilities by homes, City urban facilities, and other urban uses is improperly ignored. No such description is included. If such a description was included, significant impacts would be recognized under subparagraphs (b) and (c).

Finally, the failure to provide for detachment of the land and the removal of any resident as voters within the CCID simultaneous with the annexation has the effect of disrupting the operations of CCID. Substantial voters will receive no service, yet have substantial voting power in weighing the representation upon the Board of Directors of CCID, the rates and charges which can be levied under Prop. 218, and the approval or disapproval of various rates, charges, debt or similar requirements presented to the voters. This failure to provide a proper description of the Project or the alternatives is fatal and signifies a non-compliance with the requirements of California Environmental Quality Act. A failure to consider mitigation measures or alternatives is equally a failure to comply with California Environmental Quality Act.

VII. Conclusion

CCID has been endeavoring to cooperate with all parties but this Environmental Assessment and proposed Negative Declaration and failure to properly analyze, mitigate and process this proposal tests our cooperative resolve. Please withdraw this Environmental Assessment and Notice of Intent to Adopt a Mitigated Negative Declaration.

LAFCO must take over as Lead Agency and comply with CEQA. We believe LAFCO will be required to conclude that only simultaneous annexation to the City and detachment from CCID with a clear plan for continued irrigation use of the land annexed can properly mitigate for the significant impacts arising from all other Project alternatives. It is far more economical and efficient to withdraw this document, correct these deficiencies in CEQA and LAFCO procedures, and avoid the necessity of presenting them to a Court for resolution.

Merced County Farm Bureau

July 11, 2016

City of Los Banos
Stacy Souza Elms
Senior Planner
520 J Street
Los Banos, CA 93635

Dear City of Los Banos,

Merced County Farm Bureau (MCFB) would like to submit comments to the official record regarding the City of Los Banos' (the "City") Mitigated Negative Declaration (MND) for the Presidential Estates East Annexation, Application Nos. ANX 2014-01 and GPA 2025-03. MCFB is a non-profit organization that represents 1,200 farmers and ranchers on a variety of pertinent issues throughout the county.

The Initial Study (IS) and MND are documents used to justify and provide the public with a practical picture of how the applicant's project will impact the environment. The continued reference to the City of Los Banos' 2030 General Plan Update approved in 2009 can be a useful growth tool for decision makers, but it is not an impermeable document as there are numerous changes that have occurred since 2009 that have yet to be addressed with this development (AB32, Greenhouse Gas Emissions, Sustainable Groundwater Management Act, etc.). The fact that the study time for the report was completed during the housing boom should give the staff a reason to pause due to creating a sense of inflated security that can be seen when the 2030 GP identifies the expected loss of nearly 1,900 acres of prime farmland. In no way can a sensible decision be made based on the review period standards that occurred just as the boom was starting its downward spiral, not to mention the vast array of serious concerns that have arisen since and must be addressed. We at MCFB demand the city uphold its duty to its constituency and require this project to complete a full EIR.

The documents are wrought with internal inconsistencies that we want to recognize. For instance, the discrepancy between the allotted number of acres designated for the low-density residential project. While both the Negative Declaration and Presidential Estates East Area Plan indicate the build out of 464 homes, the MND denotes the project will encompass 106 acres while the Area Plan designates 116 acres. It may seem that 10 acres is a small amount in relation to agriculture production countywide; however we do not want to set a precedence of incorrect documentation moving forward. We request that the MND and Area Plan come to a consensus on the number of acres to be converted prior to the plan's approval.

Another discrepancy comes from the “Urban and Build-Up Land” explained in the IS states the “GP DEIR inadvertently identified the project site.” What we are assuming this means is there was an error or some reason that project site was not considered agriculture at the time, so the actual loss of prime farmland converted to residential would be 2,000 acres. Why has this not been brought forward and amended sooner?

We also request the document provide strong and accurate GIS mapping to provide a transparent and cohesive finished document for reviewers. The inconsistencies of the google maps can be seen when reviewing the IS maps verses the MNG, thus google maps should not be considered substantial evidence by the applicant.

On page 32 of the IS, the document recognizes the policies and mitigation measures in the 2030 General Plan to “reduce the impact level” of the GHG emissions per capita. However, the justifications back in 2009 were still reduced standards of what we are experiencing today compliments to our region continuing to be a non-attainment zone. The Presidential Estates East is proposing houses 4 units per acre, not exactly conducive to support the city’s obligation to emissions reductions. *Discussion VII-a* states the project will “not directly result in any construction and/or operation” beyond what was previously identified in the 2030 GP, and the land use in the designated area is “less intense” then what was previously considered. Does this mean the “Urban Build-Up” was zoned accurately, or what? Clarification of this statement must be made to better understand how the proposals are looking to honor the GHG emissions standards set by the San Joaquin Valley Air Pollution Control District (SJVAPCD).

On page 39, *Discussion IX-i* identifies the project site to be in an “inundation area” for the three dams in the region, according to the Army Corps of Engineers. We find it curious that other than any training for first responders there are not any other obligations for the project to comply with this flood zone classification. Further elaboration is necessary.

One of MCFB’s core goals is to protect agricultural property, yet we understand the need for an increase in homes as the population continues to rise. If parcels must be brought out of production, we entirely support mitigation for such loss. These documents indicate mitigation is occurring for the proposal; however we find a vast amount of concerns with the listed terms. To begin, it is touted under a “Restrictive Covenant” that intends to “conserve valuable farmland.” Under definition, a restrictive covenant places the parcels under a defined use of 30 years and can expire if not resigned; therefore this is not a permanent agreement. On the other hand, a conservation easement would place the acreage in perpetual agriculture. Documenting a restrictive covenant as mitigation for this development is highly unjust, as the homes to be built will be in use much longer than 30 years, although the loss of productive agriculture ground will continue to grow exponentially. Any mitigation that takes place must be with a state certified conservation agency which will assure that the project stays in agriculture for perpetuity.

In addition, a covenant is used by adjoining landowners and not by a sole landowner. The parcels that are being used to mitigate the loss of agriculture land is owned by a single owner resonating in an incorrect use of this covenant. If you also allow the builder to use his own land to mitigate, you are not abiding in preserving agriculture land and creating a mockery of the process.

The number of acres being used for conservation needs to be questioned as well. The proposed project calls for 116 or 106 acres, depending on the document an individual is reviewing; yet the acreage being placed in mitigation is 100 acres. The MND states, “The voluntary recording of the Covenant was completed by the applicant and will “offset” the conversation (to urban uses) of all the land within the project area.” If this is the case, then one is

lead to believe the full amount of property indicated in the plans is to be mitigated for and not a lesser amount.

Merced County recently adopted a 1:1 mitigation rule in their General Plan for all property removed from agriculture production with the requirement that soils must be of the same quality or better. According to California Farmland Mapping and Monitoring Program, the 106 acre property to be removed falls under "Prime Farmland;" although the mitigated property falls under a lesser category of "Farmland of Statewide Importance." If you remove productive acreage for urban uses, the same quality of soil needs to be placed in an ample conservation easement to ensure the continued production of agriculture. Again, this is an unjust mitigation and should not be approved.

We ask that you take our questions and concerns into consideration as you move forward with the potential adoption of the Mitigated Negative Declaration and Presidential Estates East Annexation Area Plan. The opportunity to comment is appreciated and we look forward to the outcome of these documents.

Sincerely,

A handwritten signature in black ink, appearing to read "Breanne Ramos". The signature is fluid and cursive, with the first name being more prominent.

Breanne Ramos
Executive Director

RESOLUTION NO. 5787

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS BANOS APPROVING GENERAL PLAN AMENDMENT #2015-03 FOR PROPERTY LOCATED WITHIN THE PRESIDENTIAL ESTATES EAST AREA PLAN PROJECT, MORE SPECIFICALLY IDENTIFIED AS ASSESSOR'S PARCEL NUMBERS: 026-290-001,-002,-003,-004, AND -005

WHEREAS, Stonefield Communities Inc., as the project applicant, has requested an amendment to the General Plan Land Use Policy Map; and

WHEREAS, the Los Banos General Plan was adopted in July 2009, and is the guiding document for land use in the City of Los Banos; and

WHEREAS, the proposal is consistent with the intent of the General Plan and the Zoning Code regulations; and

WHEREAS, the proposal is consistent with surrounding properties and the area in general; and

WHEREAS, the Los Banos Planning Commission held a public hearing on July 13, 2016 for the purpose of considering the Presidential Estates East Area Plan and Annexation (ANX #2014-01), General Plan Amendment (GPA #2015-03), Zone Change (ZC #2015-01), and associated Pre-Annexation Development Agreements and at the completion of the public hearing, duly considered the evidence presented and recommended approval to the Los Banos City Council; and

WHEREAS, the Los Banos Planning Commission has recommended that the City Council certify the Mitigated Negative Declaration (SCH #2015061056), adopt the Mitigation Monitoring and Reporting Program, and has considered the Stonecreek CEQA Environmental Findings (Exhibit A) of Resolution No. 5786; and,

WHEREAS, a public hearing was duly noticed for September 7, 2016 and continued to October 19, 2016, in accordance with California Government Code Section 65091 by advertisement in the Los Banos Enterprise and by mail to property owners within 300 feet of the project boundaries on August 26, 2016, to consider and take testimony regarding the Presidential Estates East Area Plan and Annexation, General Plan Amendment, Pre-Zone, and associated Pre-Annexation Development Agreements; and

WHEREAS, at the September 7, 2016 and October 19, 2016, Los Banos City

Council Meeting the Los Banos City Council, heard and considered testimony, if any, of all persons desiring to be heard; reviewed the Project and staff report; studied the compatibility of the applicant's request with adjacent land uses; has considered the applicant's request in accordance with the General Plan Amendment criteria established in Section 9-3.2314 of the Los Banos Municipal Code; and

WHEREAS, the City Council of the City of Los Banos hereby makes the appropriate findings set forth in Exhibit A (Findings for Approval), attached hereto and incorporated herein by this reference.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Los Banos does hereby approve a General Plan Amendment for property located within the Presidential Estates East Area Plan Project; more specifically identified as Assessor's Parcel Numbers: 026-290-001,-002,-003,-004, and -005.

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Los Banos held on the 19th day of October 2016, by Council Member _____ who moved its adoption, which motion was duly seconded by Council Member _____ and the Resolution adopted by the following vote:

AYES:
NOES:
ABSENT:

APPROVED:

Michael Villalta, Mayor

ATTEST:

Lucille L. Mallonee, City Clerk

EXHIBIT A

PROJECT FINDINGS FOR PRESIDENTIAL ESTATES EAST AREA PLAN

The City of Los Banos City Council hereby finds as follows:

1. The Los Banos General Plan was adopted by the City on July 15, 2009, and the Project was prepared in accordance with it;
2. The Project is within the adopted Sphere of Influence of the City of Los Banos;
3. The annexation, general plan amendment, and pre-zoning will not be detrimental to the health, safety, comfort, or general welfare of the persons residing or working in the City of Los Banos, or injurious to property or improvements in the surrounding neighborhoods or within the City;

EVIDENCE: The low density residential land use and circulation plan: (1) are consistent with adjacent residential uses in the vicinity of the project site; and (2) will improve circulation in the area by completing a roadway between Page Avenue and Scripps Drive and will extend Madison Avenue to Mercey Springs Road which connects City neighborhoods on both sides of the project site.

4. The use is compatible with the adjacent uses, properties, and neighborhoods, and will not be detrimental or injurious to property or improvements in the neighborhood or to the general welfare of the City and will not result in detrimental effects to neighboring properties or to City services;

EVIDENCE: The project will enhance the surrounding area, because: (1) it will annex contiguous property nearly surrounded by the current City limits on three sides and largely surrounded by urban development, (2) it will improve circulation in the area by completing a roadway between Page Avenue and Scripps Drive and will extend Madison Avenue which connects City neighborhoods on both sides of the project site; and (3) it was analyzed in an Initial Study/Mitigated Negative Declaration that determined that all potentially significant impacts on neighboring properties are reduced to a less than significant level by the incorporation of Mitigation Measures.

5. The proposed annexation is consistent with LAFCO annexation policies.

EVIDENCE: The City has adequate fire and police services and a mitigation fee program that ensures continued adequate services. The City provides wastewater services, and there is adequate capacity at the City's wastewater treatment plant and the City has initiated a two phase expansion and study of the fee structure to ensure that adequate capacity and funding to finance the expansion will be available before the existing capacity is exhausted. The City provides water services, and the quantity of the City's groundwater reserves is adequate for planned growth within the Sphere of Influence. The City requires

developers to improve street frontages and to pay a traffic impact fee to ensure that the City's transportation infrastructure is adequate to the extent feasible. The majority of significant transportation deficiencies in the City involve Pacheco Boulevard, and improvements to traffic conditions on Pacheco Boulevard are contingent on the State's construction of the State Route 152 bypass, which is outside the control of the City.

ORDINANCE NO. 1145

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS BANOS AMENDING THE ZONING MAP TO PRE-ZONE APPROXIMATELY 106 ACRES LOCATED NORTH OF PIONEER ROAD AND WEST OF MERCEY SPRINGS ROAD (SR 165), MERCED COUNTY, CALIFORNIA, FROM COUNTY R-1 (RESIDENTIAL-SINGLE FAMILY) TO CITY R-1 (LOW DENSITY RESIDENTIAL), TO BE ANNEXED INTO THE CITY OF LOS BANOS

WHEREAS, Stonefield Communities, Inc., has initiated an Annexation and Pre-Zone application with the City of Los Banos to annex and pre-zone approximately 106 acres of property located north of Pioneer Road and west of Mercey Springs Road (SR 165), Merced County, California, more specifically identified as Assessor's Parcel Numbers: 083-120-012, -013, -014, -015, -016, -017, -018, -019, -020, -021, -022, -023, -024, -027 & -028 and 026-290-001, -002, -003, -004 & -005; and

WHEREAS, the Planning Commission of the City of Los Banos scheduled and duly noticed a public hearing to consider and take testimony regarding these matters and recommended approval to the Los Banos City Council on July 13, 2016; and

WHEREAS, pursuant to the California Environmental Quality Act (CEQA) and the City of Los Banos Environmental Quality Guidelines, the Presidential Estates East Area Plan and Annexation, General Plan Amendment, Pre-Zone, and associated Pre-Annexation Development Agreements were evaluated in an Initial Study/Mitigated Negative Declaration (SCH #2015061056) and approved by the City Council of the City of Los Banos (Resolution No. 5786) on September 7, 2016; and

WHEREAS, the Los Banos City Council scheduled and duly noticed a public hearing in accordance with the California Government Code Section 65091 by advertisement in the Los Banos Enterprise and by mail to property owners within 300 feet of the project boundaries on August 26, 2016, to consider and take testimony regarding these matters on September 7, 2016, and continued the hearing to October 19, 2016; and

WHEREAS, the City Council concurs with the recommendations of the Planning Commission; and

WHEREAS, the City Council finds and determines that the proposed Annexation, General Plan Amendment, and Pre-Zoning of the Property contributes to the orderly development of the City.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF LOS BANOS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are incorporated herein.

SECTION 2. This Ordinance is adopted under the authority of Government Code Section 65869 as well as the Cortese-Knox-Hertzberg Local Governmental Reorganization Act of 2000, as amended.

SECTION 3. The City Council hereby finds and determines, as follows:

- (a) the proposed zoning is consistent with the objectives, policies, and programs specified in the General Plan;
- (b) the proposed zoning is compatible with the adjacent land uses; and
- (c) the proposed zoning is a logical extension of the existing zoning pattern.

SECTION 4. Resolution No. 5786, approved by the City Council on September 7, 2016, making findings as to the Mitigated Negative Declaration, including the Mitigation Monitoring and Reporting Program approved by and incorporated in said Resolution, which Resolution and exhibits are incorporated herein by reference as if set forth in full.

SECTION 5. The Los Banos Zoning Map is hereby amended to Pre-Zone approximately 106 acres to Low Density Residential (R-1), the property, located north of Pioneer Road and west of Mercey Springs Road (SR 165), Merced County, California, more specifically identified as Assessor's Parcel Numbers: 083-120-012, -013, -014, -015, -016, -017, -018, -019, -020, -021, -022, -023, -024, -027 & -028 and 026-290-001, -002, -003, -004 & -005, and more particularly described in Exhibit A attached hereto and incorporated herein by this reference.

SECTION 6. In accordance with Section 65859 of the Government Code, the pre-zoning designation and zoning map changes set forth in Section 5 of this Ordinance shall become the zoning classification of the real property described in Exhibit A upon completion of the real property's annexation to the City of Los Banos.

SECTION 7. No vested right to develop shall accompany this amendment to the Zoning Map except as set forth in Ordinance Nos. 1146 and 1147, approved by the City Council on October 19, 2016.

SECTION 8. This Ordinance shall go into effect and be in full force and operation thirty (30) days after its final passage and adoption. The City Clerk shall certify to the adoption of this Ordinance and cause the same to be posted and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the Office of the City Clerk five days prior to the date of adoption of this Ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published the aforementioned summary and shall post a certified copy of this Ordinance, together with the vote for and against the same, in the Office of the City Clerk.

Introduced by Council Member Silveira and seconded by Council Member Stonegrove on the 7th day of September 2016.

Passed on the _____ day of _____, 2016 by the following vote:

AYES:
NOES:
ABSENT:

APPROVED:

Michael Villalta, Mayor

ATTEST:

Lucille L. Mallonee, City Clerk

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN AN UNINCORPORATED AREA, COUNTY OF MERCED, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1: APN: 083-120-014

That certain piece or parcel of land situated and being in Section 23, Township 10 South, Range 10 East, Mount Diablo Base and Meridian, in the unincorporated area of the County of Merced, State of California according to the Official Plat thereof, identified as being the North 191.03 feet of the South 2454.91 feet of the East 258.02 feet of said Section 23 more particularly described as follows, to-wit:

BEGINNING, at a point on the East line of Section 23, Northerly along said line 2263.88 feet, (from the Southeast corner of said Section);

Thence, Westerly parallel to the South line of Section 23, 258.02 feet;

Thence, Northerly, parallel to the East line of Section 23, 191.03 feet;

Thence, Easterly, parallel to the South line of Section 23, 258.02 feet to the Section line;

Thence, Southerly along the East line of Section 23, 191.03 feet to the POINT OF BEGINNING.

PARCEL 2: APN: 083-120-027

Parcel 1 of Parcel Map For Alfred C. Lewis, in in the unincorporated area of the County of Merced, State of California according to the map thereof recorded April 19, 1982 In Book 47, Pages 7 and 8 of Parcel Maps, in the office of the County Recorder of said County.

PARCEL 3: APN: 083-120-024

BEGINNING, at the Southeast corner of Section Twenty-Three (23), Township Ten (10) South, Range Ten (10) South, Mount Diablo Base and Meridian, in the unincorporated area of the County of Merced, State of California according to the Official Plat thereof and running;

Thence, along the line between Sections Twenty-Three (23) and Twenty-Four (24), in said Township and Range,

North 0° 30' East 1317.80 feet to the corner of lands formerly owned by T.L. Baldwin;

Thence, leaving said Section line and along the South line of said lands formerly owned by said T.L. Baldwin West 394.20 feet to a stake in the middle of a ditch;

Thence, continuing along the South line of said lands of said T.L. Baldwin above described, and also along the middle line of said ditch South 69° 45' West 263.40 feet and South 79° West 32 feet to a stake;

Thence, leaving said line of said ditch South 0° 30' West 1221 feet to the South line of said Section 23, Thence, 672 feet to the PLACE OF BEGINNING, and being a part of

the Southeast quarter of Section 23, Township 10 South, Range 1 East, Mount Diablo Base and Meridian, in said Merced County, California.
Magnetic Variation 15° 55' East.

EXCEPTING THEREFROM, the following pieces of property, to wit:

(A). That certain parcel of land containing 1.0 acre of land described in that certain Deed recorded April 20, 1953, in Volume 1107 of Official Records, Page 402, records of Merced County, California.

(B). That certain parcel of land containing 1.0 acre of land described in that certain Deed recorded May 26, 1953, in Volume 1110 of Official Records, Page 162, records of Merced County, California.

(C). That certain parcel of land containing 1.0 acre of land described in that certain Deed recorded April 8, 1953, in Volume 1085 of Official Records, Page 84, records of Merced County, California.

(D). That certain parcel of land containing 1.0 acre of land described in that certain Deed recorded June 29, 1953, in Volume 1112 of Official Records, Page 293, records of Merced County, California.

(E). That certain parcel of land containing 1.0 acre of land described in that certain Deed recorded June 29, 1953, in Volume 1113 of Official Records, Page 216, records of Merced County, California.

PARCEL 4: APN: 083-120-028

Parcel 2 of Parcel Map For Alfred C. Lewis, in in the unincorporated area of the County of Merced, State of California according to the map thereof recorded April 19, 1982 In Book 47, Pages 7 and 8 of Parcel Maps, in the office of the County Recorder of said County.

PARCEL 5: APN: 083-120-022

That certain piece or parcel of land situated and being in Section 23, Township 10 South, Range 10 East, Mount Diablo Base and Meridian, in the unincorporated area of the County of Merced, State of California according to the Official Plat thereof, identified as being the North 200 feet of the South 460.00 feet of the East 217.80 feet of said Section 23 (less road), more particularly described as follows, to wit:

BEGINNING, at a point on the Section line between Sections 23 and 24, 260.00 feet Northerly from the Southeast corner of said Section 23;

Thence, Westerly, parallel to the South line of Section 23, 217.80 feet;

Thence, Northerly, parallel to the East line of Section 23, 200.00 feet;

Thence, Easterly, parallel to the South line of Section 23, 217.80 feet, to the Section line;

Thence, Southerly along the East line of Section 23, 200.00 feet to the POINT OF BEGINNING.

PARCEL 6: APN: 083-120-023

That certain piece of parcel or land situated and being in Section 23, Township 10 South, Range 10 East, Mount Diablo Base and Meridian, in the unincorporated area of the County of Merced, State of California according to the Official Plat thereof, identified as being the North 200.00 feet of the South 260.00 feet of the East 217.80 feet of said Section 23 (less road), more particularly described as follows, to wit:

BEGINNING at a point on the Section line between Section 23 and 24, 60.00 feet Northerly from the Southeast corner of said Section 23;
Thence, Westerly, parallel to the South line of Section 23, 217.80 feet;
Thence, Northerly parallel to the East line of Section 23, 200.00 feet;
Thence, Easterly, parallel to the South line of Section 23, 217.80 feet to the Section line;
Thence, Southerly, along the East line of Section 23, 200.00 feet to the POINT OF BEGINNING.

PARCEL 7: APN: 083-120-019

That certain piece or parcel of land situated and being in Section 23, Township 10 South, Range 10 East, Mount Diablo Base and Meridian, in the unincorporated area of the County of Merced, State of California according to the Official Plat thereof, identified as being the North 200.00 feet of the South 1060.00 feet of the East 217.80 feet of Section 23 (less road), more particularly described as follows:

BEGINNING at a point on the Section line between Sections 23 and 24, 860.00 feet Northerly from the Southeast corner of said Section 23;
Thence, Westerly, parallel to the South line of Section 23, 217.80 feet;
Thence, Northerly, parallel to the East line of Section 23, 200.00 feet;
Thence, Easterly, parallel to the South line of Section 23, 217.80 feet, to the Section line;
Thence, Southerly, along the East line of Section 23, 200.00 feet to the POINT OF BEGINNING.

PARCEL 8: APN: 083-120-013

That certain piece or parcel of land situated and being in Section 23, Township 10 South, Range 10 East, Mount Diablo Base and Meridian, in the unincorporated area of the County of Merced, State of California according to the Official Plat thereof, identified as being the North 191.04 feet of the South 2645.95 feet of the East 258.02 feet of said Section 23 (less road) more particularly described as follows, to wit:

BEGINNING, at a point on the East line of Section 23, Northerly along said line 2454.91 feet;
Thence, Westerly parallel to the South line of Section 23, 258.02 feet;
Thence, Northerly, parallel to the East line of Section 23, 191.04 feet;
Thence, Easterly, parallel to the South line of Section 23, 258.02 feet to the Section line;

Thence, Southerly along the East line of Section 23, 191.04 feet to the POINT OF BEGINNING.

PARCEL 9: APN: 083-120-016

All that portion of Section 23, Township 10 South, Range 10 East, Mount Diablo Base and Meridian, in the unincorporated area of the County of Merced, State of California according to the Official Plat thereof, described as follows:

BEGINNING, at a point in the West line of the "Canal Farm and Waggoner Road," as conveyed by B. F. Soper, et ux, to Merced County by deed recorded April 4, 1902, in Book 34A of Deeds, Page 60, said point being North 0 deg. 30' East 1846.46 feet and North 89 deg. 26' West, 22 feet from the Southeast corner of said Section;
Thence, North 0 deg. 30' East along said West line, 208.71 feet;
Thence, North 89 deg. 26' West 208.71 feet;
Thence, South 0 deg. 30' West 208.71 feet;
Thence, North 89 deg. 26' East 208.71 feet to the POINT OF BEGINNING.

PARCEL 10: APN: 083-120-018

All that portion of Section 23, Township 10 South, Range 10 East, Mount Diablo Base and Meridian, in the unincorporated area of the County of Merced, State of California according to the Official Plat thereof, described as follows:

BEGINNING, at a point which bears North 00 30' East, 1637.75 feet and North 89° 26' West 30.00 feet from the Southeast corner of Section 23, Township 10 South, Range 10 East, Mount Diablo Base and Meridian;
thence North 0° 30' East along the West line of a 60 foot County Road, 208.71 feet;
thence North 89° 26' West, 208.71 feet;
thence South 0° 30' West, 208.71 feet;
thence South 89° 26' East, 208.71 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM that real property, described as follows:

BEGINNING, at a point which bears North 0° 30' East, 1701.46 feet and North 89° 26' West, 30.00 feet from the Southeast corner of Section 23, Township 10 South, Range 10 East, M.D.B. & M.;
Thence, North 89° 26' West, 137.00 feet;
Thence, North 0° 30' East, 73.00 feet;
Thence, South 89° 26' East, 137.00 feet;
Thence, along the Westerly right-of-way line of a 60 foot County Road, South 0° 30' West, 73.00 feet to the POINT OF BEGINNING.

PARCEL 11: APN: 083-120-015

All that portion of the Northeast quarter of the Southeast quarter of Section 23, Township 10 South, Range 10 East, Mount Diablo Base and Meridian, in the unincorporated area of the County of Merced, State of California according to the Official Plat thereof, described as follows:

BEGINNING, at a point in the West line of the "Canal Farm and Waggoner Road," as conveyed by B. F. Soper, et ux, to Merced County by deed recorded April 4, 1902, in Book 34A of Deeds, Page 60, said point being North 0 deg. 30' East 2055.17 feet and North 89 deg. 26' West, 22 feet from the Southeast corner of said Section;
Thence, North 0 deg. 30' East along said West line, 208.71 feet;
Thence, North 89 deg. 26' West 208.71 feet;
Thence, South 0 deg. 30' West 208.71 feet;
Thence, South 89 deg. 26' East 208.71 feet to the POINT OF BEGINNING.

PARCEL 12: APN: 083-120-012

All that portion of the Southeast quarter of Section 23, Township 10 South, Range 10 East, Mount Diablo Base and Meridian, in the unincorporated area of the County of Merced, State of California according to the Official Plat thereof, described as follows:

BEGINNING at a point on the North line of said Southeast quarter that is 605.55 feet West of the quarter corner on the East line of said Section 23, said POINT OF BEGINNING, being the Northeast corner of the strip of land conveyed to C.W.T. Smith, et ux, by deed recorded February 9, 1898 in Book 39 of Deeds, Page 482;
Thence, South along the East line of said Smith strip, 8 1/2 feet to the Southeast corner thereof;
Thence, West along the South line of said Smith strip, 605.55 feet to the Southwest corner thereof and to a point on the West line of the tract conveyed to Benjamin Franklin Soper, by deed recorded October 19, 1897 in Book 47 of Deeds, page 162;
Thence, North 8 1/2 feet to the Northwest corner thereof;
Thence, East along the North line of said Smith strip, 605.55 feet to the POINT OF BEGINNING.

PARCEL 13: APN: 083-120-017

All that portion of the Southeast quarter of Section 23, Township 10 South, Range 10 East, Mount Diablo Base and Meridian, in the unincorporated area of the County of Merced, State of California according to the Official Plat thereof, described as follows:

BEGINNING, at a point which bears North 00 30' East 1701.46 feet and North 89° 26' West 30.00 feet from the Southeast corner of Section 23, Township 10 South, Range 10 East, Mount Diablo Base and Meridian;
Thence, North 89° 26' East 137.00 feet;
Thence, North 0° 30' East 73.00 feet;
Thence, South 89° 26' East 137.00 feet;
Thence, along the Westerly right of way line of a 60 foot county road South 0° 30' West 73.00 feet to the POINT OF BEGINNING.

PARCEL 14: APN: 083-120-020

That certain piece or parcel of land situated and being in Section 23, Township 10 South, Range 10 East, Mount Diablo Base and Meridian, in the unincorporated area of the County of Merced, State of California according to the Official Plat thereof, identified

as being the North 200.00 feet of the South 860.00 feet of the East 217.80 feet of said Section 23 (less road), more particularly described as follows, to wit:

BEGINNING, at a point on the Section line between Sections 23 and 24, 660.00 feet Northerly from the Southeast corner of said Section 23;
Thence, Westerly parallel to the South line of Section 23, 217.80 feet;
Thence, Northerly, parallel to the East line of Section 23, 200.00 feet;
Thence, Easterly, parallel to the South line of Section 23, 217.80 feet to the section line;
Thence, Southerly along the East line of Section 23, 200.00 feet to the POINT OF BEGINNING.

PARCEL 15: APN: 083-120-021

That certain piece or parcel of land situated and being in Section 23, Township 10 South, Range 10 East, Mount Diablo Base and Meridian, in the unincorporated area of the County of Merced, State of California according to the Official Plat thereof, identified as being the North 200 feet of the South 660 feet of the East 217.80 feet of said Section 23, less road, more particularly described as follows:

BEGINNING at a point on the Section line of Sections 23 and 24, 460.00 feet Northerly from the Southeast corner of said Section 23;
Thence, Westerly and parallel to the South line of Section 23, 217.80 feet;
Thence, Northerly and parallel to the East line of Section 23, 200.00 feet;
Thence, Easterly and parallel to the South line of Section 23, 217.80 feet to the Section line;
Thence, Southerly along the East line of Section 23, 200.00 feet to the POINT OF BEGINNING.

PARCEL 16: APN: 026-290-001

Parcel 2 of Parcel Map entitled "PARCEL MAP FOR CARDOZA FAMILY", in the unincorporated area, County of Fresno, State according to the map thereof recorded in Book 56, Page 24 of Parcel Maps, in the office of the County Recorder of said County.

PARCEL 17: APN: 026-290-002 & 005

That portion of Section 23, Township 10 South, Range 10 East, Mount Diablo Base and Meridian, in the unincorporated area of the County of Merced, State of California according to the Official Plat thereof, described as follows:

BEGINNING, at a point which bears South 0° 30' West, 1377.53 feet and South 89°13' West 30 feet from the Northeast corner of said Section 23;
Thence, South 0° 30' West, 383.46 feet to a point on the Northerly line of the land conveyed to Tony Silva and Carmen Silva, husband and wife, as joint tenants, by Deed recorded February 25, 1963, in Book 1601 of Official Records, page 527;
Thence, North 89°29'45" West, 95.50 feet to the Northwest corner of said Silva land;
Thence, South 0°30'15" West 271.77 feet to the North line of the land conveyed to Joe Souza Cordoza and Delfina Souza Cordoza, husband and wife, by deed recorded February 27, 1925, in Book 92 of Official Records, Page 500;

Thence, North 89°23'15"; East, 95.52 feet to the Northeast corner of said Cordoza land;
Thence, South 0°30' West, 656.02 feet to the Southeast corner of said Cordoza land;
Thence, South 89°24'15" West, 1175.98 feet along the South line of said Cordoza land;
Thence, North 0°03'45" West, 1308.79 feet to a point on the North line of the land conveyed to Antone Rocha Borba and Mary Borba, husband and wife, recorded March 14, 1925, in Book 97 of Official Records, Page 53;
Thence, North 89°23'15" East, 1188.95 feet along the North line of said Borba property to the POINT OF BEGINNING.

Said land being also shown as Parcel Numbers I and IV of that certain Record of Survey entitled "Proposed Site Los Banos Union High School" as per plat recorded in Book 3 of Record of Surveys, Page 48, Merced County Records.

PARCEL 18: APN: 026-290-003

BEGINNING, at a point on the East line of Section 23, Township 10 South, Range 10 East, Mount Diablo Base and Meridian, in the unincorporated area of the County of Merced, State of California according to the Official Plat thereof, which point bears South 00 30' West 1761.70 feet from the Northeast corner of said Section 23;
Thence, along the East line of said Section 23 and along the center line of South Mercy Springs Road, a 60-foot county road, South 0° 30' West 134.67 feet;
Thence, South 89° 56-1/2' West 125.51 feet;
Thence, North 0° 30' East 135.89 feet;
Thence, South 89 30' East 125.50 feet to the POINT OF BEGINNING.

PARCEL 19: APN: 026-290-004 (old 083-110-010)

All that portion of Section 23, Township 10 South, Range 10 East, Mount Diablo Base and Meridian, in the unincorporated area of the County of Merced, State of California according to the Official Plat thereof, described as follows:

BEGINNING, at a point on the East line of Section 23, Township 10 South, Range 10 East, M.D.B. and M., which point bears South 0 deg. 30' West 1896.37 feet from the Northeast corner of said Section 23,
Thence, along the East line of said Section 23 and along the centerline of South Mercy Springs Road, a 60-foot County Road, South 0 deg. 30' West 134.66 feet;
Thence, along the North line of the M.M. Cardoza Property South 89 deg. 23' West 125.52 feet;
Thence, North 0 deg. 30' East 135.88 feet;
Thence, North 89 deg. 56 1/2' East 125.51 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM, the interest in that portion of said land along East boundary as conveyed to County of Merced by Oscar E. Smith et ux and recorded in Volume 34A of Deeds, Page 62, Merced County Records.

RESOLUTION NO. 5788

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS BANOS REQUESTING THE ANNEXATION AND PRE-ZONE OF APPROXIMATELY 106 ACRES FOR THE PRESIDENTIAL ESTATES EAST AREA PLAN AND ANNEXATION

WHEREAS, Stonefield Communities, Inc., initiated consideration of an Annexation and Pre-Zone application with the City of Los Banos to annex approximately 106 acres of property located north of Pioneer Road and west of Mercey Springs Road (SR 165), Merced County, California, more specifically identified as Assessor's Parcel Numbers: 083-120-012, -013, -014, -015, -016, -017, -018, -019, -020, -021, -022, -023, -024, -027 & -028 and 026-290-001, -002, -003, -004 & -005; and

WHEREAS, the City Council of the City of Los Banos finds that the property is within the Los Banos Sphere of Influence (SOI); and

WHEREAS, after considering the City's General Plan policies, the City Council of the City of Los Banos finds that the Annexation and Pre-Zone of the above described property is consistent with the General Plan and its policies; and

WHEREAS, the City Council of the City of Los Banos finds that the annexation of the subject property, as conditioned, is consistent with the annexation policies of Merced County LAFCO; and

WHEREAS, the City of Los Banos proposes to pre-zone the subject property to Low Density Residential (R-1); and

WHEREAS, the Planning Commission of the City of Los Banos scheduled and duly noticed a public hearing to consider and take testimony regarding these matters and recommended denial to the Los Banos City Council on July 13, 2016 unless there was a resolution for the Cardoza family to retain their Class I water rights with CCID; and

WHEREAS, the Los Banos City Council scheduled and duly noticed a public hearing in accordance with the California Government Code Section 65091 by advertisement in the Los Banos Enterprise and by mail to property owners within 300 feet of the project boundaries on August 26, 2016, to consider and take testimony regarding these matters on September 7, 2016, and continued the hearing to October 19, 2016; and

WHEREAS, pursuant to the California Environmental Quality Act (CEQA) and the City of Los Banos Environmental Quality Guidelines, the Presidential Estates East Area Plan and Annexation, General Plan Amendment, Pre-Zone, and associated Pre-Annexation Development Agreements were evaluated in an Initial Study/Mitigated Negative Declaration (SCH #2015061056) and approved by the City Council of the City of Los Banos (Resolution No. 5786) on October 19, 2016; and

WHEREAS, the City Council of the City of Los Banos authorized Pre-Annexation Development Agreements (Ordinance Nos. 1146 and 1147) for the subject territory with a first reading and introduction on October 19, 2016, and the second reading and adoption on November 2, 2016; and

BASED UPON THE EVIDENCE PRESENTED AT THE PUBLIC HEARING, the City Council of the City of Los Banos does hereby make the appropriate findings set forth in Exhibit A (Findings of Approval), attached hereto and incorporated herein by this reference; and

BASED UPON THE EVIDENCE PRESENTED AT THE PUBLIC HEARING, the City Council of the City of Los Banos does hereby make the appropriate findings set forth in Exhibit A (Project Findings) for the Presidential Estates East Area Plan and Annexation (Exhibit C) attached hereto and incorporated herein by this reference.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Los Banos does hereby approve the Presidential Estates East Area Plan and Annexation (ANX #2014-01) for the annexation of approximately 106 acres into the incorporated City limits of the City of Los Banos subject to the Conditions of Approval (Exhibit B), incorporated herein by this reference.

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Los Banos held on the 19th day of October 2016, by Council Member _____ who moved its adoption, which motion was duly seconded by Council Member _____ and the Resolution is hereby adopted by the following vote:

AYES:
NOES:
ABSENT:

APPROVED:

Michael Villalta, Mayor

ATTEST:

Lucille L. Mallonee, City Clerk

EXHIBIT A

PROJECT FINDINGS FOR PRESIDENTIAL ESTATES EAST AREA PLAN AND ANNEXATION #2014-01

The City of Los Banos City Council hereby finds as follows:

1. The Los Banos General Plan was adopted by the City on July 15, 2009, and the Project was prepared in accordance with it;
2. The Project is within the adopted Sphere of Influence of the City of Los Banos;
3. The annexation and pre-zoning will not be detrimental to the health, safety, comfort, or general welfare of the persons residing or working in the City of Los Banos, or injurious to property or improvements in the surrounding neighborhoods or within the City;

EVIDENCE: The residential, neighborhood commercial, and office land uses and circulation plan: (1) are consistent with adjacent residential uses in the vicinity of the project site; (2) will provide opportunities for retail and employment uses in close proximity to existing and future residents of the area; and (3) will improve circulation in the area by completing a roadway between Page Avenue and Scripps Drive that connects the City neighborhoods on both sides of the project site.

4. The use is compatible with the adjacent uses, properties, and neighborhoods, and will not be detrimental or injurious to property or improvements in the neighborhood or to the general welfare of the City and will not result in detrimental effects to neighboring properties or to City services;

EVIDENCE: The project will enhance the surrounding area, because: (1) it will annex contiguous property nearly surrounded by the current City limits on three sides and largely surrounded by urban development, (2) it will provide opportunities for retail and employment uses in close proximity to existing and future residents of the area; (3) it will improve circulation in the area by completing a roadway between Page Avenue and Scripps Drive that connects City neighborhoods on both sides of the project site; and (4) it was analyzed in an Initial Study/Mitigated Negative Declaration that determined that all potentially significant impacts on neighboring properties are reduced to a less than significant level by the incorporation of Mitigation Measures.

5. The proposed annexation is consistent with LAFCO annexation policies.

EVIDENCE: The City has adequate fire and police services and a mitigation fee program that ensures continued adequate services. The City provides wastewater services, and there is adequate capacity at the City's wastewater treatment plant and the City has initiated a two phase expansion and study of the fee structure to ensure that adequate capacity and funding to finance the

expansion will be available before the existing capacity is exhausted. The City provides water services, and the quantity of the City's groundwater reserves is adequate for planned growth within the Sphere of Influence. The City requires developers to improve street frontages and to pay a traffic impact fee to ensure that the City's transportation infrastructure is adequate to the extent feasible. The majority of significant transportation deficiencies in the City involve Pacheco Boulevard, and improvements to traffic conditions on Pacheco Boulevard are contingent on the State's construction of the State Route 152 bypass, which is outside the control of the City.

EXHIBIT B

CONDITIONS OF APPROVAL FOR THE PRESIDENTIAL ESTATES EAST AREA PLAN AND ANNEXATION #2014-01

1. The property and use shall be in substantial conformance with the Presidential Estates East Area Plan and associated Pre-Annexation Development Agreements and conditions of approval.
2. The applicant or successor(s) in interest agrees as a condition and in consideration of the approval of this and related approvals that it shall defend, indemnify and hold harmless the City of Los Banos or its agents, officers and employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void or annul this approval, which action is brought within the time period provided for under law, including but not limited to, Government Code Section 66499.37, as applicable.
3. The applicant or successor(s) in interest shall reimburse the City for any court costs and attorney's fees that the City may be required by a court to pay as a result of such action. City may, at its sole discretion, participate in the defense of such action; but such participation shall not relieve applicant of his obligations under this condition. An agreement to this effect shall be recorded upon demand of City Council concurrent with the issuance of permits or use of the property, whichever occurs first and as applicable. The City shall promptly notify the applicant of any such claim, action or proceeding, and the City shall cooperate fully in the defense thereof. If the City fails to promptly notify the applicant of any such claim, action, or proceeding or fails to cooperate fully in the defense thereof, the applicant shall not thereafter be responsible to defend, indemnify, or hold the City harmless.
4. Developer shall receive approval by the City of a Master Plan prior to any application for further entitlements, building permits or other development. The Master Plan shall include a land use and circulation system concept for the Master Plan area that is consistent with the goals and policies of the General Plan, compatible with the environment, and capable of being served by existing and planned public facilities and utilities, topographical data of the Master Plan area, proposed site plans, architectural guidelines, proposed development schedule, and any proposed Conditions, Covenants, and Restrictions, subject to review and approval by the City Attorney. Site plans for a project within the approved Master Plan area shall only be accepted for review if they are consistent with the approved Master Plan, and with all other applicable requirements of the Los Banos Municipal Code.
5. Developer shall pay five thousand dollars (\$5,000.00) per residential unit for purposes of ensuring that there are sufficient funds to improve and enhance the community as determined by the City Council of the City of Los Banos. In lieu of payment of the Community Amenity Fee the City Council has the option but not

the obligation to accept an in kind contribution from the Developer which in the sole discretion of the City Council furthers the stated intention of the community amenity fee on terms mutually agreeable to the parties. The fee shall be payable at the time each building permit is issued and shall be subject to annual adjustment on April 1 of each year, commencing 2009, based on the percentage changes in the City Construction Cost Index, published by the Engineering News Record. In the event the CCI is no longer published the City Finance Director shall use a similar index to calculate the annual adjustment. The City Council may allocate the Community Amenity Fee in its sole discretion as it determines to be in the community's best interest. The City shall establish a fund for the deposit and expenditure of the Community Amenity Fee and shall provide an accounting of the use and expenditure of funds each year in accordance with Government Code Section 66006.

6. Upon approval of the annexation by LAFCO the Developer shall form or annex the Property to a community facilities district created for the purposes of funding public safety, as authorized by Government Code section 53313(a) and (b). The form, terms and conditions and the tax rate for the formation of the Mello-Roos district, or in the alternative the annexation of the Property to an existing district, shall be as approved by the City Council, as determined in its sole and exclusive discretion. District formation or annexation shall be at the sole cost of the Developer.
7. Prior to approval of any final or parcel map, the Developer shall form or annex the Property to a Lighting and Landscaping District created for purposes of maintaining public landscape areas, signage and public lighting including a share of traffic signal maintenance costs as authorized pursuant to the Landscape and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code, and Article XIID of the California Constitution. The form, terms and conditions and the tax rate for the formation of the Lighting and Landscaping District, or in the alternative the annexation of the Property to an existing district, shall be as approved by the City Council, as determined in its sole and exclusive discretion. It is the intent of the parties that the assessment of the Property will be apportioned to each parcel in proportion to the special benefit it receives. District formation or annexation shall be at the sole cost of the Developer.
8. The Developer shall implement all Mitigated Measures identified in the Mitigation Monitoring and Reporting Plan for the project (SCH #2015061056), incorporated herein by this reference.

Notice: The conditions of project approval set forth herein include certain fees, dedication requirements, reservation requirements, and other exactions. Pursuant to Government Code section 66020(d)(1), these conditions constitute a written notice of the amount of such fees, and a description of the dedications, reservations, and other exactions. The applicant is hereby notified that the 90-day protest period commences

from the date of approval of the project. If the applicant fails to file a protest regarding any of the fees, dedication requirements, reservation requirements, or other exactions contained in this notice, complying with all the requirements of section 66020, the applicant will be legally barred from challenging such exactions.

EXHIBIT C

Presidential Estates East Area Plan
(Provided under separate cover)

STONEFIELD HOME

*Presidential
Estates East
Area Plan*

Los Banos, California



Prepared: January 2016
By: O'Dell Engineering
Modesto, California



Project Participants



Applicant:

Stonefield Home
923 East Pacheco Blvd., Suite C
Los Banos, CA 93635
(209) 826-6200



Engineering/Surveying/Planning/Landscape

O'Dell Engineering
1165 Scenic Drive, Suite B
Modesto, CA 95350
209.571.1765

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Introduction/Project Description



PRESIDENTIAL
ESTATES EAST

Purpose of This Document

The Presidential Estates East Area Plan will guide the future development of 116 acres located along the west side of Mercey Springs Road / SR 165, north of Pioneer Road. This Area Plan document is intended to facilitate annexation to the City of Los Banos, pre-zoning, describe circulation & transportation systems, and illustrate conceptual utility designs. The project will be an extension of existing neighborhoods, east of Presidential Estates, Hoover Court, and Virginia Estates subdivisions. Future plan area development will be accessed from Pioneer Road on the south, and a future extension of Page Avenue / Scripps Road from Mercey Springs Road to the west. The proposed Pioneer Road extension will run east/west at the southerly boundary of the plan area.

Subsequent Approvals/Amendments

The Presidential Estates East Area Plan has been prepared for the City of Los Banos as a tool to facilitate annexation and future development of plan area properties. Vesting Tentative Tract Maps (VTTM), Development Agreements and Final Development Plans (FDP) will implement the provisions of this Area Plan. Future development proposals will be consistent with the provisions contained within the approved Area Plan document.

Environmental Review

Pursuant to the California Environmental Quality Act and the City of Los Banos environmental review procedures, an Initial Study was prepared for the project. The City determined that the proposed project could have potentially significant impacts, and as such, mitigation has been incorporated into the proposed project to reduce said impacts to a level of less than significant.

Existing Conditions

The project site is presently undeveloped, mainly used for various agricultural and some limited residential purposes. The existing agricultural uses are active, and will continue until such time as future development occurs. The plan area is currently zoned A-1 (Agricultural) per the Merced County zoning map.

Proposed Zoning / Land Use

A variety of land use designations are applied to plan area properties by the City's General Plan: Low-Density Residential, Medium-Density Residential, Commercial and Professional Office. The plan area is surrounded by lands within the City limits, which are zoned R-1 (Low-Density Residential), C-2 (General-Commercial), H-C (Highway-Commercial), R-3 (High-Density Residential) and P-D (Planned-Development). The proposed zoning within the Area Plan boundary is for Low Density Residential (LDR).

The Low Density Residential (LDR) zoning designation is utilized to facilitate specific development standards and detailed project designs and to ensure that new neighborhoods are compatible and functional. Following annexation Final Development Plans (FDP) will be established. The FDPs will document specific development standards and requirements, such as building architecture and specific structure setbacks.

Residential densities shown on the Proposed Zoning exhibit are estimated averages. At the time of preparation of the Final Development Plan, the actual development intensity for Area Plan sub-areas will be identified. It is expected that some areas will develop at density averages slightly higher or lower than shown on the Proposed Zoning exhibit. Regardless, the overall unit count for the Area Plan will not exceed the upper limit examined in the Initial Study.

Population / Housing

The table below outlines the specific growth expected on the project site using the "build-out" assumptions provided by the City's General Plan.

Land Use Designation	Average Density	Acreage	Units
Low Density Residential	4 Units/Acre	116	464

Parks / Open Space

Development within the Area Plan boundary will incorporate dual-use park / detention basins. Some examples of features that could be designed into these public park facilities include recreational fields and play structures. Any traffic arriving at parks from other neighborhoods will be able to take advantage of on-street parking, as the park(s) will be accessed from public residential streets.

There are other parks and play facilities in the southeast part of the City, so traffic to the park(s) is expected to be minimal. As a result, adequate parking for the facilities will be available. Detention basins will be sized and designed based on engineering calculations consistent with City ordinances.

The actual land to be dedicated to the City for parks and recreational use is determined by the Director of Public Works based on the general plan zoning designations, and the Los Banos municipal code land for parks and recreation ordinance.

Public Utilities

Water

The Presidential Estates Area Plan is subject to the provisions of the City of Los Banos 2010 Water Master Plan (WMP) and will conform to its requirements, including payment of applicable water impact fees and construction of system improvements consistent with the City's Standards & Specifications to serve future development. Development projects will be served by connecting to existing water distribution lines in adjacent subdivisions. Service will be provided by extending the grid system consistent with the WMP. All water mains, local lines and other system improvements will conform to the WMP.

Water for fire protection and residential service will be provided by increasing the City's municipal water supply. The project proposes an increase in pumping of existing wells, in addition to expanding the distribution system into newly developed areas. Water infrastructure will be installed by the applicant and dedicated to the City for operation and maintenance. Water lines will be located within public street rights-of-way. The project will include ground re-charge activities through use of open spaces, mandated conservation practices, and assistance in pursuing surface water rights and contracts. In this way, it is anticipated that the water supply and distribution system will meet the needs of future phases of the project and the general needs of the City as a whole.

The Water Supply Assessment (WSA) prepared for the Presidential Estates East Area Plan concludes that the project will generate demand for 269 acre-feet of water per year at final buildout. According to the WSA, the maximum daily demand for water when the future development is completed will be 333 gpm. The project will use increasing increments of the annual demand, which will rise as successive phases of development are built. The WSA concludes that sufficient water will be available to serve the ultimate Area Plan buildout.

Water will be distributed throughout the plan area via the City water distribution grid, by connecting to existing water distribution line located in the Presidential Estates subdivision to the west. An 18" water line is designated for installation in the Pioneer Road ROW corridor; new residential development will include 8" water distribution lines to provide service to individual residential units. Water system improvements will be consistent with the WMP and Standard Specifications. Refer to the Water Distribution Exhibit, Page 17.

Wastewater Infrastructure

Wastewater will be treated at the City's wastewater treatment plant (WWTP) located northeast of the City, to be fed by a gravity system with lift stations. Wastewater flows from the plan area will be conveyed via an existing 15" sewer line that extends east of the plan area at the future Madison Avenue connection / extension. All system improvements will be consistent with the City's Improvement Standards & Specifications. Please see the Sanitary Sewer Exhibit on page 16.

Total estimated daily sewage discharge from the plan area is 170,000 gpd, and the peak flow should not exceed 0.8 cfs and 510,000 gpd. The WWTP has a combination of current capacity and planned expansion capacity to serve the needs of the buildout of the Los Banos General Plan, including the Presidential Estates Area Plan.

Storm Drainage

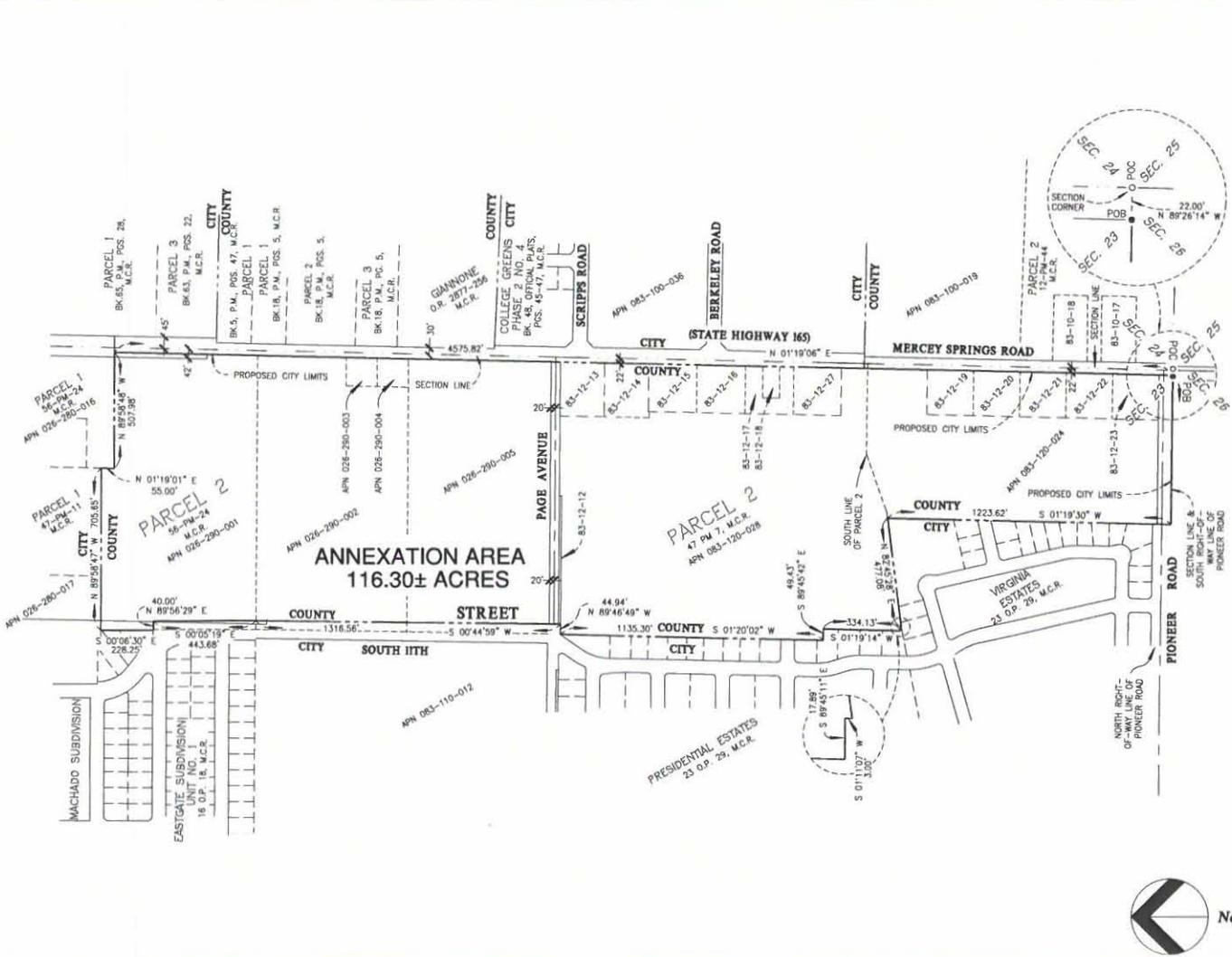
The Presidential Estates Area Plan site currently drains to the northeast. The plan area is located within the City of Los Banos "Central City" Storm drainage watershed. Storm runoff will be detained in dual-use park/basin facilities. The system will be designed to gravity-drain to the existing collection system in SR 165 / Mercey Springs Road.

Applying the "TR-55 Urban Hydrology for Small Watersheds" model, a 10-year storm event would generate 4.7 acre-feet of runoff. Within the plan area, north of the Page Avenue extension, all storm drainage system improvements (transmission lines and pump discharge stations) will be designed according to City Standards & Specifications, and the City's Storm Drainage Master Plan. Development will comply with the Phase II Storm Water Regulations as well. Storm drainage infrastructure will be installed and dedicated to the City for operation and maintenance. The City will create a Drainage Maintenance District to accommodate the maintenance and operation of these storm drainage facilities. South of future Page Avenue within the Area Plan boundary, utilities, facilities and infrastructure will be privately owned, operated and maintained. For additional information and detail, refer to the Storm Drainage Exhibit on page 18.



Circulation & Street Design

Graphic representations of the circulation system can be found on page 19.



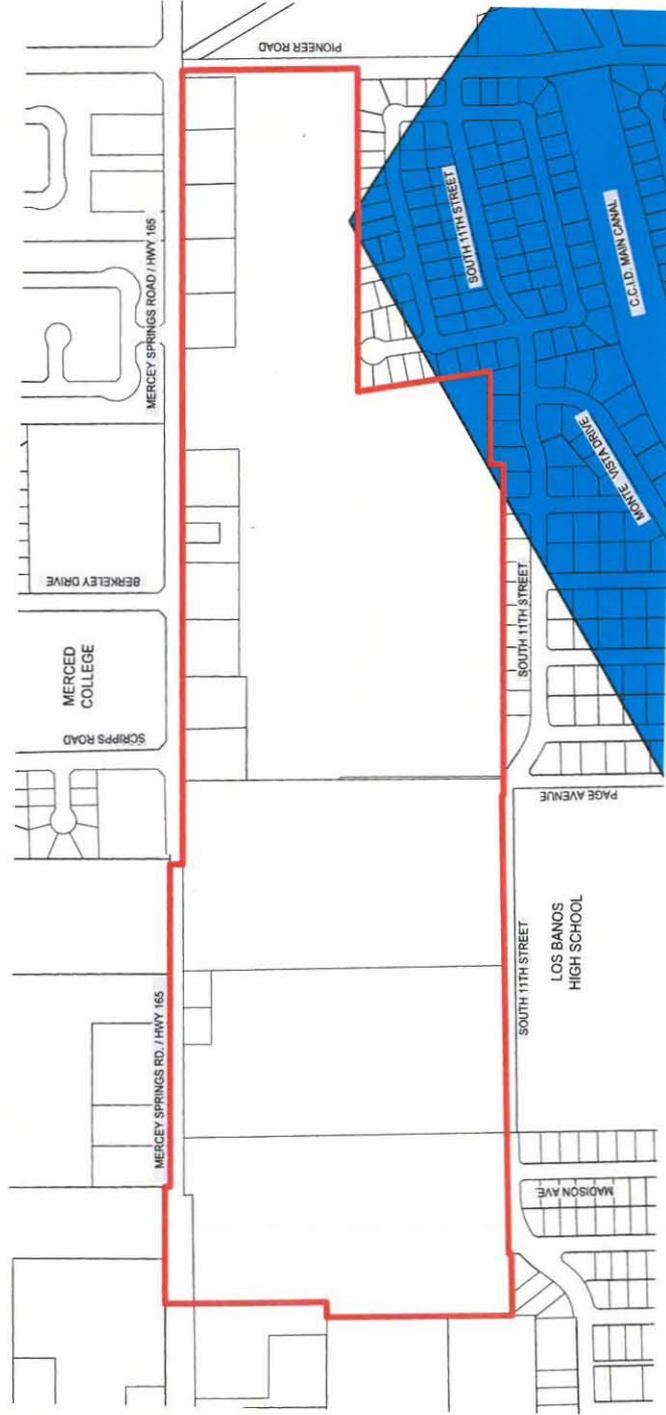
ANNEXATION LEGAL DESCRIPTION

Legal Description

All that portion of the east half of Section 23, Township 10 South, Range 10 East, Mount Diablo Base and Meridian, in the County of Merced, State of California, being more particularly described as follows:

- Commencing at the southeast corner of said Section 23; thence
- Course [1], North 89°26'14" West 22.00 feet to the intersection of the south line of Section 23 and the southerly prolongation of the west line of the 22.00 foot half width of Mercey Springs Road, thence
 - Course [2], North 89°26'14" West 195.73 feet, along said Section Line; also being the POINT OF BEGINNING. Thence:
 - Course [3], North 89°26'14" West 454.32 feet; thence
 - Course [4], North 01°19'30" East 1223.62 feet; thence
 - Course [5], South 82°45'28" West 477.08 feet; thence
 - Course [6], North 01°11'07" East 3.00 feet; thence
 - Course [7], North 89°45'11" West 17.89 feet; thence
 - Course [8], North 01°19'14" East 334.13 feet; thence
 - Course [9], North 89°45'42" West 49.43 feet; thence
 - Course [10], North 01°20'02" East 1135.30 feet; thence
 - Course [11], South 89°46'49" East 44.94 feet; thence
 - Course [12], North 00°44'59" East 1316.56 feet; thence
 - Course [13], North 00°05'19" West 443.68 feet; thence
 - Course [14], South 89°56'29" West 40.00 feet; thence
 - Course [15], North 00°06'30" West 228.25 feet; thence
 - Course [16], South 89°58'47" East 705.65; thence
 - Course [17], South 01°19'01" West 55.00 feet; thence
 - Course [18], South 89°58'48" East 507.99 feet; thence
 - Course [19], South 01°19'06" West 1031.49 feet; thence
 - Course [20], North 89°46'28" East 103.64 feet; thence
 - Course [21], South 01°29'55" West 269.05 feet; thence
 - Course [22], South 89°46'28" East 104.49 feet; thence
 - Course [23], South 01°19'06" West 648.82 feet; thence
 - Course [24], North 89°46'28" West 236.05 feet; thence
 - Course [25], South 01°19'01" West 190.17 feet; thence
 - Course [26], South 89°26'21" East 236.02 feet; thence
 - Course [27], South 01°19'06" West 190.71 feet; thence
 - Course [28], North 88°36'59" East 208.70 feet; thence
 - Course [29], South 01°19'01" West 838.99 feet; thence
 - Course [30], South 88°36'59" East 208.68 feet; thence
 - Course [31], South 01°19'06" West 365.20 feet; thence
 - Course [32], North 89°26'21" West 195.76 feet; thence
 - Course [33], South 01°19'01" West 1060.01 feet, also being the POINT OF BEGINNING, all as shown on the attached exhibit "PRESIDENTIAL ESTATES ANNEXATION AREA" and made a part hereof, and containing 98.60 acres, more or less.

END DESCRIPTION



Reference Map



Legend

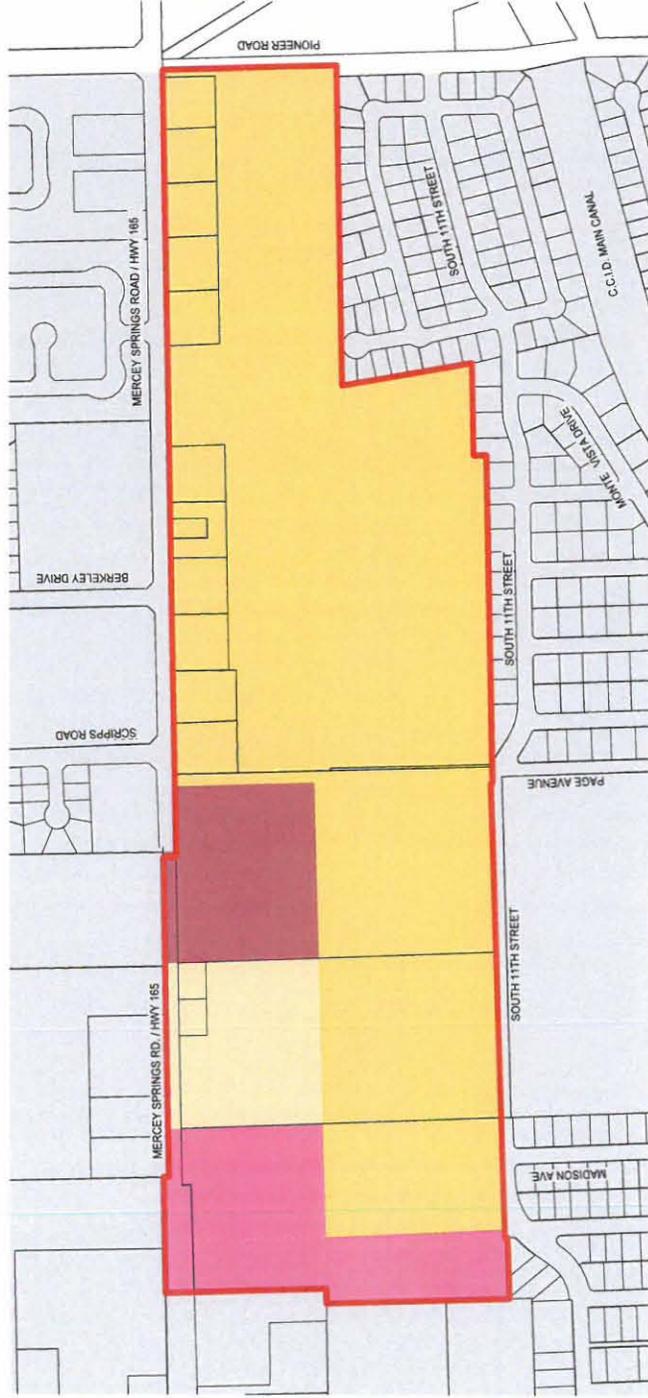
-  Area Plan Boundary
-  Compatibility Zone D



Reference Map

Legend

- Area Plan Boundary
- Within Current City Limits
- Low Density Residential
- Medium Density Residential
- Commercial
- Professional Office





Reference Map

Legend

-  Area Plan Boundary
-  Within Current City Limits
-  Low Density Residential (LDR)

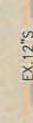
* Actual locations of open spaces and parks to be determined during final development plan and tentative map design phases.





Reference Map

Legend

-  Within Current City Limits
-  Area Plan Boundary
-  Conceptual Development Plan Boundary
-  Proposed Sewer
-  Existing Sewer

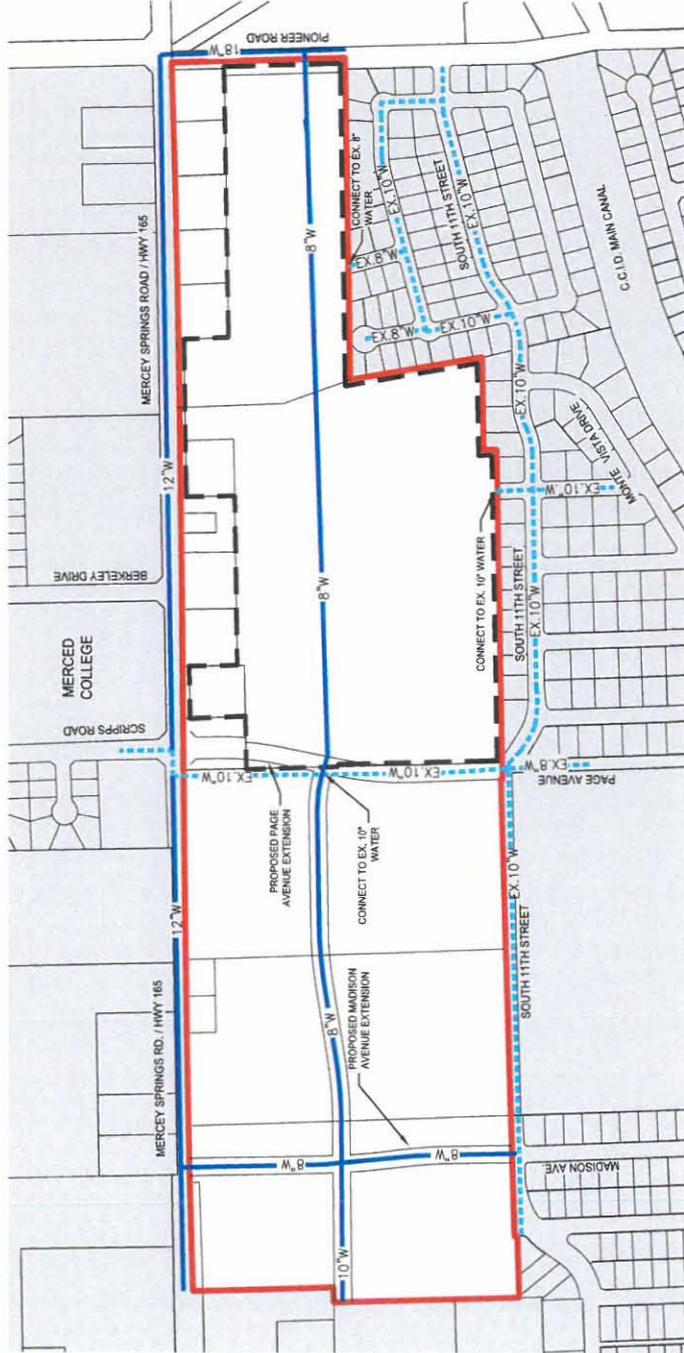




Reference Map

Legend

- Within Current City Limits
- Area Plan Boundary
- Conceptual Development Plan Boundary
- Proposed Water
- Existing Water



PRESIDENTIAL ESTATES EAST : Area Plan

PREPARED FOR STONEFIELD HOME BY O'DELL ENGINEERING

JANUARY 2016

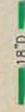
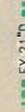
Water Distribution

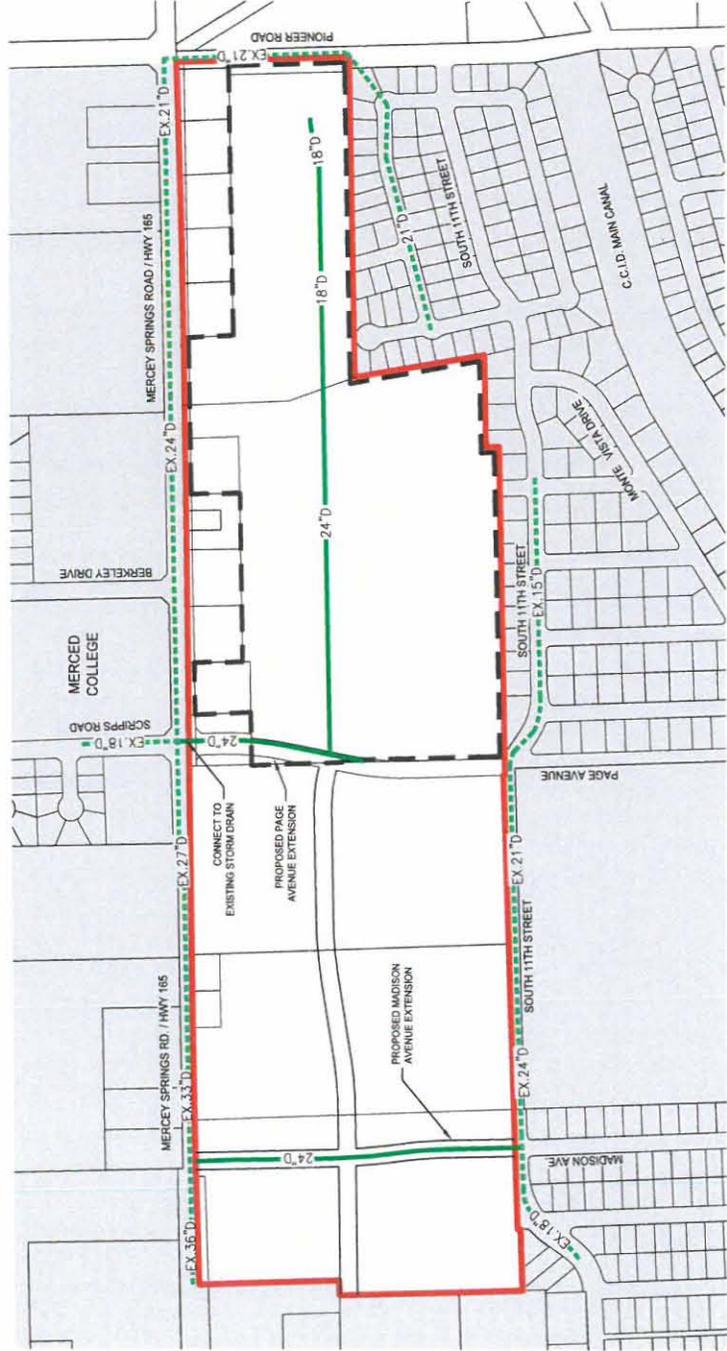
EXHIBIT



Reference Map

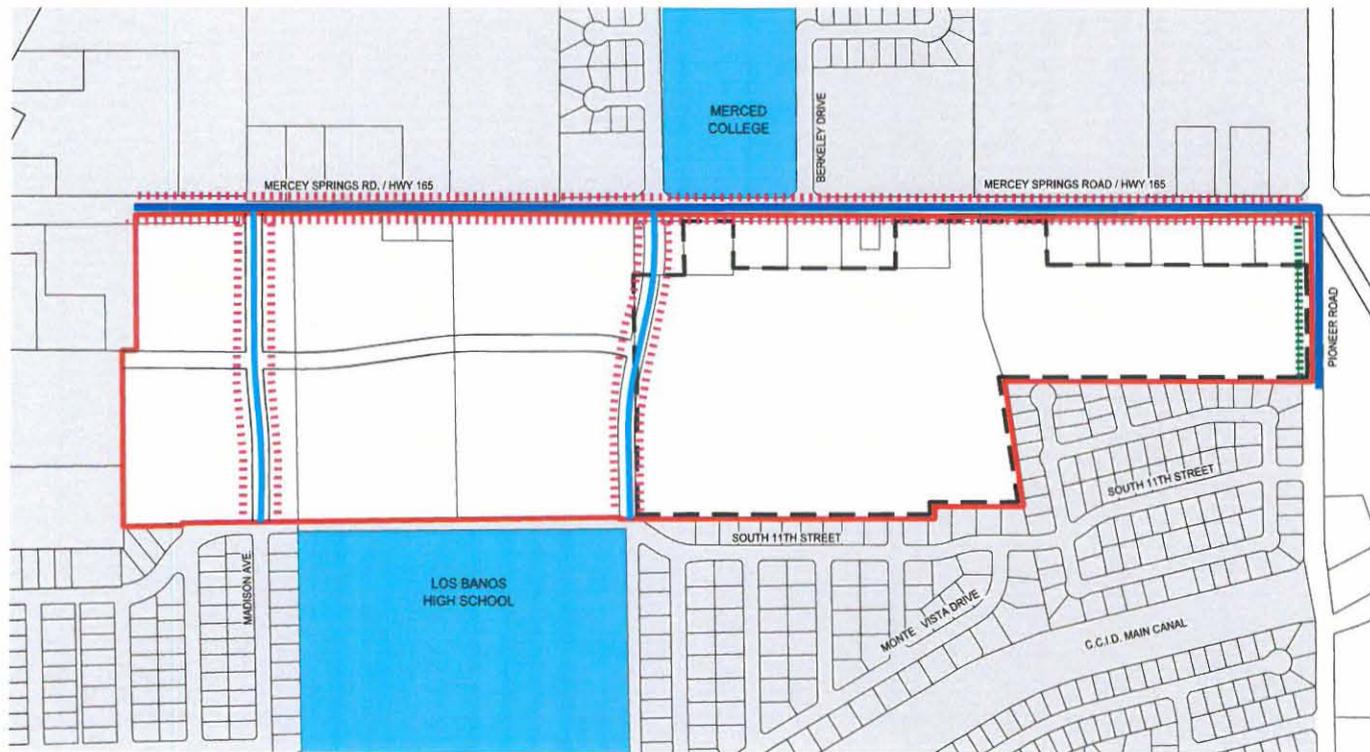
Legend

-  Within Current City Limits
-  Area Plan Boundary
-  Conceptual Development Plan Boundary
-  Proposed Storm Drainage
-  Existing Storm Drainage



Storm Drainage

PRESIDENTIAL ESTATES EAST : Area Plan



Reference Map

Legend

-  Within Current City Limits
-  Schools
-  Area Plan Boundary
-  Conceptual Development Plan Boundary
-  Arterial
-  Collector
-  Proposed Class 1 Bike Path
-  Proposed Class 2 Bike Path



ORDINANCE NO. 1146

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS BANOS APPROVING A PRE ANNEXATION DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LOS BANOS AND STONEFIELD COMMUNITIES INC., FOR THE PROJECT COMMONLY KNOWN AS THE PRESIDENTIAL ESTATES EAST AREA PLAN AND ANNEXATION

WHEREAS, in order to strengthen the public land use planning process, to encourage private participation in the process, to reduce the economic risk of development and to reduce the waste of resources, the Legislature adopted the Development Agreement Law (§ 65864, *et seq.* of the Government Code); and

WHEREAS, the Development Agreement Law and annexation law permits cities and counties to contract with private interests for their mutual benefit in a manner not otherwise available to the contracting parties. Such agreements, as authorized by the Development Agreement Law and by common law, assure property developers that they may proceed with their projects with the assurance that approvals granted by public agencies will not change during the period of development. Cities and counties are equally assured that costly infrastructure, including but not limited to roads, sewers, fire protection facilities, will be available at the time development projects come on line; and

WHEREAS, Stonefield Communities, Inc., ("Developer") has filed an application with the City of Los Banos ("City") to Annex and Pre-Zone approximately 106 acres located north of Pioneer Road and west of Mercey Springs Road (SR 165), Merced County, California, more specifically identified as Assessor's Parcel Numbers: 083-120-012, -013, -014, -015, -016, -017, -018, -019, -020, -021, -022, -023, -024, -027 & -028 and 026-290-001, -002, -003, -004 & -005 ("Project"); and

WHEREAS, Developer desires to proceed with site planning with the City after completion of the annexation proceedings. Inasmuch as the Developer has not submitted development plans, and that the City has not had any opportunity to review any specific proposals, the parties agree that the Pre-Annexation Agreement ("Agreement") can and should create only limited vested rights, as defined by the terms of the Agreement for the property identified as Assessor's Parcel Numbers: 083-120-014, -024, -027 & -028 ("Subject Property"); and

WHEREAS, the parties have, in good faith, negotiated the terms which carry out the legislative purpose set forth above and will assure the parties to this Agreement of mutually desirable development of the Subject Property; and

WHEREAS, City, in response to Developer's applications, after public hearings and environmental analysis, has granted approval of the Annexation and Pre-zoning for

the Subject Property ("Entitlements"); and

WHEREAS, in support of the Entitlements described herein, and in accord with the California Environmental Quality Act (CEQA) and State and City guidelines, City has accepted and approved a Mitigated Negative Declaration for the foregoing entitlements and this Agreement; and

WHEREAS, parcel maps, vesting tentative subdivision maps, tentative subdivision maps, general and final development plans, final subdivision maps, design review, improvement plans, issuance of building permits, or any other entitlements necessary for the development of the Subject Property, shall be subject to prior approval of (a) a Master Plan for the entire Subject Property; and

WHEREAS, development of the Subject Property pursuant to the terms and conditions of the Agreement, pre-zoning, the master plan, and appropriate environmental determinations will provide for orderly growth and development consistent with the City's General Plan and other development policies and programs; and

WHEREAS, on July 13, 2016, the City Planning Commission considered the Agreement, and recommended its adoption to the City Council; and

WHEREAS, having duly considered the Agreement and having held the noticed public hearings, City finds and declares that the provisions of the Agreement are consistent with the objectives and policies of the City's General Plan.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF LOS BANOS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The above recitals are true and correct.

SECTION 2. This Ordinance incorporates, and by this reference makes a part hereof, the Pre Annexation Development Agreement attached hereto as Exhibit A, subject to the provisions of Section 6 hereof.

SECTION 3. This Ordinance is adopted under the authority of Government Code Section 65864 et seq.

SECTION 4. The City Council hereby finds and determines, as follows:

- (a) the Agreement is consistent with the objectives, policies, and programs specified in the General Plan, in that it establishes certain development rights, obligations and conditions for the implementation of the Presidential Estates East Area Plan and Annexation Project;

- (b) the Agreement is compatible with the uses authorized in General Plan Amendment #2015-03, and the general plan designations, which will apply to the Property;
- (c) the Agreement is in conformity with public convenience, general welfare and good land use practice;
- (d) the Agreement will not be detrimental to the public health, safety and general welfare; and
- (e) the Agreement will not adversely affect the orderly development of property or the preservation of property values.

SECTION 5. The foregoing findings and determinations are based upon the following:

- (a) the Recitals set forth in this Ordinance, which are deemed true and correct;
- (b) Resolution No. _____, approved by the City Council on October 19, 2016, making findings as to the Mitigated Negative Declaration, including the Mitigation Monitoring and Reporting Program approved by and incorporated in said Resolution, which Resolution and exhibits are incorporated herein by reference as if set forth in full;
- (c) Resolution No. _____ approved by the City Council on October 19, 2016 requesting the Annexation and Pre-Zone of approximately 106 acres of property located north of Pioneer Road and west of Mercey Springs Road (SR 165), Merced County, California, more specifically identified as Assessor's Parcel Numbers: 083-120-012, -013, -014, -015, -016, -017, -018, -019, -020, -021, -022, -023, -024, -027 & -028 and 026-290-001, -002, -003, -004 & -005, which Resolution and exhibits are incorporated herein by reference as if set forth in full;
- (d) Ordinance No. _____ approved by the City Council on November 2, 2016, amending the Zoning Map to Pre-Zone approximately 106 acres located north of Pioneer Road and west of Mercey Springs Road (SR 165), Merced County, California, more specifically identified as Assessor's Parcel Numbers: 083-120-012, -013, -014, -015, -016, -017, -018, -019, -020, -021, -022, -023, -024, -027 & -028 and 026-290-001, -002, -003, -004 & -005, which Ordinance and exhibits are incorporated herein by reference as if set forth in full;
- (e) the City's General Plan;
- (f) All City staff reports (and all other public reports and documents) prepared for the Planning Commission, City Council, or others relating to the Mitigated Negative Declaration, the General Plan Amendment, the Pre-Zone, the Development Agreement, and other actions relating to the Subject Property;
- (g) All documentary and oral evidence received at public hearings or submitted to the Planning Commission, or City during the comment period relating to the Mitigated Negative Declaration, the General Plan Amendment, the Pre-Zone, the Development Agreement, and other actions relating to the Subject Property; and
- (h) All other matters of common knowledge to the City Council, including, but not limited to the City's fiscal and financial status; City general ordinances, policies and regulations.

SECTION 6. The City Council hereby approves the Pre-Annexation Development Agreement, attached hereto as Exhibit A, subject to the provisions of Section 7 hereof, and subject further to such minor, conforming and clarifying changes consistent with the terms thereof as may be approved by the City Manager, in consultation with the City Attorney prior to execution thereof.

SECTION 7. The approval contained in Section 6 hereof is subject to and conditioned upon Resolution No. ____; Resolution No. ____; Resolution No. ____; Ordinance No. ____; and the approval of the Presidential Estates East Area Plan and Annexation by Merced County Local Agency Formation Commission.

SECTION 8. Upon the effective date of this Ordinance as provided in Section 10 hereof, the Mayor and City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City of Los Banos.

SECTION 9. The City Manager is hereby authorized and directed to perform all acts authorized to be performed by the City Manager in the administration of the Agreement pursuant to the terms of the Agreement.

SECTION 10. This Ordinance shall be in full force and effect thirty (30) days after its passage and adoption; provided, however, that if the actions referred to in Section 7 hereof are not effective on such date, then the effective date of this Ordinance shall be the date on which all of said actions become effective, as certified by the City Clerk and cause the same to be posted and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the Office of the City Clerk five days prior to the date of adoption of this Ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published the aforementioned summary and shall post a certified copy of this Ordinance, together with the vote for and against the same, in the Office of the City Clerk..

Introduced by Council Member ____ and seconded by Council Member ____ on the 19th day of October 2016.

Passed on the ____ day of _____, 2016 by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

Michael Villalta, Mayor

ATTEST:

Lucille L. Mallonee, City Clerk

Recording requested by
and when recorded, mail to

City Clerk
City of Los Banos
520 J Street
Los Banos, CA 93635

No Recording Fee

**PRE-ANNEXATION
DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF LOS BANOS AND
STONEFIELD COMMUNITIES, INC.,
RELATIVE TO THE
PRESIDENTIAL ESTATES EAST ANNEXATION**

(Date)

THIS DOCUMENT, INCLUDING EXHIBITS, TOTALS _____ PAGES.
EACH PAGE IS "BATES STAMPED" SEQUENTIALLY IN THE LOWER RIGHT HAND CORNER.

**PRE-ANNEXATION
DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF LOS BANOS AND
STONEFIELD COMMUNITIES, INC.,
RELATIVE TO THE
PRESIDENTIAL ESTATES EAST ANNEXATION**

THIS PRE-ANNEXATION DEVELOPMENT AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 2016, by and between the CITY OF LOS BANOS, a municipal corporation (“City”), and **STONEFIELD COMMUNITIES, INC.**, (“Developer”), pursuant to the authority of Article 2.5, Chapter 4, Division 1, Title 7 (§ 65864, *et seq.* of the Government Code) relating to Development Agreements, and pursuant to annexation law.

RECITALS

1. In order to strengthen the public land use planning process, to encourage private participation in the process, to reduce the economic risk of development and to reduce the waste of resources, the Legislature adopted the Development Agreement Law (§ 65864, *et seq.* of the Government Code).

2. The Development Agreement Law and annexation law permits cities and counties to contract with private interests for their mutual benefit in a manner not otherwise available to the contracting parties. Such agreements, as authorized by the Development Agreement Law and by common law, assure property developers that they may proceed with their projects with the assurance that approvals granted by public agencies will not change during the period of development. Cities and counties are equally assured that costly infrastructure, including but not limited to roads, sewers, fire protection facilities, will be available at the time development projects come on line.

3. Developer desires to proceed with site planning with the City after completion of annexation proceedings. Inasmuch as the Developer has not submitted development plans, and that the City has not had any opportunity to review any specific proposals, the parties agree that this Agreement can and should create only limited vested rights, as defined by the terms of the Agreement.

4. The parties have, in good faith, negotiated the terms hereinafter set forth which carry out the legislative purpose set forth above and will assure the parties to this Agreement of mutually desirable development of the Subject Property.

5. Developer owns in fee or has an equitable interest in that certain real property, more particularly described on **Exhibit “A”** hereto, located adjacent to the City of Los Banos.

6. City, in response to Developer's applications, after public hearings and extensive environmental analysis, has granted approval of the adoption of an area plan, general plan amendment and pre-zoning for the Subject Property (hereinafter the "Entitlements").

7. In support of the various Entitlements described in paragraph 6 above, and in accord with the California Environmental Quality Act (CEQA) and State and City guidelines, City has accepted and approved the Initial Study/Mitigated Negative Declaration, prepared by J.B. Anderson, on _____, 2016.

8. Vesting tentative subdivision maps, tentative subdivision maps, general and final development plans, final subdivision maps, design review, improvement plans, issuance of building permits, or any other entitlements necessary for the development of the Subject Property, shall be subject to approval of a second tier Development Agreement or other permits or approvals issued by the City.

9. Development of the Subject Property pursuant to the terms and conditions of the pre-zoning, the area plan, and appropriate environmental determinations will provide for orderly growth and development consistent with the City's General Plan and other development policies and programs.

10. On _____, 2016, the City Planning Commission considered this Agreement, and recommended its adoption to the City Council.

11. Having duly considered this Agreement and having held the noticed public hearings, City finds and declares that the provisions of this Agreement are consistent with the maps and text of the City's General Plan.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE 1

GENERAL PROVISIONS

Section 1.1. The Project. The Project is the area plan, annexation, and pre-zoning for the potential development of approximately 106 acres of land located north of Pioneer Road and west of SR 165 (Mercy Springs Road). The Project consists of 106 acres of single-family residential uses with an average density of four (4) units per acre, for a total of approximately 424 residences. Those lands will be zoned Low Density Residential ("R-1").

Section 1.2. Subject Property. The Subject Property is a portion of the Project area consisting of approximately 47.5 acres identified as Merced County Assessor's Parcel Numbers 083-120-014, -024, -027 & -028, generally located north of Pioneer Road and west of SR 165 (Mercy Springs Road). The Subject Property is more particularly described in **Exhibit "A"**, attached hereto and incorporated herein by this reference and made a part of this Agreement.

Section 1.3. Definitions. As used in this Agreement, the following terms, phrases and words shall have the meanings and be interpreted as set forth in this Section.

(a) **Adopting Ordinance** means Ordinance Number _____ entitled: Pre-Annexation Development Agreement By and Between the City of Los Banos and Stonefield Communities, Inc., relative to the Presidential Estates East Annexation, dated _____, and effective _____, which approves this Agreement as required by Government Code section 65867.5.

(b) **Assumption Agreement** means an agreement substantially conforming to the model assumption agreement described in **Exhibit “B,”** or other agreement in a form approved by the City Attorney, executed by a Landowner with the Developer, expressly assuming various obligations relating to the development of the Project, or portion thereof.

(c) **CEQA** means the California Environmental Quality Act section 21000 *et seq.*, of the Public Resources Code of the State of California.

(d) **City** means the Los Banos City Council, or its designee.

(e) **City Laws** means ordinances, resolutions, rules, regulations, policies, motions, directives, mitigation measures, conditions, standards, specifications, dedications, fees, taxes (including without limitation general, special and excise taxes), assessments, liens, other exactions and impositions, and any other actions having the force of law, that are enacted or adopted by City, or by its electorate through the initiative or referendum process.

(f) **Developer** means Stonefield Communities, Inc., or successor in interest.

(g) **Director** means the Planning Director for the City of Los Banos.

(h) **Effective Date** means the effective date of the Adopting Ordinance.

(i) **Entitlements** shall mean those approvals listed in Recital 6 including any and all conditions of approval and mitigation measures.

(j) **General Plan** means the General Plan of the City, including the text and maps, as may have been amended in connection with the Project.

(k) **Landowner** is a party who has acquired any portion of the Subject Property from the Developer who, unless otherwise released as provided in this Agreement, shall be subject to the applicable provisions of this Agreement.

(l) **Reserved Powers** shall mean those powers explicitly reserved to the City by this Agreement.

(m) **Subject Property** means the property described in Section 1.2, or the remaining portions thereof after releases from the provisions of this Agreement have been executed as authorized by this Agreement.

Section 1.4. Exhibits. Exhibits to this Agreement are as follows:

Exhibit “A” Subject Property

Exhibit “B” Assumption Agreement

Exhibit “C” Special Conditions and Requirements

Exhibit “D” Sample Notice of Termination

Section 1.5. Incorporation of Exhibits and Recitals. Exhibits A – D and Recitals 1 through 11 are incorporated herein, including all exhibits referred to in said Recitals. In the event of inconsistency between the Recitals and the provisions of Articles 1 through 5, the provisions of Articles 1 through 5 shall prevail.

Section 1.6. Parties to Agreement. The parties to this Agreement are:

(a) **The City of Los Banos.** A municipal corporation exercising general governmental functions and powers. The principal office of the City is located at 520 J Street, Los Banos, California 93635.

(b) **Developer.** Developer owns in fee or has an equitable interest in the Subject Property. The principal office of Developer is 923 E. Pacheco Blvd., Ste. C, Los Banos, CA 93635.

(c) **Landowner.** From time to time, as provided in this Agreement, Developer may sell or otherwise lawfully dispose of a portion of the Subject Property to a Landowner who, unless otherwise released, shall be subject to the applicable provisions of this Agreement related to such portion of the Subject Property.

Section 1.7. Project is a Private Undertaking. It is agreed among the parties that the Project is a private development and that the City has no interest therein except as authorized in the exercise of its governmental functions.

Section 1.8. Term of Agreement. This Agreement shall commence upon the Effective Date of the Adopting Ordinance approving this Agreement. Pursuant to California Government Code section 65865 (b), this Agreement shall not become operative unless annexation proceedings annexing the Subject Property to the City are completed within two years of the Effective Date of the Adopting Ordinance. If the annexation is not completed within the time specified herein, this Agreement shall be null and void unless extended by the City Council. Upon becoming operative, this Agreement shall continue in force for a period of twenty (20) years from the Effective Date unless terminated as provided herein. Following the expiration of the term, or if sooner terminated, this Agreement shall have no force and effect, subject however, to post-termination obligations of Developer or Landowner, if any.

Section 1.9. Assignment and Assumption. Developer shall have the right to sell, assign, or transfer this Agreement with all the rights, title and interests therein to any person, firm or corporation at any time during the term of this Agreement. The conditions and covenants set forth in this Agreement and incorporated herein shall run with the land and the benefits and burdens shall bind and inure to the benefit of the parties. Developer shall provide City with a copy of the Assumption Agreement. Express written assumption by such purchaser, assignee or transferee, to the satisfaction of the City Attorney, of the obligations and other terms and conditions of this Agreement with respect to the Subject Property or such portion thereof sold, assigned or transferred, shall relieve the Developer selling, assigning or transferring such interest of such obligations so expressly assumed. Any such assumption of Developer's obligations under this Agreement shall be deemed to be to the satisfaction of the City Attorney if executed in the form of the Assumption Agreement attached hereto as **Exhibit "B"** and incorporated herein by this reference, or such other form as shall be approved by the City Attorney.

Section 1.10. Covenants Running With the Land. Each and every purchaser, assignee or transferee of an interest in the Subject Property, or any portion thereof, shall be obligated and bound by the terms and conditions of this Agreement, and shall be the beneficiary thereof and a party thereto, but only with respect to the Subject Property, or such portion thereof, sold, assigned or transferred to it. Any such purchaser, assignee or transferee shall observe and fully perform all of the duties and obligations of a Developer contained in this Agreement, as such duties and obligations pertain to the portion of the Subject Property sold, assigned or transferred to it. Provided however, notwithstanding anything to the contrary above, if any such sale, assignment or transfer relates to a completed residential unit or non-residential building which has been approved by the City for occupancy, this Agreement shall automatically terminate.

Section 1.11. Amendment to Agreement (Developer and City). This Agreement may be amended by mutual consent of the parties in writing, in accordance with the provisions of Government Code section 65868, provided that: any amendment which relates to the term, permitted uses, density, intensity of use, height and size of proposed buildings, or provisions for reservation and dedication of land shall require a noticed public hearing before the parties may execute an amendment. Unless otherwise provided by law, all other amendments may be approved without a noticed public hearing.

Any amendment entered into between the City and the Developer shall require the signature of each owner of any portion of the Subject Property to the extent the amendment modifies this Agreement as to that other owner's property.

Section 1.12. Amendment to Agreement (Landowner and City). This Agreement may also be amended, subject to the provisions of Government Code section 65868, between a Landowner who has acquired a portion of the Subject Property from Developer and City as to the portions of the Subject Property then owned by Landowner.

Any amendment entered into between the City and a Landowner shall require the signature of each Landowner of any portion of the Subject Property or the Developer to the extent the amendment modifies the Agreement as to that Landowner's or the Developer's property.

Section 1.13. Releases. Developer, and any subsequent Landowner, may free itself from further obligations relating to the sold, assigned, or transferred property, provided that the City Clerk receives a copy of the Assumption Agreement provided for in Section 1.9.

Section 1.14. Notices. Notices, demands, correspondence, and other communication to City and Developer shall be deemed given if dispatched by prepaid first-class mail to the principal offices of the parties as designated in Section 1.6. Notice to the City shall be to the attention of both the City Manager and the Director. Notices to subsequent Landowners shall be required to be given by the City only for those Landowners who have given the City written notice of their address for such notices. The parties hereto may, from time to time, advise the other of new addresses for such notices, demands or correspondence.

Section 1.15. Reimbursement for Agreement Expense of City. Developer agrees to reimburse City for reasonable and actual expenses over and above fees paid by Developer as an applicant for costs specifically incurred by City for the preparation of this Agreement, including recording fees, publishing fees, and reasonable staff, City Attorney, Special Counsel, and consultant costs not otherwise included within application fees then due and payable to the City. Such reimbursement shall be paid to the City prior to execution of this Agreement by the City. Developer shall also pay any and all installments of property tax then due for the Subject Property.

Section 1.16. Recordation of Agreement. The City Clerk shall cause a copy of this Agreement to be recorded with the Merced County Recorder not later than ten (10) days following execution of this Agreement by the City. Developer hereby covenants that during the period following execution and the recording of this Agreement by the City, Developer shall not, without prior written approval by the City Attorney, cause or allow to be recorded against the Subject Property any instrument affecting the priority, validity or enforceability of this Agreement.

Section 1.17. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

Section 1.18. Invalidity of Agreement/Severability. If this Agreement in its entirety is determined by a court to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment. If any provision of this Agreement shall be determined by a court to be invalid and unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, which became effective after the Effective Date, the remaining provisions shall continue in full force and effect.

Section 1.19. Third Party Legal Challenge. In the event any legal action or special proceeding is commenced by any person or entity other than a party or a Landowner, challenging this Agreement, the Entitlements or any approval subsequently granted by the City for the development of the Subject Property, the parties and any Landowner agree to cooperate with each other in good faith. City may elect to tender the defense of any lawsuit filed by a third

person or entity to Developer and/or Landowner(s) (to the extent the litigation, in part or in whole, seeks to overturn or invalidate this Agreement, the Entitlements or any subsequent approval granted for the Subject Property held by or granted to Developer and/or Landowner), and, in such event, Developer and/or such Landowner(s) shall hold the City harmless from and defend the City from all costs and expenses incurred in the defense of such lawsuit, including, but not limited to, damages, attorneys' fees and expenses of litigation awarded to the prevailing party or parties in such litigation. For purposes of this section only, "City" shall include all employees, consultants and agents acting on behalf of the City. Neither party shall settle any such lawsuit without the consent of the other party. The City may elect to participate in the litigation, in which case the Developer and/or Landowner agree to reimburse the City for its litigation costs and fees, including the retention of outside legal counsel. It is the intent of the Parties that the City's participation not result in unnecessary duplication of legal services, but rather that the City's active involvement in the litigation be limited to supervising the preparation of the administrative record or discovery as applicable, monitoring of litigation, and responsive pleadings regarding issues which, in the sole opinion of the City, involve broader City concerns than those immediately affecting the Landowner and/or Developer. Upon written demand of the City, Developer and/or Landowner shall deposit with the City such sums as may be specified by the City as its estimated litigation costs and fees for the following thirty day period. Both parties shall act in good faith, and shall not unreasonably withhold consent to settle. In the event that the City elects to settle a claim, and Developer refuses to also settle, City at its sole option, may require Developer to post security in a form and amount reasonably acceptable to the City, for the performance of Developer's duties under this section. If the Developer, within 30 days of receiving written notice from City, fails to post this security, the Developer shall settle the claim on terms as previously approved by the City.

Section 1.20. Fees. Developer shall be subject to all fees currently adopted by the City, including scheduled or periodic increases as provided for in the adopting ordinances or resolutions ("Current Fees"). Developer shall pay, without protest or without challenge, Current Fees in effect at the time of the issuance of a requested permit or entitlement.

In addition, Developer agrees to pay any new fees adopted by the City, or the recalculation of existing fees ("New Fees") in effect at the time of the issuance of a requested building permit. Developer shall retain the right to challenge the New Fees as permitted by law.

Section 1.21. Reserved Powers. Notwithstanding any other provision of this Agreement, including Sections 2.1, 2.2 and 2.3, and without limitation as to any other requirements or exceptions contained in this Agreement, the City shall retain the authority to take the following actions and apply the same to the Subject Property:

(a) The authority of the City Council to adopt regulations to protect the City and its citizens from an immediate adverse risk to health and safety. This shall include, but not be limited to, lack of sufficient sewer and/or water facilities, but not school facilities.

(b) Adopt or increase utility charges in accordance with applicable laws and regulations; and

(c) As set forth in Section 1.20, increase and apply Current Fees, and adopt and apply New Fees.

(d) Adopt revised subdivision, building design (residential and non-residential), and development improvement standards, provided, however, no such revised standards shall apply to the Project earlier than the 366th day following the date the City Council adopts the revised standard.

(e) Land use regulations, ordinances, policies, programs, resolutions or fees adopted or undertaken by City in order to comply with state or federal laws, or regulations, provided that in the event that such state or federal laws or regulations prevent or preclude compliance with one or more provisions of this Agreement, such provision or provisions shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations.

(f) City land use regulations, ordinances, policies, programs or resolutions adopted after the Effective Date, which are in conflict with the City Laws, but the application of which to the development of the Subject Property has been consented to in writing by the Developer and/or the applicable Landowner by later separate document, which consent Developer and/or Landowner may withhold in their sole and exclusive discretion.

(g) In the event that the LAFCO imposes conditions on annexation which are, in the sole discretion of the City Council, unacceptable, the City shall have no responsibility to complete annexation.

Section 1.22. Waiver of Claims. Except as may be permitted by Section 1.20, Developer waives, as to the Subject Property only, any and all existing claims that may have against the City, its agents, employees and consultants arising out of the adoption and/or application of development requirements and standards, impact fees, the adoption of this Agreement or approval of the Entitlements and all of the proceedings, acts or determinations made prior thereto.

ARTICLE 2

PROJECT DEVELOPMENT

Section 2.1. Limited Vested Right. Except as is permitted by Section 2.3, during the term of and subject to the terms of this Agreement, the Developer's rights shall be vested only to density and intensity of use as set forth in the area plan and zoning.

Section 2.2. Permitted Uses and Development Standards. The permitted uses, the density and intensity of use, the maximum height and size of proposed buildings for the Subject Property shall be those set forth for the pre-zoning district regulations as set forth in the City Zoning Ordinance in effect on the date of approval of this Agreement.

Section 2.3. Additional Permitted Agricultural Uses and Development Standards. The permitted uses for the Subject Property shall also be those agricultural, residential and accessory uses existing on the Subject Property as of the Effective Date of this Agreement. This Section 2.3 shall terminate automatically as to that portion of any recorded final map which incorporates any portion of the Subject Property.

Section 2.4. Application, Processing and Inspection Fees. Application fees, processing fees, and inspection fees that are revised during the term of this Agreement shall apply to the development pursuant to this Agreement, provided that such revised fees apply generally to similar private projects or works within City and are in compliance with State and federal law.

Section 2.5. Obligation and Rights of Mortgage Lenders. The holder of any mortgage, deed of trust or other security instrument with respect to the Subject Property, or any portion thereof, shall not be obligated under this Agreement to construct or complete improvements or to guarantee such construction or completion, but, in the event said holder takes title to the Subject Property through foreclosure of a mortgage or a deed of trust, or deed-in-lieu of such foreclosure, said holder shall be bound by all of the terms and conditions of this Agreement which pertain to the Subject Property or such portion thereof in which it holds an interest. Any such holder who comes into possession of the Subject Property, or any portion thereof, pursuant to a foreclosure of a mortgage or a deed of trust, or deed in lieu of such foreclosure, shall take the Subject Property, or such portion thereof, subject to any pro rata claims for payments or charges against the Subject Property, or such portion thereof, which accrue prior and subsequent to the time such holder comes into possession. Nothing in this Agreement shall be deemed or construed to permit or authorize any such holder to devote the Subject Property, or any portion thereof, to any uses, or to construct any improvements thereon, other than those uses and improvements provided for or authorized by this Agreement, subject to all of the terms and conditions of this Agreement.

ARTICLE 3

DEFAULT

Section 3.1. General Provisions. Subject to extensions of time by mutual consent in writing, failure or delay by either party or Landowner not released from this Agreement to perform any term or provision of this Agreement, shall constitute a default. In the event of alleged default or breach of any terms or conditions of this Agreement, the party alleging such default or breach shall give the other party or Landowner not less than sixty (60) days notice in writing specifying the nature of the alleged default and the manner in which said default may be cured. During any such sixty (60) day period, the party or Landowner charged shall not be considered in default for purposes of termination or institution of legal proceedings.

After notice and expiration of the sixty (60) day period, if such default has not been cured or is not being diligently cured in the manner set forth in the notice, the other party or Landowner to this Agreement may, at his option, institute legal proceedings pursuant to this Agreement or give notice of its intent to terminate this Agreement pursuant to California Government Code section 65868 and any regulations of the City implementing said Government Code section. Following notice of intent to terminate, or prior to instituting legal proceedings,

the matter shall be scheduled for consideration and review in the manner set forth in Government Code sections 65865, 65867, and 65868 and City regulations implementing said sections by the City within thirty (30) calendar days.

Following consideration of the evidence presented in said review before the City and an additional 30-day period to cure, either party alleging the default by the other party or Landowner may institute legal proceedings or may give written notice of termination of this Agreement to the other party; provided, however, a Landowner may only give such notice with respect to such portion of the Subject Property in which Landowner owns an interest.

Section 3.2. Annual Review. City shall, at least every twelve (12) months during the term of this Agreement, review the extent of good faith substantial compliance by Developer and Landowner with the terms of this Agreement. Such periodic review by the Director, unless referred to the Planning Commission or City Council shall be limited in scope to compliance with the terms of this Agreement pursuant to California Government Code section 65865.1. Each said review shall be completed within sixty (60) days of the first meeting of the Planning Commission and the City Council, respectively, at which such review is undertaken, unless said period is extended by mutual consent of City and Developer. Failure to complete said review within the prescribed period shall be deemed a finding of good faith substantial compliance. Notice of such annual review shall include the statement that any review may result in amendment or termination of this Agreement. City may charge, and Developer shall pay a fee for such annual review to defray the cost to the City to process and conduct such annual review.

City shall deposit in the mail or fax to Developer and/or Landowner a copy of all staff reports and, to the extent practical, related exhibits concerning contract performance at least seven (7) calendar days prior to such periodic review. The Developer or Landowner shall be entitled to appeal a determination of the Director to the Commission and then to the Council. Any appeal must be filed within ten (10) days of the decision to the Director, or the Commission, as the case may be. Developer or Land owner shall be permitted an opportunity to be heard orally and/or in writing regarding its performance under this Agreement before the Commission, Council, and/or Director, as the case may be.

Section 3.3. Developer Default Limited to Property/Entity; Separate Obligations of Owners. Except as specified herein in Section 3.1, no default hereunder in performance of a covenant or obligation with respect to a particular portion of the Subject Property shall constitute a default applicable to any other portion of the Subject Property, and any remedy arising by reason of such default shall be applicable solely to the portion of Subject Property where the default has occurred. Similarly, the obligations of the Developer and Landowners shall be severable and no default hereunder in performance of a covenant or obligation by any one of them shall constitute a default applicable to any other owner who is not affiliated with such defaulting owner, and any remedy arising by reason of such default shall be solely applicable to the defaulting owner and the portion of the Subject Property owned thereby.

Section 3.4. Default by City. In the event City does not accept, review, approve or issue necessary development permits or entitlements for use in a timely fashion as defined by this Agreement, or as otherwise provided in this Agreement, or the City otherwise defaults under the

terms of this Agreement, Developer and/or Landowner may give written notice thereof to the City and if not cured within sixty (60) days following receipt of such notice, Developer shall have all rights and remedies provided herein or under applicable law, including without limitation the right to pursue actions for mandamus, specific performance, or injunctive or declaratory relief to enforce this Agreement. Notwithstanding the foregoing sentence, the City, Developer and Landowner each waives any and all rights to seek monetary damages from any other party as a result of any breach or alleged breach of such other party's obligations hereunder. In the event City is in default under the terms of this Agreement, any resulting delays in Developer's performance caused thereby shall not constitute grounds for termination or cancellation of this Agreement.

Section 3.5. Cumulative Remedies of Parties/Waiver of Right to Damages. In addition to any other rights or remedies, City, Developer and any Landowner may institute legal or equitable proceedings to cure, correct or remedy any default, to specifically enforce any covenant or agreement herein, to enjoin any threatened or attempted violation of the provisions of this Agreement. Notwithstanding the foregoing sentence, the City, Developer and Landowner each waives any and all rights to seek monetary damages from the other party as a result of any breach or alleged breach of such other party's obligations hereunder.

Section 3.6. Enforced Delay, Extension of Times of Performance. In addition to specific provisions of this Agreement, performance by either party or Landowner hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, State or federal laws, regulations, decisions or orders which conflict with this Agreement, or judicial or other governmental agency decisions or orders, directing the City, or which have the effect of requiring the City, to take actions or refrain from taking actions which conflict with the obligations under this Agreement. Any and all extensions of the time of performance shall be limited to thirty-six (36) months. This section 3.6 shall not apply to the twenty-four (24) month term within which this Agreement is required to take effect.

ARTICLE 4

TERMINATION

Section 4.1. Termination Upon Completion of Development. This Agreement shall terminate upon the expiration of the term or when the Subject Property has been fully developed and all of the Developer's obligations in connection therewith are satisfied. Upon termination of this Agreement, the City shall record a notice of such termination in substantially the form attached hereto as **Exhibit "D."** This Agreement shall automatically terminate and be of no further force or effect as to any single-family residence, any other residential dwelling unit(s), or any non-residential building, and the lot or parcel upon which such residence or building is located, when it has been approved by the City for occupancy.

Section 4.2. Effect of Termination on Developer Obligations. Termination of this Agreement as to the Developer of the Subject Property or any portion thereof shall not affect any of the Developer's obligations to comply with the City general plan and the terms and conditions of any applicable zoning, or subdivision map or other land use entitlements approved with respect to the Subject Property, any other covenants or any other development requirements specified in this Agreement to continue after the termination of this Agreement, or obligations to pay assessments, liens, fees, or taxes.

Section 4.3. Effect of Termination on City. Upon any termination of this Agreement, as provided for under the terms and conditions of this Agreement, as to the Developer of the Subject Property, or any portion thereof, the entitlements, conditions of development, limitations on fees and all other terms and conditions of this Agreement shall no longer be vested hereby with respect to the Subject Property affected by such termination (provided vesting of entitlements, conditions or fees applicable to the Subject Property shall be governed by planning and zoning law) and the City shall no longer be limited, by this Agreement, to make any changes or modifications to such entitlements, conditions or fees applicable to such property.

ARTICLE 5

STANDARD TERMS AND CONDITIONS

Section 5.1. Venue. Venue for all legal proceedings shall be in the Superior Court for the County of Merced.

Section 5.2. Waiver. A waiver by any party of any breach of any term, covenant or condition herein contained or a waiver of any right or remedy of such party available hereunder at law or in equity shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained or of any continued or subsequent right to the same right or remedy. No party shall be deemed to have made any such waiver unless it is in writing and signed by the party so waiving.

Section 5.3. Completeness of Instrument. This Agreement, together with its specific references and attachments, constitutes all of the agreements, understandings, representations, conditions, warranties and covenants made by and between the parties hereto. Unless set forth herein, neither party shall be liable for any representations made express or implied.

Section 5.4. Supersedes Prior Agreements. It is the intention of the parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, representations or agreements, written or oral, between the parties hereto.

Section 5.5. Captions. The captions of this Agreement are for convenience in reference only and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

Section 5.6. Number and Gender. In this Agreement, the neuter gender includes the feminine and masculine, and the singular includes the plural, the word “person” includes corporations, partnerships, firms or associations, wherever the context so requires.

Section 5.7. Mandatory and Permissive. “Shall” and “will” and “agrees” are mandatory. “May” is permissive.

Section 5.8. Term Includes Extensions. All references to the term of this Agreement or the Agreement Term shall include any extensions of such term.

Section 5.9. Successors and Assigns. All representations, covenants and warranties specifically set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

Section 5.10. Modification. No modification or waiver of any provisions of this Agreement or its attachments shall be effective unless such waiver or modification is in writing, signed by all parties, and then shall be effective only for the period and on the condition, and for the specific instance for which given.

Section 5.11. Counterparts. This Agreement may be executed simultaneously and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

Section 5.12. Other Documents. The parties agree that they shall cooperate in good faith to accomplish the object of this Agreement and to that end, agree to execute and deliver such other and further instruments and documents as may be necessary and convenient to the fulfillment of these purposes.

Section 5.13. Partial Invalidity. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provision and/or provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Section 5.14. Controlling Law. The validity, interpretation and performance of this Agreement shall be controlled by and construed under the laws of the State of California.

Section 5.15. Time Is of the Essence. Time is of the essence of this Agreement and each covenant and term a condition herein.

Section 5.16. Authority. All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, estates or firms represented or purported to be represented by such entity(s), person(s), estate(s) or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Further, by entering into this Agreement, neither party hereto shall

have breached the terms or conditions of any other contract or agreement to which such party is obligated, which such breach would have a material effect hereon.

Section 5.17. Document Preparation. This Agreement will not be construed against the party preparing it, but will be construed as if prepared by all parties.

Section 5.18. Advice of Legal Counsel. Each party acknowledges that it has reviewed this agreement with its own legal counsel, and based up on the advice of that counsel, and freely entered into this Agreement.

Section 5.19. Estoppel Certificate. Within thirty (30) days following any written request which either party may make from time to time, and upon payment of a fee to the City to reimburse the City for its reasonable expenses associated herewith, the other party to this Agreement shall execute and deliver to the requesting party a statement certifying that:

(a) this Agreement is unmodified and in full force and effect, or if there have been modifications hereto, that this Agreement is in full force and effect as modified and stating the date and nature of such modifications; and

(b) there are not current uncured defaults under this Agreement or specifying the date, nature of any default and manner of cure.

This certificate may be executed by the City Manager, or his or her designee.

Section 5.20. Attorneys Fees and Costs. If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs, which may be set by the Court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such party may be entitled.

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Section 5.21. Consent/Subordination. Unless waived in writing by the City Attorney, Developer shall furnish proof satisfactory to the City, prior to approval of the Agreement, that all persons possessing a legal interest in the property have consented to the recording of this Agreement. Unless waived in writing by the City Attorney, the City shall require subordination by all lenders of record as a condition precedent to the City approval of the Agreement. The City shall have no duty to subordinate its interest in this Agreement.

IN WITNESS WHEREOF, this Agreement was executed by the parties thereto on the dates set forth below.

CITY OF LOS BANOS

A municipal corporation

By: _____
Mayor

Dated _____

ATTEST:

City Clerk

Dated _____

APPROVED AS TO FORM:

City Attorney

Dated _____

STONEFIELD COMMUNITIES, INC.

By: _____

Dated: _____

Its: _____

SIGNATURES MUST BE NOTARIZED

EXHIBIT A

SUBJECT PROPERTY

[Legal Description begins on next page]

Legal Descriptions (1 of 2)

PARCEL 1: APN: 083-120-014

That certain piece or parcel of land situated and being in Section 23. Township 10 South. Range 10 East. Mount Diablo Base and Meridian. in the unincorporated area of the County of Merced. State of California according to the Official Plat thereof. identified as being the North 191.03 feet of the South 2454.91 feet of the East 258.02 feet of said Section 23 more particularly described as follows. to-wit:

BEGINNING. at a point on the East line of Section 23. Northerly along said line 2263.88 feet. (from the Southeast corner of said Section);

Thence. Westerly parallel to the South line of Section 23. 258.02 feet;

Thence. Northerly. parallel to the East line of Section 23. 191.03 feet;

Thence. Easterly. parallel to the South line of Section 23. 258.02 feet to the Section line;

Thence. Southerly along the East line of Section 23. 191.03 feet to the POINT OF BEGINNING.

PARCEL 2: APN: 083-120-027

Parcel 1 of Parcel Map For Alfred C. Lewis. in in the unincorporated area of the County of Merced. State of California according to the map thereof recorded April 19. 1982 In Book 47. Pages 7 and 8 of Parcel Maps. in the office of the County Recorder of said County.

Legal Descriptions (2 of 2)

PARCEL 3: APN: 083-120-024

BEGINNING. at the Southeast corner of Section Twenty-Three (23). Township Ten (10) South. Range Ten (10) South. Mount Diablo Base and Meridian. in the unincorporated area of the County of Merced. State of California according to the Official Plat thereof and running;

Thence. along the line between Sections Twenty-Three (23) and Twenty-Four (24). in said Township and Range. North 0° 30' East 1317.80 feet to the corner of lands formerly owned by T.L. Baldwin;

Thence. leaving said Section line and along the South line of said lands formerly owned by said T.L. Baldwin West 394.20 feet to a stake in the middle of a ditch;

Thence. continuing along the South line of said lands of said T.L. Baldwin above described. and also along the middle line of said ditch South 69° 45' West 263.40 feet and South 79° West 32 feet to a stake; Thence. leaving said line of said ditch South 0° 30' West 1221 feet to the South line of said Section 23. Thence. 672 feet to the PLACE OF BEGINNING. and being a part of the Southeast quarter of Section 23. Township 10 South. Range 10 East. Mount Diablo Base and Meridian. in said Merced County. California.
Magnetic Variation 15° 55' East.

EXCEPTING THEREFROM. the following pieces of property. to wit:

(A). That certain parcel of land containing 1.0 acre of land described in that certain Deed recorded April 20. 1953. in Volume 1107 of Official Records. Page 402. records of Merced County. California.

(B). That certain parcel of land containing 1.0 acre of land described in that certain Deed recorded May 26. 1953. in Volume 1110 of Official Records. Page 162. records of Merced County. California.

(C). That certain parcel of land containing 1.0 acre of land described in that certain Deed recorded April 8. 1953. in Volume 1085 of Official Records. Page 84. records of Merced County. California.

(D). That certain parcel of land containing 1.0 acre of land described in that certain Deed recorded June 29. 1953. in Volume 1112 of Official Records. Page 293. records of Merced County. California.

(E). That certain parcel of land containing 1.0 acre of land described in that certain Deed recorded June 29. 1953. in Volume 1113 of Official Records. Page 216. records of Merced County. California.

PARCEL 4: APN: 083-120-028

Parcel 2 of Parcel Map For Alfred C. Lewis. in in the unincorporated area of the County of Merced. State of California according to the map thereof recorded April 19. 1982 In Book 47. Pages 7 and 8 of Parcel Maps. in the office of the County Recorder of said County.

EXHIBIT B

[SAMPLE FORM]

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (hereinafter “this Agreement”) is entered into this _____ day of _____, 20____, by and between _____ (hereinafter called “Owner”) and, (hereinafter “Assignee”).

RECITALS

A. On _____, 20____, the City of Los Banos and Owner entered into that certain agreement entitled “Pre-Annexation Development Agreement,” approved by Ordinance _____ (hereinafter “Agreement”), relative to the development known as the _____ (hereinafter “Subject Property”).

B. Owner entered into a purchase and sale agreement whereby a portion of the Subject Property will be sold to Assignee, which portion of the Subject Property is identified and described in **Exhibit “A,”** attached hereto and incorporated herein by this reference (hereinafter the “Assigned Parcel(s)").

C. Owner desires to assign all of its interests, rights and obligations under the Agreement with respect to the Assigned Parcel(s).

D. Assignee desires to assume all Owner's rights and obligations under the Agreement with respect to the Assigned Parcel(s).

NOW, THEREFORE, Owner and Assignee hereby agree as follows:

1. Owner hereby assigns, effective as of Owner's conveyance of the Assigned Parcel(s) to Assignee, all of the rights, interest, burdens and obligations of Owner under the Agreement with respect to the Assigned Parcel(s). Owner retains all the rights, interest, burdens and obligations under the Agreement with respect to all other property within the Subject Property owned thereby.

2. Assignee hereby assumes all of the burdens and obligations of Owner under the Agreement, and agrees to observe and fully perform all of the duties and obligations of Owner under the Agreement, and to be subject to all the terms and conditions thereof, with respect to the Assigned Parcel(s), it being the express intention of both Owner and Assignee that, upon the execution of this Agreement and conveyance of the Assigned Parcel(s) to Assignee, Assignee shall be come substituted for Owner as the “Developer” under the Agreement with respect to the Assigned Parcel(s).

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.

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ASSIGNOR / OWNER

By: _____

By: _____

ASSIGNEE

By: _____

By: _____

SIGNATURES MUST BE NOTARIZED

EXHIBIT C

SPECIAL CONDITIONS AND REQUIREMENTS

1. **Master Plan.** This Agreement requires that a Master Plan be approved by the City for the entire Subject Property prior to any application for further entitlements, building permits or other development.

A. The specific purposes of the Master Plan shall be to: ensure orderly planning for the development of the entire Subject Property consistent with the General Plan; maintain an environmental equilibrium consistent with existing vegetation, soils, geology, topography, and drainage patterns; avoid premature or inappropriate development that would result in incompatible uses or create public service demands exceeding the capacity of existing or planned facilities; encourage sensitive site planning and design; ensure the provision of utilities, roadways and other public facilities; ensure controlled access into the Subject Property; and ensure the development of custom homes on residential lots within the Master Plan boundaries.

B. Land use regulations for the Subject Property shall be those of the underlying zoning district unless modified by the approved Master Plan, provided that all land use regulations shall be consistent with the General Plan Land Use designation for land within the Master Plan area.

C. Development regulations for the Subject Property shall be those of the underlying zoning district unless modified by the approved Master Plan.

D. The Master Plan shall include a land use and circulation system concept for the entire Subject Property that is consistent with the goals and policies of the General Plan, compatible with the environment, and capable of being served by existing and planned public facilities and utilities.

E. The Master Plan shall include a gate system to control access into the Master Plan area.

F. The purpose of the Master Plan is to create a distinct and unique community of custom home sites. The Master Plan shall allow each residential lot owner to submit a custom building design and site plan of their choosing to the City for approval and will incorporate building design standards that will ensure that residential lots are developed in a manner that encourages the use of a variety of architectural designs, styles, colors and materials.

G. The following plans and materials must be incorporated into the Master Plan submittal. The Community Development Director or his or her designee may require the submission of additional items considered necessary:

1. A map showing proposed Master Plan boundaries and the relationship of the area to uses and structures within a 300-foot radius of the plan area boundaries;
2. A map of the Master Plan area showing sufficient topographical data to indicate clearly the character of the terrain, and the type, location, and condition of mature trees and other natural vegetation;
3. A site plan indicating the existing and proposed uses, gross floor area, lot coverage, height, parking and density, and a circulation plan;
4. Architectural plans indicating exterior elevations, floor plans, colors, material of non-residential buildings and structures;
5. Preliminary development schedule indicating sequence and timing of development; and
6. Guidelines for the physical development of the property, including illustrations of proposed architectural, urban design, and landscape concepts.
7. Proposed Conditions, Covenants, and Restrictions, subject to review and approval by the City Attorney.

H. The application for the approval of the Master Plan shall be processed the same as a zone change pursuant to Title 9 Chapter 3 Article 23 of the Los Banos Municipal Code. In order to approve the Master Plan, the Planning Commission and the City Council shall find that the proposed Master Plan:

1. Conforms to the General Plan;
2. Generally complies with the land use and development regulations of the underlying Zoning District and does not significantly alter the regulations;
3. Can be adequately, reasonably and conveniently served by public services, utilities and public facilities; and
4. Based on the fiscal impact analysis, the Master Plan area will be financially self-sustaining, so that it imposes no additional financial burden on the residents, property owners or taxpayers in other areas of the City, by providing for the payment of all costs for the public facilities and services necessary to serve the Master Plan area.

I. Procedures for an amendment to the adopted Master Plan shall be initiated in the same manner as same as a zone change pursuant to Title 9 Chapter 3 Article 23 of the Los Banos Municipal Code. Substantial amendments to the adopted Master Plan may trigger the requirement for a revised fiscal impact analysis.

J. The approved Master Plan shall run with the land and be binding on any subsequent owners, heirs or assignees acknowledging and agreeing to comply with the approved Master Plan. The approved Master Plan shall expire five years following the date of approval, unless building permits have been issued for 25% of the estimated building square footage of the Master Plan as authorized in the approved Master Plan. The approved Master Plan may specify adherence to a development staging or phasing program. The approved Master Plan may be renewed for a period approved by the City Council after a duly noticed public hearing, by the Planning Commission and City Council. Application for

renewal shall be made in writing between thirty (30) and ninety (90) days prior to the lapse of the original approval.

K. Site plans for a project within the approved Master Plan area shall only be accepted for review if they are consistent with the approved Master Plan, and with all other applicable requirements of this Agreement and the Los Banos Municipal Code.

2. **Community Amenity Fee.** Developer agrees and consents to pay five thousand dollars (\$5,000.00) per residential unit for purposes of ensuring that there are sufficient funds to improve and enhance the community as determined by the City Council of the City of Los Banos. In lieu of payment of the Community Amenity Fee the City Council has the option but not the obligation to accept an in kind contribution from the Developer which in the sole discretion of the City Council furthers the stated intention of the community amenity fee on terms mutually agreeable to the parties. The fee shall be payable at the time each building permit is issued and shall be subject to annual adjustment on April 1 of each year, commencing 2009, based on the percentage changes in the City Construction Cost Index, published by the Engineering News Record. In the event the CCI is no longer published the City Finance Director shall use a similar index to calculate the annual adjustment. The City Council may allocate the Community Amenity Fee in its sole discretion as it determines to be in the community's best interest. The City shall establish a fund for the deposit and expenditure of the Community Amenity Fee and shall provide an accounting of the use and expenditure of funds each year in accordance with Government Code Section 66006.
 3. **Participation in a Community Facilities District.** Upon approval of the annexation by LAFCO the Developer shall form or annex the Subject Property to a community facilities district created for the purposes of funding public safety, as authorized by Government Code section 53313(a) and (b). The form, terms and conditions and the tax rate for the formation of the Mello-Roos district, or in the alternative the annexation of the Subject Property to an existing district, shall be as approved by the City Council, as determined in its sole and exclusive discretion. District formation or annexation shall be at the sole cost of the Developer.
 4. **Participation in a Lighting and Landscaping District.** Prior to approval of any final or parcel map, the Developer shall form or annex the Subject Property to a Lighting and Landscaping District created for purposes of maintaining public landscape areas, signage and public lighting including a share of traffic signal maintenance costs as authorized pursuant to the Landscape and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code, and Article XIID of the California Constitution. The form, terms and conditions and the tax rate for the formation of the Lighting and Landscaping District, or in the alternative the annexation of the Subject Property to an existing district, shall be as approved by the City Council, as determined in its sole and exclusive discretion. It is the intent of the parties that the assessment of the Subject Property will be apportioned to each parcel in proportion to the special benefit it receives. District formation or annexation shall be at the sole cost of the Developer.
 5. **Fire Station.** Upon 30 days written notice by the City Manager, Developer shall fund a
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needs study to be undertaken by the City to determine the most suitable location for a new fire station located in the vicinity of the Subject Property. The Developer's contribution shall be capped at thirty thousand dollars (\$30,000.00). The Developer's contribution shall be creditable to the Community Amenity Fee or City fire impact fee due to be paid by the Project for the Subject Property, as determined in the City's sole discretion.

Following acceptance by the City Council of a Fire Station Needs Assessment, the parties shall meet for the purpose of negotiating an agreement for which the Developer shall acquire a site and construct a Fire Station. The developer shall be eligible for credits against the City Fire Impact Fee and reimbursement consistent with City policy.

EXHIBIT D

[SAMPLE FORM]

NOTICE OF TERMINATION

THIS NOTICE OF TERMINATION (hereinafter “this Notice”) is given this day of _____, 20__, by the City of Los Banos (hereinafter called “City”) for the benefit of _____, (hereinafter “Owner”).

1. On _____, 20__, the City of Los Banos and _____ entered into that certain agreement entitled “Pre Annexation Development Agreement,” approved by Ordinance _____ (hereinafter “Agreement”), relative to the development known as the _____ (hereinafter “Subject Property”).

2. Owner has fully performed all its duties with respect to that portion of the Subject Property, which portion of the Subject Property is identified and described in **Exhibit “A,”** attached hereto and incorporated herein by this reference (hereinafter the “Released Property”).

3. Pursuant to Section of the Pre Annexation Development Agreement, the Pre Annexation Development Agreement is no longer in effect with respect to the Released Property.

CITY OF LOS BANOS

By: _____
City Manager or Designee

SIGNATURES MUST BE NOTARIZED

PROPERTY OWNER'S CONSENT
[APNs 083-120-014, 083-120-024, 083-120-027 & 083-120-028]

I/We, the undersigned am/are the owner(s) of record of APNs 083-120-014, 083-120-024, 083-120-027 & 083-120-028 that property described in Exhibit A to this Pre Annexation Agreement by and between the City of Los Banos and Stonefield Communities, Inc., relative to the project known as the Presidential Estates East Annexation. I/We hereby consent to all the terms and conditions of said agreement and agree that my/our property as described herein shall be bound by all of the terms and conditions of said agreement.

Dated:

A & H Investments

Dated:

Dated:

Dated:

SIGNATURES MUST BE NOTARIZED

ORDINANCE NO. 1147

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS BANOS APPROVING A PRE ANNEXATION DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LOS BANOS AND THE MANUEL M. CARDOZA PROPERTY, FOR THE PROJECT COMMONLY KNOWN AS THE PRESIDENTIAL ESTATES EAST AREA PLAN AND ANNEXATION

WHEREAS, in order to strengthen the public land use planning process, to encourage private participation in the process, to reduce the economic risk of development and to reduce the waste of resources, the Legislature adopted the Development Agreement Law (§ 65864, *et seq.* of the Government Code); and

WHEREAS, the Development Agreement Law and annexation law permits cities and counties to contract with private interests for their mutual benefit in a manner not otherwise available to the contracting parties. Such agreements, as authorized by the Development Agreement Law and by common law, assure property owners that they may proceed with their projects with the assurance that approvals granted by public agencies will not change during the period of the agreement. Cities and counties are equally assured that costly infrastructure, including but not limited to roads, sewers, fire protection facilities, will be available at the time development projects come on line; and

WHEREAS, Stonefield Communities, Inc., ("Developer") has filed an application with the City of Los Banos ("City") to Annex and Pre-Zone approximately 106 acres located north of Pioneer Road and west of Mercey Springs Road (SR 165), Merced County, California, more specifically identified as Assessor's Parcel Numbers: 083-120-012, -013, -014, -015, -016, -017, -018, -019, -020, -021, -022, -023, -024, -027 & -028 and 026-290-001, -002, -003, -004 & -005 ("Project"); and

WHEREAS, the property owner does not have pending development plans, and the City has not had any opportunity to review any specific proposals, the parties agree that the Pre-Annexation Agreement ("Agreement") can and should create only limited vested rights, as defined by the terms of the Agreement for the property identified as Assessor's Parcel Numbers: 026-290-001, -002 & -005 ("Subject Property"); and

WHEREAS, the parties have, in good faith, negotiated the terms which carry out the legislative purpose set forth above and will assure the parties to this Agreement of mutually desirable development of the Subject Property; and

WHEREAS, City, in response to Developer's applications, after public hearings and environmental analysis, has granted approval of the Annexation and Pre-zoning for the Subject Property ("Entitlements"); and

WHEREAS, in support of the Entitlements described herein, and in accord with

the California Environmental Quality Act (CEQA) and State and City guidelines, City has accepted and approved a Mitigated Negative Declaration for the foregoing entitlements and this Agreement; and

WHEREAS, parcel maps, vesting tentative subdivision maps, tentative subdivision maps, general and final development plans, final subdivision maps, design review, improvement plans, issuance of building permits, or any other entitlements necessary for the development of the Subject Property, shall be subject to prior approval of (a) a Master Plan for the entire Subject Property; and

WHEREAS, development of the Subject Property pursuant to the terms and conditions of the Agreement, pre-zoning, the master plan, and appropriate environmental determinations will provide for orderly growth and development consistent with the City's General Plan and other development policies and programs; and

WHEREAS, on July 13, 2016, the City Planning Commission considered the Agreement, and recommended its adoption to the City Council; and

WHEREAS, having duly considered the Agreement and having held the noticed public hearings, City finds and declares that the provisions of the Agreement are consistent with the objectives and policies of the City's General Plan.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF LOS BANOS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The above recitals are true and correct.

SECTION 2. This Ordinance incorporates, and by this reference makes a part hereof, the Pre Annexation Development Agreement attached hereto as Exhibit A, subject to the provisions of Section 6 hereof.

SECTION 3. This Ordinance is adopted under the authority of Government Code Section 65864 et seq.

SECTION 4. The City Council hereby finds and determines, as follows:

- (a) the Agreement is consistent with the objectives, policies, and programs specified in the General Plan, in that it establishes certain development rights, obligations and conditions for the implementation of the Presidential Estates East Area Plan and Annexation Project;
- (b) the Agreement is compatible with the uses authorized in General Plan Amendment #2015-03, and the general plan designations which will apply to the Subject Property;
- (c) the Agreement is in conformity with public convenience, general welfare and good land use practice;

- (d) the Agreement will not be detrimental to the public health, safety and general welfare; and
- (e) the Agreement will not adversely affect the orderly development of property or the preservation of property values.

SECTION 5. The foregoing findings and determinations are based upon the following:

- (a) the Recitals set forth in this Ordinance, which are deemed true and correct;
- (b) Resolution No. _____, approved by the City Council on October 19, 2016, making findings as to the Mitigated Negative Declaration, including the Mitigation Monitoring and Reporting Program approved by and incorporated in said Resolution, which Resolution and exhibits are incorporated herein by reference as if set forth in full;
- (c) Resolution No. _____ approved by the City Council on October 19, 2016 requesting the Annexation and Pre-Zone of approximately 106 acres of property located north of Pioneer Road and west of Mercey Springs Road (SR 165), Merced County, California, more specifically identified as Assessor's Parcel Numbers: 083-120-012, -013, -014, -015, -016, -017, -018, -019, -020, -021, -022, -023, -024, -027 & -028 and 026-290-001, -002, -003, -004 & -005, which Resolution and exhibits are incorporated herein by reference as if set forth in full;
- (d) Ordinance No. _____ approved by the City Council on November 2, 2016, amending the Zoning Map to Pre-Zone approximately 106 acres located north of Pioneer Road and west of Mercey Springs Road (SR 165), Merced County, California, more specifically identified as Assessor's Parcel Numbers: 083-120-012, -013, -014, -015, -016, -017, -018, -019, -020, -021, -022, -023, -024, -027 & -028 and 026-290-001, -002, -003, -004 & -005, which Ordinance and exhibits are incorporated herein by reference as if set forth in full;
- (e) the City's General Plan;
- (f) All City staff reports (and all other public reports and documents) prepared for the Planning Commission, City Council, or others relating to the Mitigated Negative Declaration, the General Plan Amendment, the Pre-Zone, the Development Agreement, and other actions relating to the Subject Property;
- (g) All documentary and oral evidence received at public hearings or submitted to the Planning Commission, or City during the comment period relating to the Mitigated Negative Declaration, the General Plan Amendment, the Pre-Zone, the Development Agreement, and other actions relating to the Subject Property; and
- (h) All other matters of common knowledge to the City Council, including, but not limited to the City's fiscal and financial status; City general ordinances, policies and regulations.

SECTION 6. The City Council hereby approves the Pre-Annexation Development Agreement, attached hereto as Exhibit A, subject to the provisions of Section 7 hereof, and subject further to such minor, conforming and clarifying changes consistent with the terms thereof as may be approved by the City Manager, in consultation with the City Attorney prior to execution thereof.

SECTION 7. The approval contained in Section 6 hereof is subject to and conditioned upon Resolution No. ____; Resolution No. ____; Resolution No. ____; Ordinance No. ____; and the approval of the Presidential Estates East Area Plan and Annexation by Merced County Local Agency Formation Commission.

SECTION 8. Upon the effective date of this Ordinance as provided in Section 10 hereof, the Mayor and City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City of Los Banos.

SECTION 9. The City Manager is hereby authorized and directed to perform all acts authorized to be performed by the City Manager in the administration of the Agreement pursuant to the terms of the Agreement.

SECTION 10. This Ordinance shall be in full force and effect thirty (30) days after its passage and adoption; provided, however, that if the actions referred to in Section 7 hereof are not effective on such date, then the effective date of this Ordinance shall be the date on which all of said actions become effective, as certified by the City Clerk and cause the same to be posted and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the Office of the City Clerk five days prior to the date of adoption of this Ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published, the aforementioned summary and shall post a certified copy of this Ordinance, together with the vote for and against the same, in the Office of the City Clerk..

Introduced by Council Member ____ and seconded by Council Member ____ on the 19th day of October, 2016.

Passed on the ____ day of _____, 2016 by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

Michael Villalta, Mayor

ATTEST:

Lucille L. Mallonee, City Clerk

Recording requested by
and when recorded, mail to

City Clerk
City of Los Banos
520 J Street
Los Banos, CA 93635

No Recording Fee

**PRE-ANNEXATION
DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF LOS BANOS AND
MANUEL M. CARDOZA LIFE ESTATE,
RELATIVE TO THE
PRESIDENTIAL ESTATES EAST ANNEXATION**

(Date)

THIS DOCUMENT, INCLUDING EXHIBITS, TOTALS _____ PAGES.
EACH PAGE IS "BATES STAMPED" SEQUENTIALLY IN THE LOWER RIGHT HAND CORNER.

**PRE-ANNEXATION
DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF LOS BANOS AND
MANUEL M. CARDOZA LIFE ESTATE,
RELATIVE TO THE
PRESIDENTIAL ESTATES EAST ANNEXATION**

THIS PRE-ANNEXATION DEVELOPMENT AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 2016, by and between the CITY OF LOS BANOS, a municipal corporation (“City”), and **MANUEL M. CARDOZA LIFE ESTATE**, (“Developer”), pursuant to the authority of Article 2.5, Chapter 4, Division 1, Title 7 (§ 65864, *et seq.* of the Government Code) relating to Development Agreements, and pursuant to annexation law.

RECITALS

1. In order to strengthen the public land use planning process, to encourage private participation in the process, to reduce the economic risk of development and to reduce the waste of resources, the Legislature adopted the Development Agreement Law (§ 65864, *et seq.* of the Government Code).

2. The Development Agreement Law and annexation law permits cities and counties to contract with private interests for their mutual benefit in a manner not otherwise available to the contracting parties. Such agreements, as authorized by the Development Agreement Law and by common law, assure property developers that they may proceed with their projects with the assurance that approvals granted by public agencies will not change during the period of development. Cities and counties are equally assured that costly infrastructure, including but not limited to roads, sewers, fire protection facilities, will be available at the time development projects come on line.

3. Developer desires to proceed with site planning with the City after completion of annexation proceedings. Inasmuch as the Developer has not submitted development plans, and that the City has not had any opportunity to review any specific proposals, the parties agree that this Agreement can and should create only limited vested rights, as defined by the terms of the Agreement.

4. The parties have, in good faith, negotiated the terms hereinafter set forth which carry out the legislative purpose set forth above and will assure the parties to this Agreement of mutually desirable development of the Subject Property.

5. Developer owns in fee or has an equitable interest in that certain real property, more particularly described on **Exhibit “A”** hereto, located adjacent to the City of Los Banos.

6. City, in response to Developer's applications, after public hearings and extensive environmental analysis, has granted approval of the adoption of an area plan, general plan amendment and pre-zoning for the Subject Property (hereinafter the "Entitlements").

7. In support of the various Entitlements described in paragraph 6 above, and in accord with the California Environmental Quality Act (CEQA) and State and City guidelines, City has accepted and approved the Initial Study/Mitigated Negative Declaration, prepared by J.B. Anderson, on _____, 2016.

8. Vesting tentative subdivision maps, tentative subdivision maps, general and final development plans, final subdivision maps, design review, improvement plans, issuance of building permits, or any other entitlements necessary for the development of the Subject Property, shall be subject to approval of a second tier Development Agreement or other permits or approvals issued by the City.

9. Development of the Subject Property pursuant to the terms and conditions of the pre-zoning, the area plan, and appropriate environmental determinations will provide for orderly growth and development consistent with the City's General Plan and other development policies and programs.

10. On _____, 2016, the City Planning Commission considered this Agreement, and recommended its adoption to the City Council.

11. Having duly considered this Agreement and having held the noticed public hearings, City finds and declares that the provisions of this Agreement are consistent with the maps and text of the City's General Plan.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE 1

GENERAL PROVISIONS

Section 1.1. The Project. The Project is the area plan, annexation, general plan amendment and pre-zoning for the potential development of approximately 106 acres of land located north of Pioneer Road and west of SR 165 (Mercy Springs Road). The Project consists of 106 acres of single-family residential uses with an average density of four (4) units per acre, for a total of approximately 424 residences. Those lands will be zoned Low Density Residential ("R-1").

Section 1.2. Subject Property. The Subject Property is a portion of the Project area consisting of approximately 50.5 acres identified as Merced County Assessor's Parcel Numbers 026-290-001, -002 & -005, generally located north of Pioneer Road and west of SR 165 (Mercy Springs Road). The Subject Property is more particularly described in **Exhibit "A"**, attached hereto and incorporated herein by this reference and made a part of this Agreement.

Section 1.3. Definitions. As used in this Agreement, the following terms, phrases and words shall have the meanings and be interpreted as set forth in this Section.

(a) **Adopting Ordinance** means Ordinance Number _____ entitled: Pre-Annexation Development Agreement By and Between the City of Los Banos and Manuel M. Cardoza Life Estate, relative to the Presidential Estates East Annexation, dated _____, and effective _____, which approves this Agreement as required by Government Code section 65867.5.

(b) **Assumption Agreement** means an agreement substantially conforming to the model assumption agreement described in **Exhibit “B,”** or other agreement in a form approved by the City Attorney, executed by a Landowner with the Developer, expressly assuming various obligations relating to the development of the Project, or portion thereof.

(c) **CEQA** means the California Environmental Quality Act section 21000 *et seq.*, of the Public Resources Code of the State of California.

(d) **City** means the Los Banos City Council, or its designee.

(e) **City Laws** means ordinances, resolutions, rules, regulations, policies, motions, directives, mitigation measures, conditions, standards, specifications, dedications, fees, taxes (including without limitation general, special and excise taxes), assessments, liens, other exactions and impositions, and any other actions having the force of law, that are enacted or adopted by City, or by its electorate through the initiative or referendum process.

(f) **Developer** means Manuel M. Cardoza Life Estate, or successor in interest.

(g) **Director** means the Planning Director for the City of Los Banos.

(h) **Effective Date** means the effective date of the Adopting Ordinance.

(i) **Entitlements** shall mean those approvals listed in Recital 6 including any and all conditions of approval and mitigation measures.

(j) **General Plan** means the General Plan of the City, including the text and maps, as may have been amended in connection with the Project.

(k) **Landowner** is a party who has acquired any portion of the Subject Property from the Developer who, unless otherwise released as provided in this Agreement, shall be subject to the applicable provisions of this Agreement.

(l) **Reserved Powers** shall mean those powers explicitly reserved to the City by this Agreement.

(m) **Subject Property** means the property described in Section 1.2, or the remaining portions thereof after releases from the provisions of this Agreement have been executed as authorized by this Agreement.

Section 1.4. Exhibits. Exhibits to this Agreement are as follows:

Exhibit “A” Subject Property

Exhibit “B” Assumption Agreement

Exhibit “C” Special Conditions and Requirements

Exhibit “D” Sample Notice of Termination

Section 1.5. Incorporation of Exhibits and Recitals. Exhibits A – D and Recitals 1 through 11 are incorporated herein, including all exhibits referred to in said Recitals. In the event of inconsistency between the Recitals and the provisions of Articles 1 through 5, the provisions of Articles 1 through 5 shall prevail.

Section 1.6. Parties to Agreement. The parties to this Agreement are:

(a) **The City of Los Banos.** A municipal corporation exercising general governmental functions and powers. The principal office of the City is located at 520 J Street, Los Banos, California 93635.

(b) **Developer.** Developer owns in fee or has an equitable interest in the Subject Property. The principal office of Developer is 6020 Mulberry Avenue, Atwater, CA 95301.

(c) **Landowner.** From time to time, as provided in this Agreement, Developer may sell or otherwise lawfully dispose of a portion of the Subject Property to a Landowner who, unless otherwise released, shall be subject to the applicable provisions of this Agreement related to such portion of the Subject Property.

Section 1.7. Project is a Private Undertaking. It is agreed among the parties that the Project is a private development and that the City has no interest therein except as authorized in the exercise of its governmental functions.

Section 1.8. Term of Agreement. This Agreement shall commence upon the Effective Date of the Adopting Ordinance approving this Agreement. Pursuant to California Government Code section 65865 (b), this Agreement shall not become operative unless annexation proceedings annexing the Subject Property to the City are completed within two years of the Effective Date of the Adopting Ordinance. If the annexation is not completed within the time specified herein, this Agreement shall be null and void unless extended by the City Council. Upon becoming operative, this Agreement shall continue in force for a period of twenty (20) years from the Effective Date unless terminated as provided herein. Following the expiration of the term, or if sooner terminated, this Agreement shall have no force and effect, subject however, to post-termination obligations of Developer or Landowner, if any.

Section 1.9. Assignment and Assumption. Developer shall have the right to sell, assign, or transfer this Agreement with all the rights, title and interests therein to any person, firm or corporation at any time during the term of this Agreement. The conditions and covenants set forth in this Agreement and incorporated herein shall run with the land and the benefits and burdens shall bind and inure to the benefit of the parties. Developer shall provide City with a copy of the Assumption Agreement. Express written assumption by such purchaser, assignee or transferee, to the satisfaction of the City Attorney, of the obligations and other terms and conditions of this Agreement with respect to the Subject Property or such portion thereof sold, assigned or transferred, shall relieve the Developer selling, assigning or transferring such interest of such obligations so expressly assumed. Any such assumption of Developer's obligations under this Agreement shall be deemed to be to the satisfaction of the City Attorney if executed in the form of the Assumption Agreement attached hereto as **Exhibit "B"** and incorporated herein by this reference, or such other form as shall be approved by the City Attorney.

Section 1.10. Covenants Running With the Land. Each and every purchaser, assignee or transferee of an interest in the Subject Property, or any portion thereof, shall be obligated and bound by the terms and conditions of this Agreement, and shall be the beneficiary thereof and a party thereto, but only with respect to the Subject Property, or such portion thereof, sold, assigned or transferred to it. Any such purchaser, assignee or transferee shall observe and fully perform all of the duties and obligations of a Developer contained in this Agreement, as such duties and obligations pertain to the portion of the Subject Property sold, assigned or transferred to it. Provided however, notwithstanding anything to the contrary above, if any such sale, assignment or transfer relates to a completed residential unit or non-residential building which has been approved by the City for occupancy, this Agreement shall automatically terminate.

Section 1.11. Amendment to Agreement (Developer and City). This Agreement may be amended by mutual consent of the parties in writing, in accordance with the provisions of Government Code section 65868, provided that: any amendment which relates to the term, permitted uses, density, intensity of use, height and size of proposed buildings, or provisions for reservation and dedication of land shall require a noticed public hearing before the parties may execute an amendment. Unless otherwise provided by law, all other amendments may be approved without a noticed public hearing.

Any amendment entered into between the City and the Developer shall require the signature of each owner of any portion of the Subject Property to the extent the amendment modifies this Agreement as to that other owner's property.

Section 1.12. Amendment to Agreement (Landowner and City). This Agreement may also be amended, subject to the provisions of Government Code section 65868, between a Landowner who has acquired a portion of the Subject Property from Developer and City as to the portions of the Subject Property then owned by Landowner.

Any amendment entered into between the City and a Landowner shall require the signature of each Landowner of any portion of the Subject Property or the Developer to the extent the amendment modifies the Agreement as to that Landowner's or the Developer's property.

Section 1.13. Releases. Developer, and any subsequent Landowner, may free itself from further obligations relating to the sold, assigned, or transferred property, provided that the City Clerk receives a copy of the Assumption Agreement provided for in Section 1.9.

Section 1.14. Notices. Notices, demands, correspondence, and other communication to City and Developer shall be deemed given if dispatched by prepaid first-class mail to the principal offices of the parties as designated in Section 1.6. Notice to the City shall be to the attention of both the City Manager and the Director. Notices to subsequent Landowners shall be required to be given by the City only for those Landowners who have given the City written notice of their address for such notices. The parties hereto may, from time to time, advise the other of new addresses for such notices, demands or correspondence.

Section 1.15. Reimbursement for Agreement Expense of City. Developer agrees to reimburse City for reasonable and actual expenses over and above fees paid by Developer as an applicant for costs specifically incurred by City for the preparation of this Agreement, including recording fees, publishing fees, and reasonable staff, City Attorney, Special Counsel, and consultant costs not otherwise included within application fees then due and payable to the City. Such reimbursement shall be paid to the City prior to execution of this Agreement by the City. Developer shall also pay any and all installments of property tax then due for the Subject Property.

Section 1.16. Recordation of Agreement. The City Clerk shall cause a copy of this Agreement to be recorded with the Merced County Recorder not later than ten (10) days following execution of this Agreement by the City. Developer hereby covenants that during the period following execution and the recording of this Agreement by the City, Developer shall not, without prior written approval by the City Attorney, cause or allow to be recorded against the Subject Property any instrument affecting the priority, validity or enforceability of this Agreement.

Section 1.17. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

Section 1.18. Invalidity of Agreement/Severability. If this Agreement in its entirety is determined by a court to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment. If any provision of this Agreement shall be determined by a court to be invalid and unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, which became effective after the Effective Date, the remaining provisions shall continue in full force and effect.

Section 1.19. Third Party Legal Challenge. In the event any legal action or special proceeding is commenced by any person or entity other than a party or a Landowner, challenging this Agreement, the Entitlements or any approval subsequently granted by the City for the development of the Subject Property, the parties and any Landowner agree to cooperate with each other in good faith. City may elect to tender the defense of any lawsuit filed by a third

person or entity to Developer and/or Landowner(s) (to the extent the litigation, in part or in whole, seeks to overturn or invalidate this Agreement, the Entitlements or any subsequent approval granted for the Subject Property held by or granted to Developer and/or Landowner), and, in such event, Developer and/or such Landowner(s) shall hold the City harmless from and defend the City from all costs and expenses incurred in the defense of such lawsuit, including, but not limited to, damages, attorneys' fees and expenses of litigation awarded to the prevailing party or parties in such litigation. For purposes of this section only, "City" shall include all employees, consultants and agents acting on behalf of the City. Neither party shall settle any such lawsuit without the consent of the other party. The City may elect to participate in the litigation, in which case the Developer and/or Landowner agree to reimburse the City for its litigation costs and fees, including the retention of outside legal counsel. It is the intent of the Parties that the City's participation not result in unnecessary duplication of legal services, but rather that the City's active involvement in the litigation be limited to supervising the preparation of the administrative record or discovery as applicable, monitoring of litigation, and responsive pleadings regarding issues which, in the sole opinion of the City, involve broader City concerns than those immediately affecting the Landowner and/or Developer. Upon written demand of the City, Developer and/or Landowner shall deposit with the City such sums as may be specified by the City as its estimated litigation costs and fees for the following thirty day period. Both parties shall act in good faith, and shall not unreasonably withhold consent to settle. In the event that the City elects to settle a claim, and Developer refuses to also settle, City at its sole option, may require Developer to post security in a form and amount reasonably acceptable to the City, for the performance of Developer's duties under this section. If the Developer, within 30 days of receiving written notice from City, fails to post this security, the Developer shall settle the claim on terms as previously approved by the City.

Section 1.20. Fees. Developer shall be subject to all fees currently adopted by the City, including scheduled or periodic increases as provided for in the adopting ordinances or resolutions ("Current Fees"). Developer shall pay, without protest or without challenge, Current Fees in effect at the time of the issuance of a requested permit or entitlement.

In addition, Developer agrees to pay any new fees adopted by the City, or the recalculation of existing fees ("New Fees") in effect at the time of the issuance of a requested building permit. Developer shall retain the right to challenge the New Fees as permitted by law.

Section 1.21. Reserved Powers. Notwithstanding any other provision of this Agreement, including Sections 2.1, 2.2 and 2.3, and without limitation as to any other requirements or exceptions contained in this Agreement, the City shall retain the authority to take the following actions and apply the same to the Subject Property:

(a) The authority of the City Council to adopt regulations to protect the City and its citizens from an immediate adverse risk to health and safety. This shall include, but not be limited to, lack of sufficient sewer and/or water facilities, but not school facilities.

(b) Adopt or increase utility charges in accordance with applicable laws and regulations; and

(c) As set forth in Section 1.20, increase and apply Current Fees, and adopt and apply New Fees.

(d) Adopt revised subdivision, building design (residential and non-residential), and development improvement standards, provided, however, no such revised standards shall apply to the Project earlier than the 366th day following the date the City Council adopts the revised standard.

(e) Land use regulations, ordinances, policies, programs, resolutions or fees adopted or undertaken by City in order to comply with state or federal laws, or regulations, provided that in the event that such state or federal laws or regulations prevent or preclude compliance with one or more provisions of this Agreement, such provision or provisions shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations.

(f) City land use regulations, ordinances, policies, programs or resolutions adopted after the Effective Date, which are in conflict with the City Laws, but the application of which to the development of the Subject Property has been consented to in writing by the Developer and/or the applicable Landowner by later separate document, which consent Developer and/or Landowner may withhold in their sole and exclusive discretion.

(g) In the event that the LAFCO imposes conditions on annexation which are, in the sole discretion of the City Council, unacceptable, the City shall have no responsibility to complete annexation.

Section 1.22. Waiver of Claims. Except as may be permitted by Section 1.20, Developer waives, as to the Subject Property only, any and all existing claims that may have against the City, its agents, employees and consultants arising out of the adoption and/or application of development requirements and standards, impact fees, the adoption of this Agreement or approval of the Entitlements and all of the proceedings, acts or determinations made prior thereto.

ARTICLE 2

PROJECT DEVELOPMENT

Section 2.1. Limited Vested Right. Except as is permitted by Section 2.3, during the term of and subject to the terms of this Agreement, the Developer's rights shall be vested only to density and intensity of use as set forth in the area plan and zoning.

Section 2.2. Permitted Uses and Development Standards. The permitted uses, the density and intensity of use, the maximum height and size of proposed buildings for the Subject Property shall be those set forth for the pre-zoning district regulations as set forth in the City Zoning Ordinance in effect on the date of approval of this Agreement.

Section 2.3. Additional Permitted Agricultural Uses and Development Standards.

The permitted uses for the Subject Property shall also be those agricultural, residential and accessory uses existing on the Subject Property as of the Effective Date of this Agreement. This Section 2.3 shall terminate automatically as to that portion of any recorded final map which incorporates any portion of the Subject Property.

Section 2.4. Application, Processing and Inspection Fees. Application fees, processing fees, and inspection fees that are revised during the term of this Agreement shall apply to the development pursuant to this Agreement, provided that such revised fees apply generally to similar private projects or works within City and are in compliance with State and federal law.

Section 2.5. Obligation and Rights of Mortgage Lenders. The holder of any mortgage, deed of trust or other security instrument with respect to the Subject Property, or any portion thereof, shall not be obligated under this Agreement to construct or complete improvements or to guarantee such construction or completion, but, in the event said holder takes title to the Subject Property through foreclosure of a mortgage or a deed of trust, or deed-in-lieu of such foreclosure, said holder shall be bound by all of the terms and conditions of this Agreement which pertain to the Subject Property or such portion thereof in which it holds an interest. Any such holder who comes into possession of the Subject Property, or any portion thereof, pursuant to a foreclosure of a mortgage or a deed of trust, or deed in lieu of such foreclosure, shall take the Subject Property, or such portion thereof, subject to any pro rata claims for payments or charges against the Subject Property, or such portion thereof, which accrue prior and subsequent to the time such holder comes into possession. Nothing in this Agreement shall be deemed or construed to permit or authorize any such holder to devote the Subject Property, or any portion thereof, to any uses, or to construct any improvements thereon, other than those uses and improvements provided for or authorized by this Agreement, subject to all of the terms and conditions of this Agreement.

ARTICLE 3

DEFAULT

Section 3.1. General Provisions. Subject to extensions of time by mutual consent in writing, failure or delay by either party or Landowner not released from this Agreement to perform any term or provision of this Agreement, shall constitute a default. In the event of alleged default or breach of any terms or conditions of this Agreement, the party alleging such default or breach shall give the other party or Landowner not less than sixty (60) days notice in writing specifying the nature of the alleged default and the manner in which said default may be cured. During any such sixty (60) day period, the party or Landowner charged shall not be considered in default for purposes of termination or institution of legal proceedings.

After notice and expiration of the sixty (60) day period, if such default has not been cured or is not being diligently cured in the manner set forth in the notice, the other party or Landowner to this Agreement may, at his option, institute legal proceedings pursuant to this Agreement or give notice of its intent to terminate this Agreement pursuant to California Government Code section 65868 and any regulations of the City implementing said Government Code section. Following notice of intent to terminate, or prior to instituting legal proceedings,

the matter shall be scheduled for consideration and review in the manner set forth in Government Code sections 65865, 65867, and 65868 and City regulations implementing said sections by the City within thirty (30) calendar days.

Following consideration of the evidence presented in said review before the City and an additional 30-day period to cure, either party alleging the default by the other party or Landowner may institute legal proceedings or may give written notice of termination of this Agreement to the other party; provided, however, a Landowner may only give such notice with respect to such portion of the Subject Property in which Landowner owns an interest.

Section 3.2. Annual Review. City shall, at least every twelve (12) months during the term of this Agreement, review the extent of good faith substantial compliance by Developer and Landowner with the terms of this Agreement. Such periodic review by the Director, unless referred to the Planning Commission or City Council shall be limited in scope to compliance with the terms of this Agreement pursuant to California Government Code section 65865.1. Each said review shall be completed within sixty (60) days of the first meeting of the Planning Commission and the City Council, respectively, at which such review is undertaken, unless said period is extended by mutual consent of City and Developer. Failure to complete said review within the prescribed period shall be deemed a finding of good faith substantial compliance. Notice of such annual review shall include the statement that any review may result in amendment or termination of this Agreement. City may charge, and Developer shall pay a fee for such annual review to defray the cost to the City to process and conduct such annual review.

City shall deposit in the mail or fax to Developer and/or Landowner a copy of all staff reports and, to the extent practical, related exhibits concerning contract performance at least seven (7) calendar days prior to such periodic review. The Developer or Landowner shall be entitled to appeal a determination of the Director to the Commission and then to the Council. Any appeal must be filed within ten (10) days of the decision to the Director, or the Commission, as the case may be. Developer or Land owner shall be permitted an opportunity to be heard orally and/or in writing regarding its performance under this Agreement before the Commission, Council, and/or Director, as the case may be.

Section 3.3. Developer Default Limited to Property/Entity; Separate Obligations of Owners. Except as specified herein in Section 3.1, no default hereunder in performance of a covenant or obligation with respect to a particular portion of the Subject Property shall constitute a default applicable to any other portion of the Subject Property, and any remedy arising by reason of such default shall be applicable solely to the portion of Subject Property where the default has occurred. Similarly, the obligations of the Developer and Landowners shall be severable and no default hereunder in performance of a covenant or obligation by any one of them shall constitute a default applicable to any other owner who is not affiliated with such defaulting owner, and any remedy arising by reason of such default shall be solely applicable to the defaulting owner and the portion of the Subject Property owned thereby.

Section 3.4. Default by City. In the event City does not accept, review, approve or issue necessary development permits or entitlements for use in a timely fashion as defined by this Agreement, or as otherwise provided in this Agreement, or the City otherwise defaults under the

terms of this Agreement, Developer and/or Landowner may give written notice thereof to the City and if not cured within sixty (60) days following receipt of such notice, Developer shall have all rights and remedies provided herein or under applicable law, including without limitation the right to pursue actions for mandamus, specific performance, or injunctive or declaratory relief to enforce this Agreement. Notwithstanding the foregoing sentence, the City, Developer and Landowner each waives any and all rights to seek monetary damages from any other party as a result of any breach or alleged breach of such other party's obligations hereunder. In the event City is in default under the terms of this Agreement, any resulting delays in Developer's performance caused thereby shall not constitute grounds for termination or cancellation of this Agreement.

Section 3.5. Cumulative Remedies of Parties/Waiver of Right to Damages. In addition to any other rights or remedies, City, Developer and any Landowner may institute legal or equitable proceedings to cure, correct or remedy any default, to specifically enforce any covenant or agreement herein, to enjoin any threatened or attempted violation of the provisions of this Agreement. Notwithstanding the foregoing sentence, the City, Developer and Landowner each waives any and all rights to seek monetary damages from the other party as a result of any breach or alleged breach of such other party's obligations hereunder.

Section 3.6. Enforced Delay, Extension of Times of Performance. In addition to specific provisions of this Agreement, performance by either party or Landowner hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, State or federal laws, regulations, decisions or orders which conflict with this Agreement, or judicial or other governmental agency decisions or orders, directing the City, or which have the effect of requiring the City, to take actions or refrain from taking actions which conflict with the obligations under this Agreement. Any and all extensions of the time of performance shall be limited to thirty-six (36) months. This section 3.6 shall not apply to the twenty-four (24) month term within which this Agreement is required to take effect.

ARTICLE 4

TERMINATION

Section 4.1. Termination Upon Completion of Development. This Agreement shall terminate upon the expiration of the term or when the Subject Property has been fully developed and all of the Developer's obligations in connection therewith are satisfied. Upon termination of this Agreement, the City shall record a notice of such termination in substantially the form attached hereto as **Exhibit "D."** This Agreement shall automatically terminate and be of no further force or effect as to any single-family residence, any other residential dwelling unit(s), or any non-residential building, and the lot or parcel upon which such residence or building is located, when it has been approved by the City for occupancy.

Section 4.2. Effect of Termination on Developer Obligations. Termination of this Agreement as to the Developer of the Subject Property or any portion thereof shall not affect any of the Developer's obligations to comply with the City general plan and the terms and conditions of any applicable zoning, or subdivision map or other land use entitlements approved with respect to the Subject Property, any other covenants or any other development requirements specified in this Agreement to continue after the termination of this Agreement, or obligations to pay assessments, liens, fees, or taxes.

Section 4.3. Effect of Termination on City. Upon any termination of this Agreement, as provided for under the terms and conditions of this Agreement, as to the Developer of the Subject Property, or any portion thereof, the entitlements, conditions of development, limitations on fees and all other terms and conditions of this Agreement shall no longer be vested hereby with respect to the Subject Property affected by such termination (provided vesting of entitlements, conditions or fees applicable to the Subject Property shall be governed by planning and zoning law) and the City shall no longer be limited, by this Agreement, to make any changes or modifications to such entitlements, conditions or fees applicable to such property.

ARTICLE 5

STANDARD TERMS AND CONDITIONS

Section 5.1. Venue. Venue for all legal proceedings shall be in the Superior Court for the County of Merced.

Section 5.2. Waiver. A waiver by any party of any breach of any term, covenant or condition herein contained or a waiver of any right or remedy of such party available hereunder at law or in equity shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained or of any continued or subsequent right to the same right or remedy. No party shall be deemed to have made any such waiver unless it is in writing and signed by the party so waiving.

Section 5.3. Completeness of Instrument. This Agreement, together with its specific references and attachments, constitutes all of the agreements, understandings, representations, conditions, warranties and covenants made by and between the parties hereto. Unless set forth herein, neither party shall be liable for any representations made express or implied.

Section 5.4. Supersedes Prior Agreements. It is the intention of the parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, representations or agreements, written or oral, between the parties hereto.

Section 5.5. Captions. The captions of this Agreement are for convenience in reference only and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

Section 5.6. Number and Gender. In this Agreement, the neuter gender includes the feminine and masculine, and the singular includes the plural, the word “person” includes corporations, partnerships, firms or associations, wherever the context so requires.

Section 5.7. Mandatory and Permissive. “Shall” and “will” and “agrees” are mandatory. “May” is permissive.

Section 5.8. Term Includes Extensions. All references to the term of this Agreement or the Agreement Term shall include any extensions of such term.

Section 5.9. Successors and Assigns. All representations, covenants and warranties specifically set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

Section 5.10. Modification. No modification or waiver of any provisions of this Agreement or its attachments shall be effective unless such waiver or modification is in writing, signed by all parties, and then shall be effective only for the period and on the condition, and for the specific instance for which given.

Section 5.11. Counterparts. This Agreement may be executed simultaneously and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

Section 5.12. Other Documents. The parties agree that they shall cooperate in good faith to accomplish the object of this Agreement and to that end, agree to execute and deliver such other and further instruments and documents as may be necessary and convenient to the fulfillment of these purposes.

Section 5.13. Partial Invalidity. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provision and/or provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Section 5.14. Controlling Law. The validity, interpretation and performance of this Agreement shall be controlled by and construed under the laws of the State of California.

Section 5.15. Time Is of the Essence. Time is of the essence of this Agreement and each covenant and term a condition herein.

Section 5.16. Authority. All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, estates or firms represented or purported to be represented by such entity(s), person(s), estate(s) or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Further, by entering into this Agreement, neither party hereto shall

have breached the terms or conditions of any other contract or agreement to which such party is obligated, which such breach would have a material effect hereon.

Section 5.17. Document Preparation. This Agreement will not be construed against the party preparing it, but will be construed as if prepared by all parties.

Section 5.18. Advice of Legal Counsel. Each party acknowledges that it has reviewed this agreement with its own legal counsel, and based up on the advice of that counsel, and freely entered into this Agreement.

Section 5.19. Estoppel Certificate. Within thirty (30) days following any written request which either party may make from time to time, and upon payment of a fee to the City to reimburse the City for its reasonable expenses associated herewith, the other party to this Agreement shall execute and deliver to the requesting party a statement certifying that:

(a) this Agreement is unmodified and in full force and effect, or if there have been modifications hereto, that this Agreement is in full force and effect as modified and stating the date and nature of such modifications; and

(b) there are not current uncured defaults under this Agreement or specifying the date, nature of any default and manner of cure.

This certificate may be executed by the City Manager, or his or her designee.

Section 5.20. Attorneys Fees and Costs. If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs, which may be set by the Court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such party may be entitled.

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Section 5.21. Consent/Subordination. Unless waived in writing by the City Attorney, Developer shall furnish proof satisfactory to the City, prior to approval of the Agreement, that all persons possessing a legal interest in the property have consented to the recording of this Agreement. Unless waived in writing by the City Attorney, the City shall require subordination by all lenders of record as a condition precedent to the City approval of the Agreement. The City shall have no duty to subordinate its interest in this Agreement.

IN WITNESS WHEREOF, this Agreement was executed by the parties thereto on the dates set forth below.

CITY OF LOS BANOS
A municipal corporation

By: _____
Mayor

Dated _____

ATTEST:

City Clerk

Dated _____

APPROVED AS TO FORM:

City Attorney

Dated _____

MANUEL M. CARDOZA LIFE ESTATE

By: _____

Dated: _____

Its: _____

SIGNATURES MUST BE NOTARIZED

EXHIBIT A

SUBJECT PROPERTY

[Legal Description begins on next page]

Legal Descriptions

PARCEL 1: APN: 026-290-001

Parcel 2 of Parcel Map entitled "PARCEL MAP FOR CARDOZA FAMILY" . in the unincorporated area. County of Fresno. State according to the map thereof recorded in Book 56. Page 24 of Parcel Maps. in the office of the County Recorder of said County.

PARCEL 2: APNs: 026-290-002 & 005

That portion of Section 23. Township 10 South. Range 10 East. Mount Diablo Base and Meridian. in the unincorporated area of the County of Merced. State of California according to the Official Plat thereof. described as follows:

BEGINNING. at a point which bears South 0° 30' West. 1377.53 feet and South 89°13' West 30 feet from the Northeast corner of said Section 23;

Thence. South 0° 30' West. 383.46 feet to a point on the Northerly line of the land conveyed to Tony Silva and Carmen Silva. husband and wife. as joint tenants. by Deed recorded February 25. 1963. in Book 1601 of Official Records. page 527;

Thence. North 89°29'45" West. 95.50 feet to the Northwest corner of said Silva land;

Thence. South 0°30'15" West 271.77 feet to the North line of the land conveyed to Joe Souza Cordoza and Delfina Souza Cordoza. husband and wife. by deed recorded February 27. 1925. in Book 92 of Official Records. Page 500;

Thence. North 89°23'15; East. 95.52 feet to the Northeast corner of said Cordoza land;

Thence. South 0°30' West. 656.02 feet to the Southeast corner of said Cordoza land;

Thence. South 89°24'15" West. 1175.98 feet along the South line of said Cordoza land;

Thence. North 0°03'45" West. 1308.79 feet to a point on the North line of the land conveyed to Antone Rocha Borba and Mary Borba. husband and wife. recorded March 14. 1925. in Book 97 of Official Records. Page 53; Thence. North 89°23'15" East. 1188.95 feet along the North line of said Borba property to the POINT OF BEGINNING.

Said land being also shown as Parcel Numbers I and IV of that certain Record of Survey entitled "Proposed Site Los Banos Union High School" as per plat recorded in Book 3 of Record of Surveys. Page 48. Merced County Records.

EXHIBIT B

[SAMPLE FORM]

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (hereinafter “this Agreement”) is entered into this _____ day of _____, 20____, by and between _____ (hereinafter called “Owner”) and, (hereinafter “Assignee”).

RECITALS

A. On _____, 20____, the City of Los Banos and Owner entered into that certain agreement entitled “Pre-Annexation Development Agreement,” approved by Ordinance _____ (hereinafter “Agreement”), relative to the development known as the _____ (hereinafter “Subject Property”).

B. Owner entered into a purchase and sale agreement whereby a portion of the Subject Property will be sold to Assignee, which portion of the Subject Property is identified and described in **Exhibit “A,”** attached hereto and incorporated herein by this reference (hereinafter the “Assigned Parcel(s)”).

C. Owner desires to assign all of its interests, rights and obligations under the Agreement with respect to the Assigned Parcel(s).

D. Assignee desires to assume all Owner's rights and obligations under the Agreement with respect to the Assigned Parcel(s).

NOW, THEREFORE, Owner and Assignee hereby agree as follows:

1. Owner hereby assigns, effective as of Owner's conveyance of the Assigned Parcel(s) to Assignee, all of the rights, interest, burdens and obligations of Owner under the Agreement with respect to the Assigned Parcel(s). Owner retains all the rights, interest, burdens and obligations under the Agreement with respect to all other property within the Subject Property owned thereby.

2. Assignee hereby assumes all of the burdens and obligations of Owner under the Agreement, and agrees to observe and fully perform all of the duties and obligations of Owner under the Agreement, and to be subject to all the terms and conditions thereof, with respect to the Assigned Parcel(s), it being the express intention of both Owner and Assignee that, upon the execution of this Agreement and conveyance of the Assigned Parcel(s) to Assignee, Assignee shall be come substituted for Owner as the “Developer” under the Agreement with respect to the Assigned Parcel(s).

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.

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ASSIGNOR / OWNER

By: _____

By: _____

ASSIGNEE

By: _____

By: _____

SIGNATURES MUST BE NOTARIZED

EXHIBIT C

SPECIAL CONDITIONS AND REQUIREMENTS

1. **Master Plan.** This Agreement requires that a Master Plan be approved by the City for the entire Subject Property prior to any application for further entitlements, building permits or other development.

A. The specific purposes of the Master Plan shall be to: ensure orderly planning for the development of the entire Subject Property consistent with the General Plan; maintain an environmental equilibrium consistent with existing vegetation, soils, geology, topography, and drainage patterns; avoid premature or inappropriate development that would result in incompatible uses or create public service demands exceeding the capacity of existing or planned facilities; encourage sensitive site planning and design; ensure the provision of utilities, roadways and other public facilities.

B. Land use regulations for the Subject Property shall be those of the underlying zoning district unless modified by the approved Master Plan, provided that all land use regulations shall be consistent with the General Plan Land Use designation for land within the Master Plan area.

C. Development regulations for the Subject Property shall be those of the underlying zoning district unless modified by the approved Master Plan.

D. The Master Plan shall include a land use and circulation system concept for the entire Subject Property that is consistent with the goals and policies of the General Plan, compatible with the environment, and capable of being served by existing and planned public facilities and utilities.

E. The following plans and materials must be incorporated into the Master Plan submittal. The Community Development Director or his or her designee may require the submission of additional items considered necessary:

1. A map showing proposed Master Plan boundaries and the relationship of the area to uses and structures within a 300-foot radius of the plan area boundaries;
 2. A map of the Master Plan area showing sufficient topographical data to indicate clearly the character of the terrain, and the type, location, and condition of mature trees and other natural vegetation;
 3. A site plan indicating the existing and proposed uses, gross floor area, lot coverage, height, parking and density, and a circulation plan;
 4. Architectural plans indicating exterior elevations, floor plans, colors, material of buildings and structures;
 5. Preliminary development schedule indicating sequence and timing of development; and
-

6. Guidelines for the physical development of the property, including illustrations of proposed architectural, urban design, and landscape concepts.
7. Proposed Conditions, Covenants, and Restrictions, subject to review and approval by the City Attorney.

F. The application for the approval of the Master Plan shall be processed the same as a zone change pursuant to Title 9 Chapter 3 Article 23 of the Los Banos Municipal Code. In order to approve the Master Plan, the Planning Commission and the City Council shall find that the proposed Master Plan:

1. Conforms to the General Plan;
2. Generally complies with the land use and development regulations of the underlying Zoning District and does not significantly alter the regulations;
3. Can be adequately, reasonably and conveniently served by public services, utilities and public facilities; and
4. Based on the fiscal impact analysis, the Master Plan area will be financially self-sustaining, so that it imposes no additional financial burden on the residents, property owners or taxpayers in other areas of the City, by providing for the payment of all costs for the public facilities and services necessary to serve the Master Plan area.

G. Procedures for an amendment to the adopted Master Plan shall be initiated in the same manner as same as a zone change pursuant to Title 9 Chapter 3 Article 23 of the Los Banos Municipal Code. Substantial amendments to the adopted Master Plan may trigger the requirement for a revised fiscal impact analysis.

H. The approved Master Plan shall run with the land and be binding on any subsequent owners, heirs or assignees acknowledging and agreeing to comply with the approved Master Plan. The approved Master Plan shall expire five years following the date of approval, unless building permits have been issued for 25% of the estimated building square footage of the Master Plan as authorized in the approved Master Plan. The approved Master Plan may specify adherence to a development staging or phasing program. The approved Master Plan may be renewed for a period approved by the City Council after a duly noticed public hearing, by the Planning Commission and City Council. Application for renewal shall be made in writing between thirty (30) and ninety (90) days prior to the lapse of the original approval.

I. Site plans for a project within the approved Master Plan area shall only be accepted for review if they are consistent with the approved Master Plan, and with all other applicable requirements of this Agreement and the Los Banos Municipal Code.

2. **Community Amenity Fee.** Developer agrees and consents to pay five thousand dollars (\$5,000.00) per residential unit for purposes of ensuring that there are sufficient funds to improve and enhance the community as determined by the City Council of the City of Los Banos. In lieu of payment of the Community Amenity Fee the City Council has the option but not the obligation to accept an in kind contribution from the Developer which in the sole
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discretion of the City Council furthers the stated intention of the community amenity fee on terms mutually agreeable to the parties. The fee shall be payable at the time each building permit is issued and shall be subject to annual adjustment on April 1 of each year, commencing 2009, based on the percentage changes in the City Construction Cost Index, published by the Engineering News Record. In the event the CCI is no longer published the City Finance Director shall use a similar index to calculate the annual adjustment. The City Council may allocate the Community Amenity Fee in its sole discretion as it determines to be in the community's best interest. The City shall establish a fund for the deposit and expenditure of the Community Amenity Fee and shall provide an accounting of the use and expenditure of funds each year in accordance with Government Code Section 66006.

3. **Participation in a Community Facilities District.** Upon approval of the annexation by LAFCO the Developer shall form or annex the Subject Property to a community facilities district created for the purposes of funding public safety, as authorized by Government Code section 53313(a) and (b). The form, terms and conditions and the tax rate for the formation of the Mello-Roos district, or in the alternative the annexation of the Subject Property to an existing district, shall be as approved by the City Council, as determined in its sole and exclusive discretion. District formation or annexation shall be at the sole cost of the Developer.

 4. **Participation in a Lighting and Landscaping District.** Prior to approval of any final or parcel map, the Developer shall form or annex the Subject Property to a Lighting and Landscaping District created for purposes of maintaining public landscape areas, signage and public lighting including a share of traffic signal maintenance costs as authorized pursuant to the Landscape and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code, and Article XIID of the California Constitution. The form, terms and conditions and the tax rate for the formation of the Lighting and Landscaping District, or in the alternative the annexation of the Subject Property to an existing district, shall be as approved by the City Council, as determined in its sole and exclusive discretion. It is the intent of the parties that the assessment of the Subject Property will be apportioned to each parcel in proportion to the special benefit it receives. District formation or annexation shall be at the sole cost of the Developer.
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EXHIBIT D

[SAMPLE FORM]

NOTICE OF TERMINATION

THIS NOTICE OF TERMINATION (hereinafter “this Notice”) is given this day of _____, 20__, by the City of Los Banos (hereinafter called “City”) for the benefit of _____, (hereinafter “Owner”).

1. On _____, 20__, the City of Los Banos and _____ entered into that certain agreement entitled “Pre Annexation Development Agreement,” approved by Ordinance _____ (hereinafter “Agreement”), relative to the development known as the _____ (hereinafter “Subject Property”).

2. Owner has fully performed all its duties with respect to that portion of the Subject Property, which portion of the Subject Property is identified and described in **Exhibit “A,”** attached hereto and incorporated herein by this reference (hereinafter the “Released Property”).

3. Pursuant to Section of the Pre Annexation Development Agreement, the Pre Annexation Development Agreement is no longer in effect with respect to the Released Property.

CITY OF LOS BANOS

By: _____
City Manager or Designee

SIGNATURES MUST BE NOTARIZED

PROPERTY OWNER'S CONSENT
[APNs 026-290-001, 026-290-002 & 026-290-005]

I/We, the undersigned am/are the owner(s) of record of APN 026-290-001, 026-290-002 & 026-290-005 that property described in Exhibit A to this Pre-Annexation Agreement by and between the City of Los Banos and Manuel M. Cardoza Life Estate, relative to the project known as the Presidential Estates East Annexation. I/We hereby consent to all the terms and conditions of said agreement and agree that my/our property as described herein shall be bound by all of the terms and conditions of said agreement.

Dated: _____

Dated: _____

Dated: _____

Dated: _____

SIGNATURES MUST BE NOTARIZED



COMMUNITY DEVELOPMENT DEPARTMENT

Date: August 26, 2016

Regarding: Notice of Public Hearing

Proposal: Presidential Estates East Area Plan and Annexation Mitigated Negative Declaration (SCH #2015061056), Annexation #2014-01, Prezone #2014-02, General Plan Amendment #2015-03, and Pre-Annexation Development Agreement

NOTICE IS HEREBY GIVEN THAT a Public Hearing will be held by the Los Banos City Council to consider the Presidential Estates East Area Plan to guide future development; a General Plan Amendment to redesignate the project site from Professional Office, Medium Density Residential, and Commercial to Low Density Residential; Annexation and Prezone of approximately 106 acres; and associated Mitigated Negative Declaration (SCH #2015061056). The project site is located north of Pioneer Road, west of Merced Springs Road (SR 165), and east of Eleventh Street; more precisely identified as Assessor's Parcel Numbers: 026-290-001, 002, 003, 004, 005, 083-120-012, 013, 014, 015, 016, 017, 018, 019, 020, 021, 022, 023, 024, 027, and 028.

The Los Banos Planning Commission held a public hearing on July 13, 2016 for the purpose of considering the above mentioned project. At the completion of the public hearing, the Planning Commission recommended approval of Mitigated Negative Declaration (SCH #2015061056), General Plan Amendment #2015-03, Annexation #2014-01, Pre-Zone #2014-02, and Pre-Annexation Development Agreement to the Los Banos City Council.

A PUBLIC HEARING on this matter will be held at the next scheduled meeting of the Los Banos City Council on Wednesday, September 7, 2016 at 7:00 p.m. in the Council Chambers of Los Banos City Hall located at 520 "J" Street. Questions regarding the above-referenced item may be directed to Stacy Souza Elms, Senior Planner at City Hall or at (209) 827-7000, Ext. 133.

Persons wishing to provide oral comments on the proposed project may do so at this meeting or may provide written comments on this matter prior to the public meeting. Written comments may be sent by U.S. Mail or hand delivered to the City of Los Banos City Hall at 520 "J" Street, Los Banos, California 93635. Please be advised that should the action by the City Council be challenged in court, you may be limited to only those issues raised at the hearings or by written comment per Government Code Section 65009.

THE CITY OF LOS BANOS

Stacy Souza Elms
Senior Planner



City of
Los Banos
At the Crossroads of California

Agenda Staff Report

TO: Mayor Villalta and City Council Members

FROM: Stacy Souza Elms, Senior Planner *se*

DATE: October 19, 2016

SUBJECT: Special Events Stakeholder Meetings

TYPE OF REPORT: Non-Consent Agenda

Recommendation:

That the City Council would consider appointing two (2) Council Members to attend special events stakeholder meetings.

Background:

On September 21, 2016, the Los Banos City Council adopted Resolution No. 5798 amending the application permit fees for special events. In addition, the City Council approved the holding of stakeholder meetings for staff to propose potential changes to the Special Events Ordinance for City Council consideration and recommended appointing two (2) Council Members to attend stakeholder meetings. The Council also at this meeting temporarily suspended special event department service charges not to exceed \$1,200 for any one event, and not to exceed \$1,800 for any one (1) applicant, during a 12 month period, until further City Council consideration and action take place.

The City Council requested that the appointment of two (2) Council Members to attend the stakeholders meeting be postponed to October 19, 2016 to have all five (5) Council Members be present for the consideration.

Discussion:

The stakeholder meetings will be held to discuss potential changes to the Special Events Ordinance. The purpose of the stakeholder meetings will be to ensure the public interest is well served by making special events available to the community. The costs of such events are generally recovered through fees collected for each specific event. However, the public interest is also served by providing a solution for the cost of special events that have direct community benefit. The stakeholder meetings would have the following agenda:

- Design a process for the submittal and review of departmental service fee waivers
- Discuss different approaches to provide City services for special events (i.e. grant program, fee reduction/waiver program, and other approaches)
- Establish eligibility criteria
- Ineligibility
- Qualification criteria
- Evaluation criteria

The stakeholders meetings would include members from the various organizations that have held special events over the past year as well as any interested community members. The stakeholder meetings would disband after work is completed.

Reviewed by:



Alex Terrazas, City Manager



City of
Los Banos
At the Crossroads of California

Agenda Staff Report

TO: Mayor & City Council Members

FROM: Alex Terrazas, City Manager

DATE: October 19, 2016

SUBJECT: Consideration of Quarterly Meetings for the Los Banos Parks & Recreation Commission, Economic Development Advisory Commission, and Los Banos Airport Commission

TYPE OF REPORT: Agenda Item

Recommendation:

Direction from the City Council on how to proceed.

Background:

The Los Banos Municipal Code (LBMC) sets forth that the above City Commissions are to meet on a monthly basis. Based upon input from staff I am recommending that the City Council consider that the meetings of the Los Banos Parks & Recreation Commission, Economic Development Advisory Commission, and Los Banos Airport Commission be held quarterly. I am recommending no change to the meetings of the Planning Commission

Attachments:

LBMC Chapter 2 – Commissions and Boards

Chapter 2

COMMISSIONS AND BOARDS

Sections:

- Article 1. Los Banos Parks and Recreation Commission
 - 2-2.101 Established.
 - 2-2.102 Powers and duties.
 - 2-2.103 Members: Appointment and qualifications.
 - 2-2.104 Members: Terms.
 - 2-2.105 Members: Reappointment and vacancies.
 - 2-2.106 Members: Removal from office.
 - 2-2.107 Members: Resignations.
 - 2-2.108 Compensation.
 - 2-2.109 Organization.
 - 2-2.110 Meetings.
 - 2-2.111 Quorum.
 - 2-2.112 Secretary to the Commission.

- Article 2. Los Banos Planning Commission
 - 2-2.201 Established.
 - 2-2.202 Powers and duties.
 - 2-2.203 Members: Appointment and qualifications.
 - 2-2.204 Members: Terms.
 - 2-2.205 Members: Reappointment and vacancies.
 - 2-2.206 Members: Removal from office.
 - 2-2.207 Members: Resignations.
 - 2-2.208 Compensation.
 - 2-2.209 Organization.
 - 2-2.210 Meetings.
 - 2-2.211 Quorum.
 - 2-2.212 Secretary to the Commission.

- Article 3. Los Banos Tree Commission
 - 2-2.301 Established.
 - 2-2.302 Powers and duties.
 - 2-2.303 Members: Appointment and qualifications.
 - 2-2.304 Members: Terms.
 - 2-2.305 Members: Reappointment: Vacancies.
 - 2-2.306 Members: Removal from office.
 - 2-2.307 Members: Resignations.
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Article 1. Los Banos Parks and Recreation Commission*

* Article 1 entitled "Community Recreation Commission," consisting of Sections 2-2.101 through 2-2.106, codified from Ordinance No. 370, repealed by Section 1, Ordinance No. 459, effective December 15, 1972.

Article 1 entitled "Community Recreation Commission," consisting of Sections 2-2.101 through 2-2.115, as amended by Ordinance No. 478, effective September 14, 1973, Ordinance No. 493, effective January 6, 1974, Ordinance No. 550, effective November 20, 1976, Ordinance No. 622, effective June 21, 1978, Ordinance No. 667, effective September 19, 1980, Ordinance No. 722, effective April 6, 1984, Urgency Ordinance No. 740, effective December 4, 1985, Ordinance No. 777, effective May 22, 1988, Ordinance No. 836, effective November 16, 1990, Ordinance No. 952, effective September 17, 1999, and Ordinance No. 1069, effective April 4, 2008.

Article 1 entitled "Los Banos Parks and Recreation Commission," consisting of Sections 2-2.101 through 2-2.112, as amended by Ordinance No. 1113, effective January 1, 2014.

Sec. 2-2.101 Established.

There is hereby established the Los Banos Parks and Recreation Commission (hereinafter referred to in this article as Commission). (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 2, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.102 Powers and duties.

The Commission shall have the following powers and duties:

(a) To promote and encourage and coordinate all matters of public recreation, whether specified in this article or not, in the City;

(b) To act in an advisory capacity to the City Council on the acquisition, development, operation, and maintenance of parks, playgrounds, and recreation centers and facilities for the public;

(c) To plan, program, and encourage civic beautification by public agencies and private property owners when such activities relate to recreation and parks;

(d) To make recommendations to the City Council regarding changes and improvements in the areas set forth in this section;

(e) To consider the annual budget for parks and recreation during the process of its preparation and make recommendations thereon to the City Council;

(f) To assist in the planning of recreation programs for the community, promote and stimulate public interest therein, and to that end solicit to the fullest extent possible the cooperation of the County, the Los Banos Unified School District, and other public and private agencies interested therein;

(g) To advise and recommend to the City Council regarding the construction, acquisition, and maintenance of recreational facilities;

(h) To have all other powers granted to it by the provisions of Sections 10900 through 10914.5 of the California Education Code; and

(i) To perform other related duties as directed by the City Council. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 3, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.103 Members: Appointment and qualifications.

The Commission shall consist of five (5) members. Except as set forth herein, candidate(s) for appointment shall be recommended to the City Council by the Mayor, with input from a Council Member, selected by the City Council on a rotating basis, and the Public Works Director who shall form an ad hoc committee to review appli-

cations, interview applicants, and evaluate the candidates for recommendation by the Mayor to the City Council. One of the members shall be recommended to the City Council by the Mayor, by nomination from the Los Banos Unified School District. At the time of appointment to the Commission and throughout his or her term each Commissioner shall be a resident of the City of Los Banos and a registered, qualified elector of the City. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 4, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.104 Members: Terms.

Each Commissioner shall serve a term of two (2) years. Terms of office shall be staggered and not more than three (3) Commissioners shall have terms that end in the same year. A member's term of office shall expire on December 31st of the second year of his or her respective term. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 5, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.105 Members: Reappointment and vacancies.

(a) If a Commission member ceases to reside in the City of Los Banos such Commissioner's position shall be declared vacant.

(b) If a member of the Commission is absent without cause from three (3) successive regular meetings of the Commission, the Commission or the City Manager may request the City Council declare the position vacant. A member is not absent without cause if his or her absence is due to illness, or is unavoidable and the member gives notice to City staff before the meeting that he or she will be absent and the reason for the absence.

(c) A member of the Commission shall not automatically be reappointed to a successive term of office. A member desiring reappointment shall be required to make formal application and in the case of the Los Banos Unified School District member said member shall be required to be renominated by the Los Banos Unified School District for reappointment. If a vacancy shall occur otherwise than by the expiration of a term the vacancy shall be filled as set forth in Section 2-2.103, for the unexpired portion of the term. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 6, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.106 Members: Removal from office.

Any appointive member of the Commission may be removed from the Commission by a majority vote of the City Council. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 8, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.107 Members: Resignations.

A member of the Commission may resign from the Commission by filing a written statement with the City Clerk stating that he or she resigns from the Commission. The resignation shall become effective at the time of filing such written statement, and such member shall thereupon cease to be a member of the Commission, and a vacancy shall exist. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 9, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.108 Compensation.

Members of the Commission shall serve without compensation. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 10, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.109 Organization.

The first meeting in January of each year shall be the organization meeting. Immediately after appointment and qualification, the Commission shall organize by electing one of its members as chairperson, who shall be charged with the orderly conduct of the meetings, and one as vice-chairperson, to assume such duties in the absence of the chairperson, who both shall serve for one year. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 11, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.110 Meetings.

Regular meetings shall be held on the third Tuesday of each calendar month at 6:00 p.m. in the City Council Chambers located at 520 J Street in the City. If any regular meeting day falls on a City holiday, the meeting shall be held on the following regular City business day at 6:00 p.m. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 12, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.111 Quorum.

Three (3) members of the Commission shall constitute a quorum for the transaction of business, but a lesser number may adjourn from time to time. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 13, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.112 Secretary to the Commission.

The Public Works Director, or designee, shall serve as secretary to the Commission. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 14, Ord. 1113, eff. January 1, 2014)

Article 2. Los Banos Planning Commission*

* Article 2 entitled "Planning Commission," consisting of Sections 2-2.201 through 2-2.209, codified from Ordinance No. 239, as amended by Ordinance No. 398, effective June 20, 1973, Ordinance

No. 472, effective June 20, 1973, Ordinance No. 1022, effective January 15, 2005, Ordinance No. 678, effective April 3, 1981, Urgency Ordinance No. 740, effective December 4, 1985, Ordinance No. 777, effective May 22, 1988, Ordinance No. 855, effective April 17, 1992, Ordinance No. 1069, effective April 4, 2008, and Ordinance No. 1113, effective January 1, 2014.

Sec. 2-2.201 Established.

Pursuant to the provisions of Chapter 3 of Title 7 of the Government Code of the State, there is hereby established the Los Banos Planning Commission (hereinafter referred to in this article as Commission). (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 16, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.202 Powers and duties.

Except as otherwise provided in this article, the provisions of Chapter 3 of Title 7 of the Government Code of the State of California relating to the powers and duties of members of Planning Commissions, and of Planning Commissions as bodies, and the rules of procedure and other provisions in said Title 7 shall govern and control the Planning Commission of the City. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 17, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.203 Members: Appointment and qualifications.

The Commission shall consist of seven (7) members. Candidate(s) for appointment shall be recommended to the City Council by the Mayor, with input from a Council Member, selected by the City Council on a rotating basis, and the Community Development Director, who shall form an ad hoc committee to review applications, interview applicants, and evaluate the candidates for recommendation by the Mayor to the City Council. At the time of appointment to the Commission and throughout his or her term each Commissioner shall be a resident of the City of Los Banos and a registered, qualified elector of the City. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 18, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.204 Members: Terms.

Each Commissioner shall serve a term of two (2) years. Terms of office shall be staggered and not more than four (4) Commissioners shall have terms that end in the same year. A member's term of office shall expire on December 31st of the second year of his or her respective term. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 19, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.205 Members: Reappointment and vacancies.

(a) If a Commission member ceases to reside in the City of Los Banos such Commissioner's position shall be declared vacant.

(b) If a member of the Commission is absent without cause from three (3) successive regular meetings of the Commission, the Commission or the City Manager may request the City Council declare the position vacant. A member is not absent without cause if his or her absence is due to illness, or is unavoidable and the member gives notice to City staff before the meeting that he or she will be absent and the reason for the absence.

(c) A member of the Commission shall not automatically be reappointed to a successive term of office. A member desiring reappointment shall be required to make formal application. If a vacancy shall occur otherwise than by the expiration of a term, the vacancy shall be filled as set forth in Section 2-2.203, for the unexpired portion of the term. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 20, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.206 Members: Removal from office.

Any appointive member of the Commission may be removed from the Commission by a majority vote of the City Council. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 22, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.207 Members: Resignations.

A member of the Commission may resign from the Commission by filing a written statement with the City Clerk stating that he or she resigns from the Commission. The resignation shall become effective at the time of filing such written statement, and such member shall thereupon cease to be a member of the Commission, and a vacancy shall exist. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 23, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.208 Compensation.

Members of the Commission shall serve without compensation. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 24, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.209 Organization.

The first meeting in January of each year shall be the organization meeting. Immediately after appointment and qualification, the Commission shall organize by electing one of its members as chairperson, who shall be charged with the orderly conduct of the Commission meetings, and one as vice-chairperson, to assume such duties in the absence of the chairperson, who both shall serve for one year. (§ 25, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.210 Meetings.

Regular meetings of the Commission shall be held on the second and fourth Wednesdays of each calendar month at 7:00 p.m. in the City Hall Council Chambers located at 520 J Street in the City. If any regular meeting day falls on a City holiday, the meeting shall be held on the following regular City business day at 7:00 p.m. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 26, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.211 Quorum.

Four (4) members of the Commission shall constitute a quorum for the transaction of business, but a lesser number may adjourn from time to time. (§ 27, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.212 Secretary to the Commission.

The Community Development Director, or designee, shall serve as secretary to the Commission. (§ 28, Ord. 1113, eff. January 1, 2014)

Article 3. Los Banos Tree Commission*

* Sections 2-3.291 through 2-3.396, as added by Ordinance No. 440, effective November 5, 1971, as amended by Ordinance No. 452, effective October 6, 1972, Ordinance No. 484, effective November 16, 1973, and 510, effective October 2, 1974, repealed by Ordinance No. 594, effective January 20, 1978.

Article 3 entitled "Los Banos Youth Assistance Commission," consisting of Sections 2-2.301 through 2-2.306, repealed by Ordinance 594, effective January 20, 1978, is amended by Ordinance No. 1069, effective April 4, 2008, and repealed by Ordinance No. 1113, effective January 1, 2014.

Article 3 entitled "Los Banos Tree Commission," consisting of Sections 2-2.301 through 2-2.312, as added by Ordinance No. 1113, effective January 1, 2014.

Sec. 2-2.301 Established.

There is hereby established the Los Banos Tree Commission (hereinafter referred to in this article as Commission). (§ 30, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.302 Powers and duties.

The Commission shall have the following powers and duties:

- (a) To develop and maintain an effective City forestry program;
- (b) To develop and maintain an updated street tree list;
- (c) To develop an effective maintenance and replacement program for trees;
- (d) To develop a historical tree list;

(e) To develop an educational program whereby community residents understand the nature and value of trees and learn the best ways to take care of them;

(f) To develop and maintain a commercial tree canopy program that provides the required shade canopy;

(g) To recognize businesses and individuals who have been instrumental in promoting the City's urban forest;

(h) To promote the planting of trees in the community as part of the City's commitment to being designated a Tree City USA;

(i) To make recommendations to the Los Banos Parks and Recreation Commission on items regarding the City's urban forest; and

(j) To perform other related duties as directed by the City Council. (§ 30, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.303 Members: Appointment and qualifications.

The Commission shall consist of five (5) members. Candidate(s) for appointment shall be recommended to the City Council by the Mayor, with input from a Council member, selected by the City Council on a rotating basis, and the Public Works Director, who shall form an ad hoc committee to review applications, interview applicants, and evaluate the candidates for recommendation by the Mayor to the City Council. At the time of appointment to the Commission and throughout his or her term each Commission member shall be a resident of the City of Los Banos and a registered qualified elector of the City. (§ 30, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.304 Members: Terms.

Each Commission member shall serve a term of two (2) years. Terms of office shall be staggered and not more than three (3) Commission members shall have terms that end in the same year. A member's term of office shall expire on December 31st of the second year of his or her respective term. (§ 30, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.305 Members: Reappointment: Vacancies.

(a) If a Commission member ceases to reside in the City of Los Banos such commissioner's position shall be declared vacant.

(b) If a member of the Commission is absent without cause from three (3) successive regular meetings of the Commission, the Commission or the City Manager may request the City Council declare the position vacant. A member is not absent without cause if his or her absence is due to illness, or is unavoidable and the member gives

notice to City staff before the meeting that he or she will be absent and the reason for the absence.

(c) A member of the Commission shall not automatically be reappointed to a successive term of office. A member desiring reappointment shall be required to make formal application. If a vacancy shall occur otherwise than by the expiration of a term, the vacancy shall be filled as set forth in Section 2-2.303, for the portion of the unexpired term. (§ 30, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.306 Members: Removal from office.

Any appointive member of the Commission may be removed from the Commission by a majority vote of the City Council. (§ 30, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.307 Members: Resignations.

A member of the Commission may resign from the Commission by filing a written statement with the City Clerk stating that he or she resigns from the Commission. The resignation shall become effective at the time of filing such written statement, and such member shall thereupon cease to be a member of the Commission, and a vacancy shall exist. (§ 30, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.308 Compensation.

Members of the Commission shall serve without compensation. (§ 30, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.309 Organization.

The meeting in February of each year shall be the organization meeting of the Commission. Immediately after appointment and qualification, the Commission shall organize by electing one of its members as chairperson, who shall be charged with the orderly conduct of the Commission meetings, and one as vice-chairperson, to assume such duties in the absence of the chairperson, who both shall serve for one year. (§ 30, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.310 Meetings.

Regular meetings of the Commission shall be held on the second Wednesday in February, May, August, and November at 5:00 p.m. in the City Hall Council Chambers located at 520 J Street in the City. If any regular meeting day falls on a City holiday, the meeting shall be held on the following regular City business day at 5:00 p.m. (§ 30, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.311 Quorum.

Three (3) members of the Commission shall constitute a quorum for the transaction of business, but a lesser

number may adjourn from time to time. (§ 30, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.312 Secretary to the Commission.

The Public Works Director, or designee, shall serve as secretary to the Commission. (§ 30, Ord. 1113, eff. January 1, 2014)

Article 4. Economic Development Advisory Commission*

* Article 4 entitled "Rules and Legislative Procedures," as added by Ordinance No. 439, effective September 18, 1971, as amended by Ordinance No. 481, effective November 2, 1973, was repealed and replaced by Ordinance No. 1113, effective January 1, 2014.

Sec. 2-2.401 Established.

There is hereby established the Los Banos Economic Development Advisory Commission. (§ 32, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.402 Powers and duties.

The Los Banos Economic Development Advisory Commission shall have the following powers and duties:

(a) To act in an advisory capacity to the City Council of the City of Los Banos and Community Development Department staff on matters pertaining to economic development plan and strategy;

(b) To provide input for the General Plan updates relating to economic development;

(c) To provide input to help improve the economic well-being of the City of Los Banos through efforts that create jobs, retain jobs, increase the tax base and enhance the quality of life, this includes efforts to revitalize, retain and recruit businesses and to revive, develop and support existing business areas;

(d) To provide a forum for enhancing ideas and information and for addressing the business and economic needs of the community;

(e) To provide input to assist with the expansion and diversity of the economic base of the City;

(f) To make recommendations to and respond to formal requests made on business and economic development issues; and

(g) To provide support and ideas on marketing strategies in relation to business and economic development.

The functions and duties of the Commission shall not be construed as preempting or otherwise interfering with the functions, duties or responsibilities of the City Council, or other commissions, boards or offices as mandated by law or City ordinance. (§ 32, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.403 Members: Appointment and qualifications.

The Commission shall consist of seven (7) members. Four (4) of the members shall be at large members appointed by the City Council as follows: Candidate(s) for appointment shall be recommended to the City Council by the Mayor, with input from a City Council Member, selected by the City Council on a rotating basis, and the Community Development Director, who shall form an ad hoc committee to review applications, interview applicants, and evaluate the candidates for recommendation by the Mayor to the City Council. The Commission at large membership shall be drawn from a broad spectrum of applicants and should include business people as well as community members. One of the seven (7) members shall be the Executive Director of the Los Banos Chamber of Commerce as an ex officio member. Two (2) of the seven (7) members shall be City Council Members recommended to the City Council by the Mayor. (§ 32, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.404 At large and City Council Commission members: Terms.

Each at large and City Council Commission member shall serve a term of two (2) years. Terms of office shall be staggered and not more than three (3) Commission members shall have terms that end in the same year. An at large and City Council Commission member's term of office shall expire on December 31st, of the second year of his or her respective term. (§ 32, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.405 At large members: Reappointment and vacancies.

(a) If a member of the Commission is absent without cause from three (3) successive regular meetings of the Commission, the Commission or the City Manager may request the City Council declare the position vacant. A member is not absent without cause if his or her absence is due to illness, or is unavoidable and the member gives notice to City staff before the meeting that he or she will be absent and giving the reason for the absence.

(b) An at large member of the Commission shall not automatically be reappointed to a successive term of office. A member desiring reappointment shall be required to make formal application. If a vacancy shall occur otherwise than by the expiration of a term, the vacancy shall be filled as set forth in Section 2-2.403, for the unexpired portion of the term. (§ 32, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.406 Members: Removal from office.

Any appointive member of the Commission may be removed from the Commission by a majority vote of the City Council. (§ 32, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.407 Members: Resignations.

A member of the Commission may resign by filing a written statement with the City Clerk stating that he or she resigns from the Commission. The resignation shall become effective at the time of filing such written statement, and such member shall thereupon cease to be a member of the Commission, and a vacancy shall exist. (§ 32, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.408 Compensation.

Members of the Commission shall serve without compensation. (§ 32, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.409 Organization.

The meeting in January of each year shall be the organization meeting of the Commission. Immediately after appointment and qualification, the Commission shall organize by electing one of its members as chairperson, who shall be charged with the orderly conduct of the Commission meetings, and one as vice-chairperson, to assume such duties in the absence of the chairperson, who both shall serve for one year. (§ 32, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.410 Meetings.

Regular meetings of the Commission shall be held on the third Monday of each calendar month at 4:00 p.m. in the City Hall Council Chambers located at 520 J Street in the City. If any regular meeting day falls on a City holiday, the meeting shall be held on the following regular City business day at 4:00 p.m. (§ 32, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.411 Quorum.

Four (4) members of the Commission shall constitute a quorum for the transaction of business. (§ 32, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.412 Secretary of the Commission.

The Community Development Director, or designee, shall serve as secretary to the Commission. (§ 32, Ord. 1113, eff. January 1, 2014)

Article 5. Los Banos Airport Advisory Commission*

* Article 5 entitled "Los Banos Airport Advisory Commission," consisting of Sections 2-2.501 through 2-2.508, codified from Ordinance 505, effective September 6, 1974, as amended by Ordinance No.

955, effective March 31, 2000, Ordinance No. 989, effective September 4, 2002, Ordinance No. 1069, effective April 4, 2008, and Ordinance No. 1113, effective January 1, 2014.

Sec. 2-2.501 Established.

There is hereby established the Los Banos Airport Advisory Commission (hereinafter referred to in this article as Commission). (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 33, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.502 Powers and duties.

The Commission shall have the following powers and duties:

(a) To study, consider, and develop long-range plans for the ultimate development of the Los Banos Municipal Airport, giving due regard to any Master Plan adopted by the City, and to Federal and State regulations;

(b) To ascertain the type of service to be rendered and keep abreast of developments in the aviation industry so as to be able to inform the City Council on all pertinent matters concerning airports, airport law, and aviation generally;

(c) To study and recommend on matters relating to airport improvements, including methods of financing and lease arrangements;

(d) To review and recommend on special permits and proposals, as required, that deviates from the airport development plan;

(e) To submit to the City Council such plans as may seem desirable for the present and future operation of the Los Banos Municipal Airport;

(f) To at least once each year report activities to the City Council and make information available to other commissions and officials of the City as required;

(g) To coordinate planned activities with other agencies not under the jurisdiction of the City; and

(h) To perform other related duties as directed by the City Council. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 34, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.503 Members: Appointment and qualifications.

The Commission shall consist of five (5) members. Candidate(s) for appointment shall be recommended to the City Council by the Mayor, with input from a City Council Member, selected by the City Council on a rotating basis, and the Public Works Director, who shall form an ad hoc committee to review applications, interview applicants, and evaluate the candidates for recommendation by the Mayor to the City Council. At the time of appointment to the Commission and throughout his or her term each Commissioner shall be a resident of the City of Los Banos and a registered, qualified elector of the City.

(§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 35, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.504 Members: Terms.

Each Commissioner shall serve a term of two (2) years. Terms of office shall be staggered and not more than three (3) Commissioners shall have terms that end in the same year. A member's term of office shall expire on December 31st of the second year of his or her respective term. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 36, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.505 Members: Reappointment and vacancies.

(a) If a Commission member ceases to reside in the City of Los Banos such Commissioner's position shall be declared vacant.

(b) If a member of the Commission is absent without cause from three (3) successive regular meetings of the Commission, the Commission or the City Manager may request the City Council declare the position vacant. A member is not absent without cause if his or her absence is due to illness, or is unavoidable and the member gives notice to City staff before the meeting that he or she will be absent and the reason for the absence.

(c) A member of the Commission shall not automatically be reappointed to a successive term of office. A member desiring reappointment shall be required to make formal application. If a vacancy shall occur otherwise than by the expiration of a term, the vacancy shall be filled as set forth in Section 2-2.503, for the unexpired portion of the term. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 37, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.506 Members: Removal from office.

Any appointive member of the Commission may be removed from the Commission by a majority vote of the City Council. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 39, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.507 Members: Resignations.

A member of the Commission may resign from the Commission by filing a written statement with the City Clerk stating that he or she resigns from the Commission. The resignation shall become effective at the time of filing such written statement, and such member shall thereupon cease to be a member of the Commission, and a vacancy shall exist. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 40, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.508 Compensation.

Members of the Commission shall serve without compensation. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 41, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.509 Organization.

The meeting in January of each year shall be the organization meeting. Immediately after appointment and qualification, the Commission shall organize by electing one of its members as chairperson, who shall be charged with the orderly conduct of the Commission meetings, and one as vice-chairperson, to assume such duties in the absence of the chairperson, who both shall serve for one year. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 42, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.510 Meetings.

Regular meetings of the Commission shall be held on the third Tuesday of each calendar month at 5:00 p.m. in the City Hall Council Chambers located at 520 J Street in the City. If any regular meeting day falls on a City holiday, the meeting shall be held on the following regular City business day at 5:00 p.m. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 43, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.511 Quorum.

Three (3) members of the Commission shall constitute a quorum for the transaction of business, but a lesser number may adjourn from time to time. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 44, Ord. 1113, eff. January 1, 2014)

Sec. 2-2.512 Secretary to the Commission.

The Public Works Director, or designee, shall serve as secretary to the Commission. (§ 1, Ord. 1069, eff. April 4, 2008, as amended by § 45, Ord. 1113, eff. January 1, 2014)

Article 6. Los Banos Cultural Heritage Commission*

* Article 6 entitled "Los Banos Cultural Heritage Commission," as added by Ordinance No. 665, as amended by Ordinance No. 1069, effective April 4, 2008, was repealed by Ordinance No. 1113, effective January 1, 2014.

Article 7. Los Banos Commission for Culture and the Arts*

* Article 7 entitled "Los Banos Commission for Culture and the Arts," as added by Ordinance No. 1078, effective September 19, 2008, was repealed by Ordinance No. 1113, effective January 1, 2014.



City of
Los Banos
At the Crossroads of California

Agenda Staff Report

TO: Mayor & City Council Members

FROM: Lucy Mallonee, MMC 
City Clerk/Human Resources Director

DATE: October 19, 2016

SUBJECT: Announcement of City Commission Vacancies

TYPE OF REPORT: Informational Item

Recommendation:

Informational Item only.

Discussion:

The City Clerk must report to the City Council current and upcoming vacancies on City Commissions; those vacancies will be advertised in the Los Banos Enterprise and on the City's website. The deadline to submit an application to serve on a City Commission is Wednesday, November 30, 2016.

Fiscal Impact:

Two (2) newspaper advertisements (October 28th and November 18th) at a total cost of approximately \$290.00 funded by various affected departments.

Reviewed by:



Sonya Williams, Finance Director



Alex Terrazas, City Manager

Attachments:

Notice of Vacancy
Local Appointments List
City Council Resolution No. 5008



City of
Los Banos
At the Crossroads of California

NOTICE OF VACANCIES ON CITY COMMISSIONS

Notice is hereby given that the City of Los Banos is now accepting applications from citizens 18 or older residing within the City limits of Los Banos interested in serving on a City Commission.

Los Banos Parks & Recreation Commission – Four (4) Vacancies

Two (2) Unexpired Two (2) Year Terms – Expiring December 31, 2017

Two (2) Two (2) Year Terms – Expiring December 31, 2018

Los Banos Planning Commission – Four (4) Vacancies

Four (4) Two (2) Year Terms – Expiring December 31, 2018

Los Banos Tree Commission – Two (2) Vacancies

Two (2) Vacancies: Two (2) Two (2) Year Terms – Expiring December 31, 2018

Economic Development Advisory Commission – Three (3) Vacancies

Three (3) Two (2) Year Terms – Expiring December 31, 2018

Airport Advisory Commission – Three (3) Vacancies

Three (3) Two (2) Year Terms – Expiring December 31, 2018

Measure P Committee – Three (3) Vacancies

Three (3) Three (3) Year Terms – Expiring December 31, 2019

The various commissions meet once or twice a month and serve as advisory bodies to the City Council and Administrative Officials on such actions as they deem necessary, proper or advisable for the proper administration of City functions. Commissioners receive no compensation for their time, although they may be requested to attend training workshops or seminars at City expense. If you are interested in volunteering to serve on any of the City Commissions and are a resident and qualified elector of the City of Los Banos, please contact the City Clerk's Office at City Hall, 520 J Street, 827-7000 ext 124 to request an application or access an application on the City's website: www.losbanos.org. The **deadline** to submit an application to the City Clerk is **Wednesday, November 30, 2016 before 5:00 p.m.**, and the appointments are tentatively scheduled for the City Council meeting of Wednesday, January 4, 2017.

Local Appointments List

<u>Parks & Recreation Commission</u>	<u>Appointed</u>	<u>Term Expires</u>	<u># of Terms Held*</u>
1 Vacant, City Appointed		- December 31, 2015	
2 Vacant, City Appointed		- December 31, 2015	
3 Vacant, City Appointed		- December 31, 2016	
4 Vacant, City Appointed		- December 31, 2016	
5 Vacant, LBUSD Recommended		- December 31, 2016	

<u>Planning Commission</u>	<u>Term</u>	<u>Term Expires</u>	
1 Refugio Llamas	January 1, 2016	- December 31, 2017	First (1/1/16 - 12/31/17)
2 Erik Limon	January 1, 2016	- December 31, 2017	First (1/1/16 - 12/31/17)
3 John Cates	January 1, 2016	- December 31, 2017	Second (1/1/16 - 12/31/17)
4 Arkady Faktorovich	January 7, 2015	- December 31, 2016	Second (1/1/13-12/31/14)
5 Palmer McCoy	January 7, 2015	- December 31, 2016	First (1/7/15-12/31/16)
6 Tom Spada	January 7, 2015	- December 31, 2016	Second (1/7/15-12/31/16)
7 Susan Toscano	January 7, 2015	- December 31, 2016	Second (1/1/13-12/31/14),

<u>Tree Commission</u>	<u>Term</u>	<u>Term Expires</u>	
1 Brenda Latham	September 7, 2016	- December 31, 2017	Unexpired
2 John Spevak	January 1, 2016	- December 31, 2017	Second (1/1/16-12/31/17)
3 Colleen Menefee	January 1, 2016	- December 31, 2017	Second (1/1/16-12/31/17)
4 Mary Coakley	January 7, 2015	- December 31, 2016	Second (1/1/16-12/31/17)
5 Tom Kaljian	January 7, 2015	- December 31, 2016	Second (1/7/15-12/31/16) Second (1/7/15-12/31/16)

<u>EDAC</u>	<u>Term</u>	<u>Term Expires</u>	
1 David Dees	January 7, 2015	- December 31, 2016	First (1/7/15-12/31/16)
2 Kathy Ballard	January 7, 2015	- December 31, 2016	Second (1/1/11-12/31/12),
3 Ann McCauley	January 7, 2015	- December 31, 2016	First (1/7/15-12/31/16)
4 Brett Jones	February 17, 2016	- December 31, 2017	Unexpired
5 Tom Faria, Council Member	January 7, 2015	- December 31, 2016	Third
6 Deborah Lewis, Council Member	January 7, 2015	- December 31, 2016	Third

<u>Airport Advisory Commission</u>	<u>Term</u>	<u>Term Expires</u>	
1 Jim Renshaw	January 1, 2016	- December 31, 2017	First (1/1/16-12/31/17)
2 Dennis Reed	January 1, 2016	- December 31, 2017	First (1/1/16-12/31/17)
3 Dave Anderson	January 7, 2015	- December 31, 2016	Second (1/1/13-12/31/14),
4 Alan Wilber	January 7, 2015	- December 31, 2016	Second (2/2/11-12/31/12),
5 Annette Stichel	February 17, 2016	- December 31, 2016	Unexpired

<u>Measure P Committee</u>	<u>Term</u>	<u>Term Expires</u>	
1 Mark Bodley	January 1, 2013	- December 31, 2015	First
2 Hoang (Ichabod) Nguyen	January 1, 2013	- December 31, 2015	First
3 Arlene Cardoza	February 5, 2014	- December 31, 2016	First
4 Gerald Giesel	February 5, 2014	- December 31, 2016	Second (2/5/14 - 12/31/16)
5 Tom Neeb	February 5, 2014	- December 31, 2016	Second (2/5/14 - 12/31/16)
6 Diana Ingram	January 7, 2015	- December 31, 2017	Second (1/7/15-12/31/17)
7 Rhonda Rusk	January 7, 2015	- December 31, 2017	Second (1/7/15-12/31/17)



City of
Los Banos
At the Crossroads of California

COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT

Date: October 14, 2016

Regarding: Notice of Public Hearing

Proposal: Conditional Use Permit #2016-18 – Commercial Storage Container

NOTICE IS HEREBY GIVEN THAT a Public Hearing will be held by the Los Banos Planning Commission to consider a CEQA Categorical Exemption and Conditional Use Permit to allow the use of a commercial storage container. The requested Conditional Use Permit is for Zoomys/ 7Eleven Inc. located at 140 W. Pacheco Boulevard, more specifically described as Assessor's Parcel Number: 027-154-019.

A PUBLIC HEARING on this matter will be held at the next scheduled meeting of the Los Banos Planning Commission on Wednesday, October 26, 2016 at 7:00 p.m. in the Council Chambers of Los Banos City Hall located at 520 "J" Street. Questions regarding the above-referenced item may be directed to Stacy Souza Elms, Senior Planner at City Hall or at (209) 827-7000, Ext. 133.

All persons are invited to be present at the public hearing. Written and oral testimony is invited. Notice is hereby further given that if you challenge the above described Project 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 Planning Commission at, or prior to, the public hearing.

Additional information may be obtained from Community & Economic Development Department at 520 J Street, Los Banos, California. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Office of the City Clerk at (209) 827-7000. Notification at least 72 hours prior to the public hearing will enable the City to make reasonable arrangements to allow participation at this hearing

THE CITY OF LOS BANOS

Stacy Souza Elms
Senior Planner



City of
Los Banos
At the Crossroads of California

COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT

Date: October 14, 2016

Regarding: Notice of Public Hearing

Proposal: Site Plan Review #2016-10 – LRG Investors, LLC

NOTICE IS HEREBY GIVEN THAT a Public Hearing will be held by the Los Banos Planning Commission to consider Site Plan Review #2016-10 for the construction of a new 5,690 square foot multi-tenant restaurant building for LRG Investors, LLC. The Planning Commission will also consider a Mitigated Negative Declaration for the project site located within the Highway Commercial zoning district in the Stonecreek Plaza at 1335 W. Pacheco Blvd.; more specifically identified as Assessor's Parcel Number: 025-430-010-043.

A PUBLIC HEARING on this matter will be held at the next scheduled meeting of the Planning Commission on Wednesday, October 26, 2016 at 7:00 p.m. in the Council Chambers of Los Banos City Hall located at 520 "J" Street. Questions regarding the above-referenced item may be directed to Stacy Souza Elms, Senior Planner at City Hall or at (209) 827-7000, Ext. 133.

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THE CITY OF LOS BANOS

Stacy Souza Elms
Senior Planner