Woodland City Council City Hall – Council Chambers 300 First Street Woodland, CA 95695

MINUTES

JOINT CITY COUNCIL/REDEVELOPMENT AGENCY BOARD/ WOODLAND FINANCE AUTHORITY REGULAR MEETING

JULY 5, 2005

7:00 P.M.

CALL TO ORDER

Mayor Rexroad called the joint regular meeting of the City Council, Redevelopment Agency Board and Woodland Finance Authority to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE

Mayor Rexroad invited those present to join in the Pledge of Allegiance led by Council Member Peart.

ROLL CALL

COUNCIL MEMBERS PRESENT: David Flory (arrived at 7:55), Jeff Monroe, Neal

Peart, Art Pimentel (arrived at 7:02), Matt Rexroad

COUNCIL MEMBER ABSENT: None

STAFF MEMBERS PRESENT: Rick Kirkwood, Phil Marler, Karl Diekman, Steven

Ingram, Sue Vannucci, Paul Miller, Carey Sullivan, Dan Gentry, Tricia Stevens, David Loth, Jon Cristy, Joan Drayton, Gary Wegener, Wendy

Ross, Liz Houck



PUBLIC COMMENT

Gerald Berg announced a meeting to be held tomorrow in the Leake Room regarding the Green Waste Program. The meeting will begin at 7:00 p.m. Christine Engel, City Environmental Resources Analyst and representatives from Waste Management will be present.

PRESENTATIONS

FOURTH OF JULY CELEBRATION

Parks, Recreation, and Community Services Director Gentry presented a report on the events held for the Fourth of July. He also presented Certificates of Appreciation to the primary sponsors of the event for their support.

CERTIFICATE OF APPRECIATION-KARI LOTH

Council recognized and commended Kari Loth, Engineering Technician III for the City for her eighteen years of service to the City. Council Member Monroe presented Ms. Loth with a Certificate of Appreciation.

PUBLIC HEARING-COUNCIL

RESOLUTION 4660-ENGINEER'S ANNUAL REPORT, INTENTION TO LEVY AND COLLECT ANNUAL ASSESSMENTS; RESOLUTION 4661-ORDERING LEVY AND COLLECTION-SPRING LAKE LIGHTING AND LANDSCAPING DISTRICT

Finance Director Drayton advised Council that the preliminary report for the Spring Lake Lighting and Landscaping District had been approved in June. The assessments were identified with the initial minimums well below the potential maximums for the District at this time.

At 7:21 Mayor Rexroad opened the Public Hearing. With no comments heard, Mayor Rexroad closed the Public Hearing at 7:21.

On a motion by Council Member Peart, seconded by Council Member Monroe and carried by the Members present, Council adopted Resolution 4660, a "Resolution of the City Council of the City of Woodland, California, Amending and/or Approving the Fiscal Year 2005-2006 Engineer's Report Regarding the Spring Lake Landscaping and Lighting District", and Resolution 4661, a "Resolution of the City Council of the City of Woodland, California Ordering the



Levy and Collection of Annual Assessments Regarding the Spring Lake Landscaping and Lighting District for Fiscal Year 2005-2006".

PUBLIC HEARING - WOODLAND FINANCE AUTHORITY

CITY RESOLUTION 4662/FINANCE AUTHORITY RESOLUTION 05-01-ISSUANCE AND SALE OF 2005 LEASE REVENUE BONDS; FORM APPROVAL; EXECUTION OF DOCUMENTS

Finance Director Drayton advised Council of a correction to the Staff Report in that the bonds would finance Fire Station #5 in the Spring Lake Specific Plan Area, not Station #4 as indicated. There are some concerns about the cash flow.

Ken Dieker of Del Rio Financial Advisors said that Moody's Investor's Service has downgraded the City from A3 to BAA1. An A3 could be held if the City would take development fees as they are received and pledge at 125% of the annual debt service. Money needs to be held in a reserve fund for that debt service should development cease or reduce dramatically. The 25% would roll over and be unavailable for projects but must be held in reserve for cash flow. The amount would equate to approximately \$450,000 per year which would be unavailable for projects until a later date. Director Drayton said it may be very tight for Fire projects. Mayor Rexroad asked why these bonds would be different. Mr. Dieker said they look at the sources of repayment. Development fees are seen as very variable. It increases the potential debt load without security. Director Drayton said we restrict the fees but they are asking that 25% more be taken (\$100,000 on the Fire side) that would also be restricted (\$350,000 for Parks) for debt service. The long range would be a five year period. The City will be able to accumulate and call bonds which does save us some interest expense in the long run. Mayor Rexroad asked if this would affect our Community/Senior Center. Assistant Finance Director Grose said the numbers are very conservative based on 350 per year single family dwelling units and should not have any impact on the Parks. Director Drayton said as the City is very conservative there should be no problem. Director Gentry said the figures were based on 350 dwelling units per year and we have 250 per year in the City at present without the Spring Lake Specific Plan area. The bond proceeds will fund Phase I of the C/SC project. Council Member Monroe wants to avoid deferral of any of the components of the project. Director Drayton reiterated that ultra-conservative numbers had been used in the projections for class flow. The developers in the Spring Lake Specific Plan cannot take credits against their SLIF fees and were paid in cash when permits were pulled. Mr.



Dieker said the City needs to maintain the A3 rating and the premium is based on that rating. Dropping to an BAA1 would affect the interest on the debt with 25 to 30 percent increased cost to the City.

Council Member Pimentel asked if Phase II would be delayed. Director Drayton said it should not delay the phasing.

At 7:34 Mayor Rexroad opened the Public Hearing. With no comments heard, Mayor Rexroad closed the Public Hearing at 7:34.

On a motion by Council Member Peart, seconded by Council Member Monroe and carried by the Members present, Council approved Resolution 4662, a "Resolution of the City Council of the City of Woodland Approving the Issuance by the Woodland Finance Authority of Not-to-Exceed \$25,000,000 Aggregate Principal Amount of Woodland Finance Authority Lease Revenue bonds (2005 Capital Projects); Approving the Forms and Authorizing Execution and Delivery of a Facilities Lease, Site Lease, and a Continuing Disclosure Certificate in Connection with Certain Municipal Improvements; and Authorizing Related Actions and Matters".

On a motion by Board Member Peart, seconded by Board Member Pimentel and carried by the Members present, the Board approved Authority Resolution 05-01, a "Resolution Approving Forms and Authorizing Execution and Delivery of a Site Lease, a Facilities Lease, a Trust Agreement, and a Bond Purchase Contract; Authorizing the Issuance of Bonds, Approving the Form of the Official Statement and the Distribution Thereof, and Approving Other Actions Related to the Woodland Finance Authority Lease Revenue Bonds (2005 Capital Projects)".

PUBLIC HEARING - REDEVELOPMENT AGENCY

ORDINANCE-AMENDMENT #4 TO THE REDEVELOPMENT PLAN TO EXTEND THE TIMELINE

Community Development Director Stevens said Senate Bill 1096 added language to the Health and Safety Code requiring the Redevelopment Agency to make payments to the Yolo County Educational Revenue Augmentation Fund during 2004-05 and 2005-06. The language included allowance for the Agencies to extend the time limit on the duration and effectiveness of the local Plan, time limit for receipt of tax increment and repayment of indebtedness by one year for each year such a payment is made. The Council/Agency must make findings regarding compliance, implementation, housing and inclusionary housing



obligations, are not subject to sanctions for failure to disburse an excess surplus as defined in the Code and that these funds would have been used to pay costs of projects and activities necessary to carry out the goals and objectives of the Plan. Such findings have been verified.

Mayor/Chairperson Rexroad opened the Public Hearing at 7:37. With no comments heard, Mayor/Chairperson closed the Public Hearing at 7:37.

On a motion by Council/Board Member Pimentel, seconded by Council/Board Member Monroe and carried by the Members present, the Council/Board conducted the first reading of an Ordinance approving and adopting the proposed Amendment #4 to the Redevelopment Plan for the City of Woodland Redevelopment Project which is an Ordinance to extend the timeline on the effectiveness of the Redevelopment Plan and the repayment of indebtedness and receipt of tax increment funds.

CONSENT CALENDAR - REGULAR

On a motion by Council Member Pimentel, seconded by Council Member Monroe and carried by the Members present, Council approved the following Consent Calendar items as presented:

MONTHLY STATUS REPORT - COMMUNITY DEVELOPMENT

Council received the Monthly Status Report from Community Development for the Month of June 2005.

MONTHLY STATUS REPORT - PARKS, RECREATION & COMMUNITY SERVICES

Council received the Monthly Status Report from Parks, Recreation and Community Services for the Month of June 2005.

MONTHLY STATUS & CAPITAL BUDGET EXECUTION REPORT - PUBLIC WORKS

Council received the Monthly Status and Capital Budget Execution Report from Public Works for the Month of June 2005.



CONTRACT-WILLIAM AVERY AND ASSOCIATES

Council authorized the City Manager to execute a Contract renewing the Agreement between the City of Woodland and William Avery and Associates for negotiations and consultant services in employer-employee relations, effective beginning July 1, 2005 and continuing for thirty-six months.

POSITION DESCRIPTIONS-HUMAN RESOURCES MANAGER, HUMAN RESOURCES TECHNICIAN, HUMAN RESOURCES CLERK, HUMAN RESOURCES ANALYST I/II

Council approved the revisions in the job descriptions for Human Resources Manager, Human Resources Technician and Human Resources Clerk; approved the new job description for Human Resources Analyst I/II.

USE AGREEMENT-WOODLAND SWIM TEAM

Council authorized the Parks, Recreation and Community Services Director to execute a Use Agreement with the Woodland Swim Team for use of the Charles Brooks Community Swim Center and the Grace Hiddleson Municipal Pool for the period commencing July 1, 2005 and continuing through June 30, 2010.

FINAL MAP AND SUBDIVISION IMPROVEMENT AGREEMENT-SUBDIVISION 4765, LIBERTY VILLAGE

Council approved the Final Map and Subdivision Improvement Agreement for Subdivision 4765, Liberty Village, in the Spring Lake Specific Plan area.

FINAL MAP AND SUBDIVISION IMPROVEMENT AGREEMENT-SUBDIVISION 4736, RUSSELL 2 CIRCLE/HERITAGE UNIT #2

Council approved the Final Map and Subdivision Improvement Agreement for Subdivision 4736, Russell 2 Circle/Heritage Unit 2, in the Spring Lake Specific Plan area.

WOODSIDE PARK PLAY EQUIPMENT PHASE I & II PROJECTS AS COMPLETE; NOTICES OF COMPLETION FOR POLLY CONSTRUCTION AND PHASES I & II

Council accepted as complete Woodside Park Play Equipment Phases I and II Project 02-49 as complete; directed the City Clerk to file Notices of



Completion for the Polly Construction Contract, Phase II and the Woodside Park Play Equipment Phases I and II.

MAJOR PROJECTS FINANCING PLAN 2005 UPDATE PROJECT 03-21

Council approved the revised Project Programming Summary Sheet for Project 03-21, Major Projects Financing Plan Update 2005 authorizing an additional \$20,000 for the project.

<u>LEASE AGREEMENT-MOBILE MODULAR MANAGEMENT CORPORATION-PORTABLE RESTROOM AT THE FIRE DEPARTMENT TRAINING CENTER</u>

Council authorized the Fire Chief to enter into a Lease Agreement with Mobile Modular Management Corporation for a portable restroom building to be placed adjacent to the portable (modular) classroom buildings at the Fire Training Center.

SET PUBLIC HEARING-WASTE MANAGEMENT LIENS

Council set a Public Hearing for July 19, 2005 to hear and approve the list of Delinquent Refuse Accounts and direct the Tax Collector of Yolo County to assess liens against real property and collect delinquent accounts.

CONSENT CALENDAR-REDEVELOPMENT

COUNCIL RESOLUTION 4663/AGENCY RESOLUTION 05-03-EAST AND MAIN STREET ENHANCEMENT IMPROVEMENT PROJECT

On a motion by Board Member Peart, seconded by Board Member Monroe and carried by the Members present, the Board ratified prior approvals and adopted Council Resolution 4663, a "Resolution of the City Council of the City of Woodland Ratifying Prior Approvals and Making Findings and Authorizing the Use of Redevelopment Agency Funds for the East and Main Architectural Enhancement Project", and Agency Resolution 05-03, a "Resolution of the Redevelopment Agency of the City of Woodland Ratifying Prior Approvals and Making Findings and Authorizing the Use of Agency Funds for the East and Main Architectural Enhancement Project".



REPORTS OF THE CITY MANAGER

At 7:39, Mayor Rexroad left the Council Chambers due to possible conflict of interest on the following item. Council Member Pimentel chaired the meeting.

SACRAMENTO MUNICIPAL UTILITY DISTRICT (SMUD) SURCHARGE IMPLEMENTATION PRINCIPLES

At 7:39, Council Member Monroe left the Chambers. Council Member Monroe returned to the Chambers at 7:40.

Assistant City Manager Marler said the annexation of the Cities of Davis, West Sacramento and Woodland and the County of Yolo require input from these agencies as to the associated costs of that annexation and surcharges to pay those costs. One of the acquisition cost objectives is that no existing SMUD customers should pay for the annexation. Those agencies to be annexed should pay via the associated rates or surcharges which would cover annexation costs, increased power costs and exit fees. The service to Yolo is less than the current average cost of service by SMUD. The equity contribution of Yolo County will be equal to that of existing SMUD customers. If the annexation is approved, all Yolo customers will see an immediate cost reduction in electric bills. principles to establish the surcharge are that SMUD will cover the first \$90 million of acquisition costs through normal rates. Acquisition costs above the \$90 million will be included in the surcharge which represents the Yolo equity contribution. If natural gas costs exceed staff assumption greater than \$1 per MMBtu, it will be added to the surcharge. The surcharge will remain in place until the annexation costs are recovered which would be between five and ten years. It will be reduced depending upon revenues collected in excess of the SMUD tariffs, non-bypassable charges, and the cost to provide service to Yolo County. During the surcharge period, customers will see an immediate reduction in their electric utility bills, at least 2% initially. After the surcharge period, rates will further decrease but will include repayment of non-bypassable charges and other costs tied to Yolo customers. The basic principles of the surcharge are: the first \$90 million acquisition costs are in the rates; the remaining acquisition costs are via the surcharge; SMUD customers will see an immediate reduction in rates with approximately 2% for five years to between 8% and 10% within three years to achieve normal SMUD rates which are now at 19% less than Pacific Gas and Electric.

Council Member Pimentel asked about the cost of the 2% between the 5 and 10 year period. Assistant City Manager Marler said it is dependent upon the a variety of issues, one of which is the cost of the acquisition. P. G. & E. has said the cost of acquisition is at \$500 billion while the consultants state the cost



is at \$120 million range. Those issues must be resolved. The cost of energy is also a factor. SMUD has said they will be off P. G. & E. rates by at least 2%. The SMUD Board will set the rates which will not be based on P. G. & E. declarations that SMUD rates will be going up to 17% above their own.

Ken Cooper of Pacific Gas and Electric said the R. W. Beck report indicates an 8% to 10% decrease in rates. The 2% initial decrease does not cover the franchise fees and property tax. The cost of the system is determined in court and will affect the rates. There are other options to consider as a method of saving money. As it is unclear what the actual costs will be, Council should reconsider the annexation.

On a motion by Council Member Peart, seconded by Council Member Monroe and carried by the Members present, Council authorized the Vice Mayor to sign a letter to the SMUD Board commenting on their proposed surcharge implementation principles, as outlined in the proposed letter attached to the Staff Report.

At 7:49 Mayor Rexroad returned to the Council Chambers.

COMMUNITY/SENIOR CENTER, SPORTS COMPLEX COMMUNITY PARK-PHASE I PROJECT 00-15

Director Gentry indicated funds have become available through the bonding process to add the soccer fields to Phase I of the project Contract with Broward Brothers. He announced the Groundbreaking will be held at 5:00 p.m. on July 19, 2005.

On a motion by Council Member Monroe, seconded by Council Member Pimentel and carried by the Members present, Council approved the amended Project Programming Summary Sheet for the Community/Senior Center, Sports Complex Community Park, Phase I, Project 00-15; authorized adding the soccer field to the Broward Brothers Contract through Change Order in an amount of \$1,044,000; increased expenditure authorization for construction to \$18,174,240.

MINUTES

Council adopted the following minutes via concurrence by the Members present:



JOINT REGULAR COUNCIL AND REDEVELOPMENT AGENCY BOARD MEETING-APRIL 5, 2005; JOINT SPECIAL STUDY SESSION OF THE COUNCIL AND PLANNING COMMISSION-APRIL 7, 2005

COMMUNICATIONS-WRITTEN

Council received an application for a person-to-person transfer of an Alcoholic Beverage Control License for Big Mac Daddy's Pub, located at 102 Main Street.

Council received an application for a new on-sale beer and wine license from Alcoholic Beverage Control for Osaka Express Teriyaki, located at 608 Main Street.

Council received a letter from the Sierra-Sacramento Valley Emergency Medical Services Agency recognizing the Yolo County Communications Emergency Services Agency for outstanding service.

COMMUNICATIONS-COMMITTEE REPORTS

Council received the minutes of the Traffic Safety Commission meeting of May 2, 2005.

Council received the minutes of the Parks, Recreation, Community Services and Urban Forestry Commission meeting of May 23, 2005.

Council received the minutes of the Commission on Aging meeting of May 24, 2005.

Council received a summary of the following actions taken by the Planning Commission at their meeting of June 16, 2005:

- a. approved Conditional Use Permit Modification to allow periodic sales of motor vehicles in the County Fair Mall parking lot
- b. approved request for Tentative Parcel Map 4792 to divide an existing 4.05 acre parcel into four parcels at 1810 East Main Street
- approved Conditional Use Permit for Agriform to construct and operate a liquid fertilizer transfer and tank storage facility at the Southeast corner of Highway 113 and County Road 18C



- d. approved the Acacia Glen Apartments appeal of window trim painting for a 41 unit senior citizen apartment complex at the South side of Acacia Way between Gary Way and Cottonwood Street
- e. sent Woodland Apartment Design Review for a 125 multi-family apartment project within the Spring Lake Planning Area back to developers for change in placement of Community Center and redesign of the apartments located at Southwest corner of future Farmer's Central Road and Pioneer Avenue

REPORT OF THE CITY MANAGER (continued)

COMMISSIONER-PARKS, RECREATION, COMMUNITY SERVICES AND URBAN FORESTRY COMMISSION

On a motion by Council Member Pimentel, seconded by Council Member Monroe and carried by the Members present, Council appointed Steven Kachocki to the Parks, Recreation, Community Services and Urban Forestry Commission, effective July 5, 2005.

COUNCIL SCHEDULE FOR JULY AND AUGUST 2005

On a motion by Council Member Pimentel, seconded by Council Member Peart and carried by the Members present, Council set the regular meeting schedule for July as July 5, 19, and 26, 2005 with no meetings to be held during August.

COUNCIL MEMBER COMMITTEE ASSIGNMENTS

Mayor Rexroad feels he may have conflict by continuing to serve as the primary member on the Sacramento Area Council of Governments. Council Member Pimentel agreed to accept the primary appointment to SACOG with Mayor Rexroad taking Council Member Pimentel's position on the Spring Lake Sub-Committee.

On a motion by Council Member Monroe, seconded by Council Member Peart and carried by the Members present, Council so ratified the changes in Committee assignments.



At 7:55 Vice Mayor Flory arrived at the Council meeting.

ORDINANCE-PROHIBIT SMOKING WITHIN TWENTY FEET OF ENTRANCES TO BUILDINGS

On a motion by Council Member Pimentel, seconded by Council Member Monroe and carried, Council re-introduced an Ordinance adding Chapter 15, Article 40, relating to the regulation and prohibition of smoking in certain public places. Council Members Rexroad and Peart voted to the negative.

GATEWAY PROJECT, DEVELOPMENT AGREEMENT, AMENDED APPLICATION, FEE, PUBLIC IMPROVEMENTS, FISCAL IMPACTS

City Manager Kirkwood said this item returns to Council at the request of the Developer, Paul Petrovich and the Council with an amended Development COSTCO has placed some timelines on their consideration of locating on the project site at County Road 102 and Interstate 5. Mr. Petrovich has indicated COSTCO and Hoblitt-Haynes cannot be accommodated on the site simultaneously as there is inadequate space. He also indicates the current development fees via the Major Projects Financing Plan will not allow the feasibility of the project. He would like the City to rezone the project to retail and grant relief from the new MPFP fees. Without those changes he has indicated he cannot move forward on the project for at least two years when the other five acres held for auto or auto-related would be free to develop as nonauto retail. Tim Youmans from Economic and Planning Systems has indicated the project would be feasible only with general retail. Before the Council is the consideration of whether the project should be amended to increase commercial designation to accommodate COSTCO and elimination of the two year restriction on the five acres which would eliminate auto acreage entirely. Mr. Petrovich is also asking that the Participation Agreement for the \$1 million to the downtown be altered to include the area from Sixth Street to East to Court and Main and that he receive credits for investment in that area. He agrees to commit the \$1 million in the Downtown Redevelopment area, to occur as follows: to advance the redevelopment and improvement of property defined within Districts A1 through A4 prior to occupancy of the first major tenant; if made within the A3 district to develop a multi-screen cinema and retail plaza, then the expenditure shall be made within the first eighteen months of the A3 property vacation but not less than seventy-eight months of the occupancy of the first major tenant in the Gateway project; the objective of the expenditure to be viable redevelopment project that advances the economic interests of the community



and eliminates blight in the area. Such agreement is to be executed not later than July 26, 2005 as per Addendum 2 to Exhibit C.

Mayor Rexroad said Council, not Mr. Petrovich, has asked that COSTCO locate here and Council needs to provide input into the requests. Vice Mayor Flory said the \$1 million for the Downtown was to be cash for Redevelopment projects. City Manager Kirkwood said the Council had asked for the contribution. The focus was on the backfill of the Hoblitt-Haynes piece. If we can achieve the project for the parking, the cinema and a retail component, it will be of great benefit to the City. Mr. Petrovich wants to leverage, thus the request for the A1 through A4 zones.

Tim Youmans of EPS said he was asked to address the feasibility and the impact of the City's new development impact fees. He looked at three major components of the retail sector. The findings were that major retail usage and sub-major would not be feasible. In-line retail would be feasible at rents of \$2.50 per square foot. At \$12 on the fees, the major and sub-major would still not be feasible. The project could be carried by the in-line tenants. The overall rent structure in Woodland is lower but other areas which were compared, have a much larger population base and better access via many freeways intersecting. Majors would not be feasible at the newly adopted fees.

Council Member Monroe asked if it was fifty-five acres of auto would it be a feasible project and Mr. Youmans said they did not look at that factor. The fees being paid on the square footage would be considerably less.

Council Member Pimentel asked about the 100,000 square foot project and Mr. Youmans said it would depend upon the type of project and nature of business.

City Manager Kirkwood said based upon this project possibility, it may not be feasible with the fees. The projects may not be built at those fee levels and the City would have to support those fees from the project area. It would take five to seven years for us to make up the difference on those projects.

Vice Mayor Flory said there should be a net gain to the City. The \$12 fees will be used in those projects currently on line and there would be no gain. City Manager Kirkwood said the question would be how much and how long. Vice Mayor Flory said Council could make a decision not to use all that money for particular projects as it would be coming in to the General Fund. Council Member Monroe said the original fees would net the City \$5.6 million but the new fees would make the project infeasible.



Paul Petrovich, Developer, said COSTCO is very committed to coming to the City. They need to act immediately due to the competition. The City Manager's report is very accurate. There is a great deal of money the needs to be spent to make the COSTCO project go forward. The auto component is not feasible. The costs are significant. COSTCO does not open in small communities but will draw from the North and from the Sacramento area. The Development Agreement reads that the developer will expend for the Downtown, not contribute to a fund.

Council Member Monroe left the meeting at 8:28 and returned at 8:28.

Mr. Petrovich said he wants to do something for the Downtown. He has purchased two parcels and will be purchasing additional pieces. Two projects will be seen in the Downtown and it will not be a theater, which will come at a later time. He owns the Hoblitt-Haynes property and does not want to force them out. The court system needs consideration. He will walk away from the project if COSTCO does not come build here. COSTCO and Target are the two top draws in the Country. He is subsidizing Target at \$3 million. He needs to make up that cost.

Council Member Monroe is concerned about Hoblitt-Haynes and does not want them to get forced out. Mayor Rexroad said that is why the language is included.

Council Member Peart left the meeting at 8:30.

Mr. Petrovich said that if the project is approved, a five year lease would be given to Hoblitt-Haynes. They are now on a month-to-month lease.

Council Member Peart returned to the Chambers at 8:36 and Council Member Pimentel left the Chambers.

Mr. Petrovich said he will be planning a site drawing and traffic study although he believes the traffic will not increase. There were six fast food restaurants originally planned for the site. The proposal is now for one fast food and one gas station which will generate less traffic. There is no video sign. There will be sit down restaurants and possibly an Old Navy.

Vice Mayor Flory asked how many square feet. Mr. Petrovich said it was 335,000 for retail and 100,000 for auto. It is now 90,000 square feet more. There will be an amended EIR and the County charges will be addressed. His requests are for: \$12 per square foot on fees; amendment to the Development Agreement; advice as to whether the Council wants COSTCO; acceptance of the



proposed site plan or something close without making further changes so there are no surprises.

Council Member Pimentel said is COSTCO does not come, then the \$23.19 will go toward some other project. Mr. Petrovich said at that rate there will be no project. He will not do it for more than \$12.

Vice Mayor Flory asked where the \$23 came from and now people say they cannot afford to build. Mr. Youmans said they try to look at the numbers but some segments of the fees would not be implemented in the year adopted. Council may need to make concessions to help the commercial portion be more feasible. They had to move quickly because of some things that Council wanted to proceed with. The fees were too aggressive and should be based on how much development will actually occur.

Vice Mayor Flory asked if we will be looking at each project independently and City Manager Kirkwood said Council would have that discretion.

Mayor Rexroad left the meeting at 8:53 and returned at 8:54.

Mr. Youmans said the relationship is the land flow and the fees. Some projects were caught in the middle of the fee increase because they had already bought the land. Council Member Pimentel asked what the fees are used for. Director Wegener said infrastructure that supports the development, i.e. water, sewer, storm drain, Police, Fire. Council Member Pimentel asked if the \$12 will cover these fees and City Manager Kirkwood said it is anticipated the project will generate retail sales and associated sales tax should backfill. Vice Mayor Flory said the \$12 is based on all of the fees necessary for the project. Director Wegener said the amount of development these costs could be spread but adequate development has not been occurring. It had been based on full build out in 2020. Vice Mayor Flory said these fees are based on those services that will make that project work.

Mayor Rexroad would like to look at these fees right away. Mr. Youmans said the project is conditioned to construct the necessary infrastructure. Some of the facilities are part of the fee project and Mr. Petrovich will receive offsetting fee credits. The City will not have available contributions from the payment of fees and building permits to go to other City-wide projects.

Martie Dote does not agree with the project changes. The analysis was done to move the auto dealers out of the Downtown. Hoblitt-Haynes had said they needed to move out as soon as possible, which has now changed to 78 months. The dealers need to get out of the Downtown in order for the City to



revitalize. The money going to the Downtown is not specific. She feels Mr. Petrovich is not being upfront with the City.

Kristina Carter said there are many developers who wish to come to the City. She does not want the City to become an Elk Grove.

Don Sharp said he was on the Planning Commission when the Auto Mall was originally approved. The dealers did not have adequate space to locate their vehicles.

Council Member Monroe left the Chambers at 9:08.

Mr. Sharp said the Realtors support the project because the citizens are asking for this type of retail.

Council Member Monroe returned to the Chambers at 9:09.

Rick Haynes said his franchise had been extended for five years. He would like to be on the fifty-five acres but it is not feasible for the project. The survey indicated overwhelming support for the location of a COSTCO in the City. Adequate dealers do not want to move to the site. COSTCO will draw people that may offer opportunities in the future.

Council Member Pimentel asked about the anticipated \$2.5 million in sales tax. City Manager Kirkwood said the numbers were provided by Mr. Petrovich and have not been validated. The \$1.2 million we had estimated is based on the old project. Council Member Pimentel would like the figures validated. Director Stevens said EPS would address those numbers on the updated EIR.

Council Member Monroe said there were to be 802 new jobs and asked if that was based on the old project. Mr. Petrovich has said COSTCO indicated they would employ more than 200 people and he feels that is a low figure. The construction of the project would also generate income for the City.

Mayor Rexroad said COSTCO generates \$200 million annually and is a good fit for the City. COSTCO wants: this site, a quick timeline and they must be on the freeway frontage. This is not the same project and the County suit may go away. If the City does not go forward with this project, there will be no auto mall either. He does not feel Target will leave the City. COSTCO is the best retailer that we could get for the City. Council Member Peart said he has spoken with the auto dealers directly and they do not feel there will ever be an auto mall. COSTCO is good for the City and will eliminate driving to other communities to shop.



Vice Mayor Flory said COSTCO does want to come and has been very upfront with their requests.

Council Member Peart left the meeting at 9:22.

Vice Mayor Flory said there are only two dealers showing interest in moving. The developer has done what has been asked of him. The contribution to the Redevelopment Agency should have a timeline and be based on new dollars. There should be some type of penalty for not meeting those timelines and conditions. Mr. Petrovich has made a substantial contribution in securing property in the Downtown area which will elevate the return to the Agency.

Council Member Peart returned to the meeting at 9:23.

Council Member Pimentel has supported the project from the beginning for the impacts to the community and the jobs. The City should not be short-changed on the project and should be paid for those costs the project generates. Council Member Monroe said there are concerns about the small town atmosphere. Target can be maintained and the community wants COSTCO.

Council concurred on the following:

- 1. Amend the Development Agreement and eliminate the two year restriction on auto related attached to the five acres.
- 2. Set the fees at \$12.00 per building square foot.
- 3. The \$1 million language needs to be clarified as to whether it could go for property purchase or for infrastructure.

Council recessed from 9:30 to 9:38.

Mr. Petrovich said he must have resolution to the \$1 million this evening or the project will not go forward. If he does not build the project within the timelines, he will deed the property at Third and Main as is. If the parking lot is not constructed, he cannot build a theater complex. Mayor Rexroad offered that the investment should then be in the \$3 million range because of the possible toxic cleanup on that property. Vice Mayor Flory said there had been discussions on the \$1 million to be utilized were needed within the Redevelopment area. City Manager Kirkwood said all of these items are subject to Council approval. The issue has now changed and the 78 months proposed is subject to Council



approval. There are default provisions that need to be included in the language. The City needs to leverage the \$1 million to create a viable project in the Downtown. The cinema, retail plaza project on the A3 zone was the primary objective. As things have changed, the 78 months is rational, but needs to be within the entire district and needs to be subject to Council approval. Development Agreement should be structured to encompass those wishes of the City. Vice Mayor Flory said if changes take place during that 78 months, what could the City be facing at that time. City Manager Kirkwood said the original Development Agreement had default provisions and the new Agreement should include that same language for default. Vice Mayor Flory said as we do not have agreement on this we may not move forward. Mr. Petrovich said he and the City Manager had discussed the proposed language and agreed to scope. Hoblitt-Haynes is relocating and if there was \$3 million spent in the Downtown it could be for other than a theater complex. It could be anywhere in the zones identified. This amount could be land, buildings, soft costs, etc. Mayor Rexroad said it should be some improvement to the land, not purchase of land that could be left vacant. Mr. Petrovich said when he made the commitment to the \$1 million the fees were at \$12, not \$23. The increase in fees increases the component by \$600,000. He asked that anything in the A1 through A4 be at the old fees. He wants to patchwork the infrastructure to make it work rather than replace. Council Members Peart and Monroe would like to take the recommendation of the City Manager on this issue. Council Member Pimentel wants to spend the \$1 million on infrastructure initially. He thought the City would be making those decisions. Vice Mayor Flory wants to raise the bar. The Redevelopment Agency needs the funding as impetus to the area. benefit those who want to improve the area.

Council Member Pimentel asked if the \$3 million commitment would be acceptable not including the land. It could include buildings, soft costs, some fees, repair of infrastructure, anything but land. Mr. Petrovich does not want to spend money fixing infrastructure when the new fees would take care of that in time. He receives no income from the rebuilding of the infrastructure. All the frontage he will be doing would require the infrastructure rebuild, rather than fixing where he is making the connection. It adds \$400,000 to the project. He said he cannot spend it on non-income producing aspects of the project. It needs to have a relationship to his project in order to be feasible.

Director Stevens said the Main Street development infrastructure costs are not yet clear. The infrastructure does need to be addressed at some point. Director Wegener said the development fees are not related to existing infrastructure. He would need to provide further information. They cannot be used for repairs. City Manager Kirkwood said the Wiseman project was a distressed area and was not generating any income. Council was very project



specific for that project. In this case the DTSP wants improvements in the A1 to A-4 area. The \$1 million could be used to leverage and bring the assessed values to the level needed (\$3 to \$5 million). Leverage values will generate the higher value.

Mr. Petrovich said the City could create an assessed value of the project that would include land and value. It is only about 60% of the actual value. City Manager Kirkwood and Mr. Petrovich will work on the language. Mr. Petrovich asked to waive fees and Mayor Rexroad does not want to waive until they know what it is.

Council agreed to amend the plan on the 55 acres of retail which must include COSTCO; fees will be at \$12 per building square foot for this project; City Manager Kirkwood and Mr. Petrovich will find the \$1 million benefit for a tax increment to the City of Woodland as a result of whatever project Mr. Petrovich develops in the A Zones of the Redevelopment area.

Council Member Monroe left the meeting at 10:20.

City Manager Kirkwood said he needs the authority to leverage the \$1 million to increase the appraised values of the properties within the A1 through A4 zones that causes viable projects to come forward that can be approved by the Council. The \$1 million will leverage projects. Mr. Petrovich asked about the time issue. He wants a joint meeting with the Planning Commission. The City Manager, Mayor Rexroad, Director Stevens and Mr. Petrovich will work together on this language.

Council Member Monroe returned to the meeting at 10:21.

City Manager Kirkwood said he understands we are to move forward with the project for COSTCO to locate at that project site, the amended application still needs to go through the normal public review processes, Public Hearings at the Planning Commission level, final decisions by the Council, through the EIR/CEQA process, etc. Council is telling the public of the support for the project with COSTCO and an amended project. The decisions only become final after all of the normal processes are met.

On a motion by Council Member Peart, seconded by Council Member Pimentel and carried unanimously, Council approved and extension of the time of the Development Agreement to July 26, 2005.



<u>ADJOURNMENT</u>

	At 10:25	p.m.,	Mayor	Rexroad	adjourned	the joint	Council,	Agency	and	Authority
meeting	g.									

Respectfully submitted,
Sue Vannucci, CMC, City Clerk