

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 01- 2007**

A RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE MODESTO REDEVELOPMENT AGENCY AND TEAM MODESTO, LLC FOR THE PROPOSED MIXED-USE DEVELOPMENT AT THE SOUTHWEST CORNER OF 10TH & H STREETS AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE SAID MEMORANDUM OF UNDERSTANDING AND AUTHORIZING A MULTI-YEAR OPERATING ORGANIZATION.

WHEREAS, the Redevelopment Agency of the City of Modesto (the "Agency") is carrying out the Redevelopment Plan for the Modesto Redevelopment Project, and

WHEREAS, as a continuation of the overall downtown renovation, the Agency has set forth as a key objective the pursuit of opportunities to increase the mixed use developments in the downtown area, and

WHEREAS, on August 3, 2005, the Agency approved an Exclusive Negotiating Agreement ("ENA") with Team Modesto, LLC ("Developer"), providing for the development of properties owned by the Agency at the Southwest corner of 10th Street and H Street (the "Project Site") located in the City of Modesto, California, and

WHEREAS, said Project Site is proposed to be developed into a mixed-use development consisting of parking, ground floor retail, office and market-rate townhomes, together with appurtenant public improvements (the "Mixed-Use Project"), and

WHEREAS, the Agency's General Counsel has determined that a Memorandum of Understanding ("MOU") which is attached hereto as "**Exhibit A**" and made a part hereof by this reference must be entered into in order to complete certain pre-planning items, including:

1. Proposed project design, land uses, parameters and other pre-planning actions,
2. Various studies, including environmental analysis pursuant to CEQA, *at Developer's expense*, and the legal contracts related to these studies,
3. Requirements for the mixed-use development, including the development schedule,
4. Terms of the parking agreement for public parking to be provided on the Site,
5. Land assembly to acquire all parcels for Option 2

, and

WHEREAS, the completion of the actions set forth in said MOU is expected to result in a Disposition and Development Agreement (“DDA”) between the Agency and the Developer for said Mixed-Use Project, which DDA shall be subject to final review and approval by the Agency, and

WHEREAS, said DDA will be entered into only after a public hearing of the Agency after publication of notice as may be required by said Redevelopment Law, which hearing will be held in accordance with said Redevelopment Law upon the successful conclusion of said MOU terms & conditions, and

WHEREAS, at their regularly scheduled meeting of May 2, 2007, the Citizens Redevelopment Advisory Commission reviewed said MOU and recommended its approval to the Agency.

WHEREAS, in order to accurately administer the funding mechanism for the tasks contained in said MOU, staff is recommending the creation of a multi-year operating organization within the Agency’s operating budget.

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the Memorandum of Understanding is hereby approved as follows:

Section 1. By execution of this MOU, the Agency is not committing itself to or agreeing to undertake: (a) Any disposition of land to the Developer; or (b) Any other acts or activities requiring the subsequent independent exercise of discretion by the Agency, the City or any agency or department thereof.

Section 2. This MOU does not constitute a disposition of property or exercise of control over property by the Agency or the City and does not require a public hearing.

Section 3. Execution of this MOU by the Agency is merely an agreement to enter into a period of time for pre-planning actions according to the terms hereof, reserving final discretion and approval by the Agency as to any Disposition and Development Agreement and all proceedings and decisions in connection therewith.

Section 4. The Agency hereby approves the MOU in substantially the form on file with the Secretary of the Agency.

Section 5: The Agency hereby authorizes the creation of a multi-year operating organization within the Agency’s operating budget for the purpose of budgeting the Developer’s deposits and administering the subsequent expenditures related to said MOU.

Section 6. The Executive Director and Secretary of the Agency are hereby authorized and directed to execute the MOU on behalf of the Agency, subject to any minor conforming, technical or clarifying changes approved by the Agency Counsel. The Executive Director and Secretary are hereby further authorized and directed to take such further actions and execute such documents as are necessary to carry out the MOU on behalf of the Agency. The Executive Director is further authorized and directed to cooperate with the Developer in the negotiations and pre-planning actions between the Agency and Developer as provided under this MOU.

Section 7. This action by the Agency does not require supporting environmental analysis or documentation under the California Environmental Quality Act (CEQA) because the Agency is not committing itself to a project.

The foregoing resolution was introduced at a special meeting of the Modesto Redevelopment Agency held on the 22nd day of May, 2007, by Agency Member Marsh, who moved its adoption, which motion being duly seconded by Agency Member Olsen, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Agency Members:	Dunbar, Hawn, Keating, Marsh, O'Bryant, Olsen, Chairman Ridenour
NOES:	Agency Members:	None
ABSENT:	Agency Members:	None

ATTEST: Jean Morris
JEAN MORRIS, Secretary

APPROVED AS TO FORM:

By Susana Alcala Wood
SUSANA ALCALA WOOD, General Counsel

EXHIBIT A

MEMORANDUM OF UNDERSTANDING BY AND BETWEEN THE MODESTO REDEVELOPMENT AGENCY AND TEAM MODESTO, LLC

This Memorandum of Understanding is entered into this _____ day of _____, 2007, by and between the Modesto Redevelopment Agency, a public body, corporate and politic ("Agency") and Team Modesto, LLC, a Delaware limited liability company ("Developer").

Recitals

A. The Agency is charged with the implementation of the Redevelopment Plan (the "Redevelopment Plan") for the Modesto Redevelopment Project (the "Redevelopment Project"). Among the goals of the Redevelopment Plan are to stimulate economic development in the Project Area, encourage residential uses in the downtown area and provide additional parking.

B. The Agency owns certain real property that is currently improved with a public parking lot containing 110 public parking spaces (the "Site"), as shown on the Map of the Site, attached hereto as Attachment No 1 and incorporated herein by reference. The Agency is willing to convey the Site for private development for development consistent with the Redevelopment Plan, so long as an equal or greater number of public parking spaces are provided on the Site.

C. The Agency also is in the process of preparing a master plan for the Redevelopment Project Area (the "Master Plan"), which updates and establishes certain planning priorities and policies within the Project Area, including the Site. An Environmental Impact Report ("EIR") for the Master Plan is being prepared.

C. The Agency and Developer wish to establish procedures and standards for the negotiation of a Disposition and Development Agreement ("DDA") pursuant to which the Agency would convey the Site to Developer for development. As more fully set forth in this MOU, the parties acknowledge that this MOU in itself does not obligate either party to acquire or convey any property, and does not grant Developer the right to develop the Site or any portion thereof.

Agreements

Section 1. During the term of this MOU, the parties shall negotiate diligently and in good faith, the terms and conditions of the DDA. The issues to be addressed in the DDA include, but are not limited to: the purchase price for conveyance of the Site by the Agency to the Developer; the parameters and requirements for the mixed-use development contemplated for the Site; terms and conditions for conveyance of the Site by the Agency; development schedule for the development of the Site; financing of the development by the Developer; the terms of any parking agreement for public parking to be provided on the Site; and similar matters. In addition, the Developer may, in its sole discretion, determine to acquire additional properties adjacent to or in close proximity to the Site that, if acquired by Developer, may be considered to be part of the project to be developed under the DDA.

Section 2. The term of this MOU shall commence on the date this MOU is executed by all parties hereto and shall terminate on December 31, 2007, unless extended by mutual agreement of the parties. If upon the expiration of this MOU, the parties have not reached agreement on the DDA, this MOU shall automatically terminate unless an additional extension is authorized by the Agency Board. If the Agency and Developer execute a DDA, then, upon execution, this MOU shall terminate and all rights and obligations of the parties shall be as set forth in the executed DDA.

Section 3. During the term of this MOU, including any extension thereof, the Agency shall not negotiate with any entity other than the Developer regarding development of any portion of the Site, or solicit or entertain bids or proposals to do so.

Section 4. In consideration for this MOU, Developer shall, upon execution of this Agreement, provide to the Agency a cash deposit of TWENTY-FIVE THOUSAND DOLLARS (\$25,000) as an initial deposit ("Initial Deposit") against certain pre-development costs (as defined below) to be incurred by the Agency during the term of this MOU. The Initial Deposit shall be placed and maintained until drawn upon in a separate interest-bearing account. For purposes of this MOU, pre-development costs shall mean the costs of all third-party consultants, attorneys and other professional fees or costs incurred by the Agency in the implementation of this MOU, including the costs of any environmental consultants retained by the Agency to prepare any environmental

analysis and documentation related of the project pursuant to CEQA. The Agency has prepared an Estimated Budget, (the "Estimated Budget"), attached hereto as Attachment No. 2 and incorporated herein by reference. In the event that the Agency has drawn upon the Initial Deposit such that the balance has been reduced to \$5,000 or less, Agency shall so notify Developer in writing of the additional cash deposit being requested and, within 15 days of such notification, Developer shall provide to the Agency such additional amount ("Additional Deposit"); provided however, that the parties that the total aggregate amount of the Deposit shall not exceed ONE HUNDRED SEVENTY THOUSAND DOLLARS (\$170,000.00) unless mutually agreed to by the parties. Alternatively, the Agency may provide Developer with a copy of invoices for such work for Developer to pay such third party directly, which amounts shall be counted towards the Deposit total. Agency agrees that it shall provide to Developer copies of invoices and other evidence reasonably satisfactory to Developer of any pre-development costs and expenses charged by the Agency against the Deposit. In the event that Agency's pre-development costs and expenses exceed the amount set forth in the Estimated Budget and Developer is not willing to pay for such costs, either party shall have the right to terminate this MOU.

In the event a DDA is approved and executed by the parties, any remaining amount of the Deposit shall be applied as set forth in the DDA. In the event this MOU is terminated without a DDA being approved and executed, any remaining amount of the Deposit, including any interest earned thereon, shall be returned to Developer, after Agency has deducted any amounts owed for pre-development costs as of the date of termination.

Section 5. During the term of this MOU, the Agency shall, in consultation with Developer, conduct any analysis required to be performed pursuant to the California Environmental Quality Act ("CEQA") for the project. The level of CEQA analysis required for the project shall depend on the specific development being proposed for the Site and the status of the EIR being prepared for the Master Plan. The parties intend that any necessary CEQA analysis required for the project be completed at the time the DDA is considered for approval by the City Council and the Agency Board.

Section 6. The Agency shall grant the Developer the right to enter onto the Site, for purposes of conducting investigations to further the objectives if this MOU,

provided, however, that such the parties first enter into a right of entry agreement in a form mutually satisfactory to the parties.

Section 7. During the term of this MOU, the Developer and Agency shall conduct any investigations they deem necessary to negotiate the terms to be contained in the DDA regarding the physical and environmental condition and the condition of land title of the Site. In addition, the Developer shall provide the Agency with a preliminary financial analysis for the project, containing, among other matters, a development budget and operating proforma for the proposed project.

Section 8. The Agency shall prepare the necessary documents pursuant to Section 33433 of the California Health and Safety Code to be submitted to the Agency Board and the City Council in conjunction with their consideration of an DDA that is prepared pursuant to this MOU.

Section 9. Formal notices, demands and communications between the Agency and the Developer shall be sufficiently given if, and shall not be deemed given unless, dispatched by certified mail, postage prepaid, return receipt requested, or sent by express delivery or overnight courier service, to the office of the parties shown as follows, or such other address as the parties may designate in writing from time to time:

Agency: Modesto Redevelopment Agency

1010 10th Street

Modesto, CA 95354

Attn: _____

with a copy to:

Iris P. Yang

McDonough, Holland & Allen PC

555 Capitol Mall, 9th Floor

Sacramento, CA 95814

Developer:

Team Modesto, LLC

Attn: _____

with a copy to:

Such written notices, demands and communications shall be effective on the date shown on the delivery receipt as the date delivered or the date on which delivery was refused.

Section 10. Neither party shall transfer or assign any or all of its rights or obligations hereunder except with the prior written consent of the other party, and any such attempted transfer or assignment without the prior written consent of Agency shall be void. Agent agrees that it shall consent to an assignment of this MOU to an entity in which Developer is the principal member or controlling owner.

Section 11. This MOU shall be governed by and construed in accordance with the laws of the State of California.

Section 12. This MOU sets forth the entire agreement of the parties with respect to the matters contained herein, and all prior understandings, negotiations and agreements with respect to the same are merged and integrated herein.

The parties hereto hereby execute this MOU as of the date first set forth above and the Modesto Redevelopment Agency, a public body, corporate and politic, has authorized the execution of this MOU by its Executive Director and attestation by its Secretary under authority of Resolution No. _____-2007, adopted by the Modesto Redevelopment Agency on the ___ day of _____, 2007.

DEVELOPER:

TEAM MODESTO, LLC, a Delaware
limited liability company

By: _____

Its: _____

AGENCY:

MODESTO REDEVELOPMENT
AGENCY, a public body, corporate and
politic

By: _____

George Britton

Executive Director

ATTEST:

By: _____

APPROVED AS TO FORM:

By: _____

ATTACHMENT NO. 1

MAP OF THE SITE

[to be inserted]

ATTACHMENT NO. 2

**Estimated Budget for
Designated Tasks**

The following costs are estimates only for the tasks outlined below. The Agency will provide to the Developer the opportunity to review all project scopes and contracts prior to contract execution.

Task 1:

Evaluation of potential environmental impacts from Project in compliance with the California Environmental Quality Act and preparation of appropriate documentation

Estimated Cost: \$150,000

Task 2:

Financial analysis, including analysis of developer pro-forma, real estate and land use issues; negotiation and drafting of legal documents

Estimated Cost: \$20,000

**REDEVELOPMENT AGENCY
RESOLUTION NO. 02-2007**

**A RESOLUTION ADOPTING THE ANNUAL REDEVELOPMENT AGENCY
OPERATING AND CAPITAL IMPROVEMENT (CIP) BUDGET FOR THE
FISCAL YEAR ENDING JUNE 30, 2008**

WHEREAS, pursuant to Health & Safety Code Section 33606, a proposed budget for the 2007-2008 Fiscal Year has been submitted to the Redevelopment Agency by the Executive Director, and the Redevelopment Agency has made such revisions as it has deemed advisable and is attached hereto as **Exhibit "A"** and made a part hereof by this reference, and

WHEREAS, the proposed budget was reviewed by the Finance Committee on March 29, 2007, and the Committee recommended the budget to the Agency for approval which approval includes, but is not limited to, the following specific recommendations more particularly described in the Budget Summary located on Page 11 of the budget document:

- A. The Tax Increment revenues for FY 07-08 are budgeted in the amount of \$5,700,000 and will be allocated between the following funds in the amount stated:
 - a. Debt Service Fund 9020 (Debt Service) - \$2,371,519
 - b. Debt Service Fund 9020 (Pass-throughs) - \$1,071,000
 - c. Administration Fund 9050 - \$167,989
 - d. Housing Set-Aside Fund 9060 - \$1,140,000
 - e. RDA Projects Fund 9080 - \$949,492
- B. No General Fund loan is needed for Fiscal Year 2007-2008
- C. Appropriate \$458,000 from Fund 9060 reserves to project 9060-140-Q244
- D. Transfer funds into the existing Capital Improvement Project Account – Affordable Housing Projects Q244 for the purpose of assisting with an affordable housing project(s) for the budgeted amount of \$1,082,570 from Account No. 9060-140-1491
- E. Transfer funds into the existing Capital Improvement Project Account - Project Area Public Improvements K732 for the purpose of assisting with various construction projects within the Redevelopment Project Area for the budgeted amount of \$531,069 from Account No. 9080-140-1493

F. Transfer funds into the existing Capital Improvement Project Account – Redevelopment Agency Master Plan/EIR K871 for the purpose of assisting with updating the existing Master Plan/EIR for the budgeted amount of \$45,000 from Account No. 9080-140-1493, and

WHEREAS, the Citizens Redevelopment Advisory Commission reviewed the proposed budget on April 4, 2007, and recommended its adoption, and

WHEREAS, in accordance with Health & Safety Code Section 33606, a public hearing was held on May 22, 2007 to review the proposed Agency budget and allow for public comment, and

WHEREAS, copies of the proposed budget have been and are available for inspection by the public at the office of the Agency Secretary, and

WHEREAS, the Agency has reviewed the budgetary control and authority policy report prepared by staff,

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the Operating and Capital Improvement Budget for the Fiscal Year ending June 30, 2008 is hereby adopted.

BE IT FURTHER RESOLVED that the Tax Increment Revenues for FY 07-08 budgeted in the amount of \$5,700,000 shall be allocated between the Agency funds as set forth in said budget document and this resolution.

BE IT FURTHER RESOLVED that no General Fund loan is needed for Fiscal Year 2007-2008.

BE IT FURTHER RESOLVED that for the purpose of assisting with an affordable housing project(s), funds shall be transferred into the existing Capital Improvement Project Account – Affordable Housing Projects Q244 for the budgeted amount of \$1,082,570 from Account No. 9060-140-1491.

BE IT FURTHER RESOLVED that for the purpose of assisting with various construction projects within the Redevelopment Project Area, funds shall be transferred into the existing Capital Improvement Project Account – Project Area Public Improvements K732 for the budgeted amount of \$531,069 from Account No. 9080-140-1493.

BE IT FURTHER RESOLVED that for the purpose of assisting with updating the existing Master Plan/EIR, funds shall be transferred into the existing Capital

Improvement Project Account – Redevelopment Agency Master Plan/EIR K871 for the budgeted amount of \$45,000 from Account No. 9080-140-1493.

BE IT FURTHER RESOLVED that the Treasurer is hereby authorized to take the necessary steps to implement the provisions of this resolution.

BE IT FURTHER RESOLVED that the budgetary control and authority policy defined in **Exhibit “B”**, which is attached hereto and made a part hereof by this reference, is hereby adopted for the Fiscal Year 2007- 2008.

The foregoing resolution was introduced at a special meeting of the Redevelopment Agency of the City of Modesto, held on the 5th day of June, 2007, by Agencymember Keating, who moved its adoption, which motion being duly seconded by Agencymember Hawn, was upon roll call carried and the resolution adopted by the following votes:

AYES:	Agencymember:	Dunbar, Hawn, Keating, Marsh, O’Bryant, Olsen, Mayor Ridenour
NOES:	Agencymember	None
ABSENT:	Agencymember	Marsh

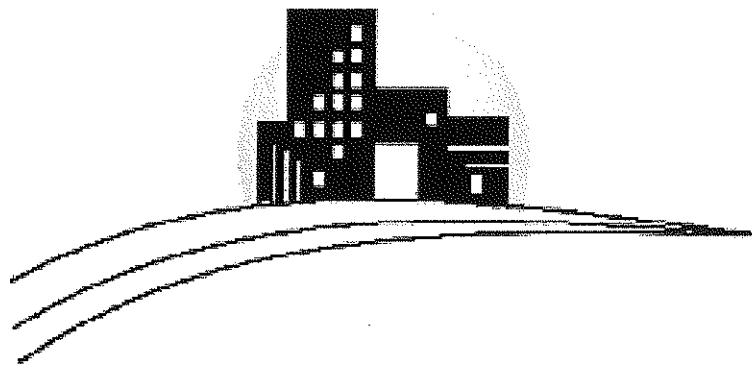
ATTEST: Jean Morris
JEAN MORRIS, Secretary

(Seal)

APPROVED AS TO FORM:

By: Susana Alcala Wood
SUSANA ALCALA WOOD
General Counsel

ModestoRedevelopmentAgency



Proposed Budget

Fiscal Year 2007-08



June ____, 2007

To: Chair and Members of the Modesto Redevelopment Agency

I am very pleased to present the Agency with the Modesto Redevelopment Agency budget for Fiscal Year 2007-2008. In accordance with State Health & Safety Code Section 33606 et seq., the Agency's FY 07-08 budget includes the following:

- (1) The proposed expenditures of the Agency, including administrative expenses
- (2) The proposed indebtedness of the Agency
- (3) The anticipated revenues of the Agency
- (4) The proposed work program for Fiscal Year 2007-2008, including goals
- (5) A review of FY 2006-2007 achievements and a comparison of these achievements with the goals set by the Agency in FY 2005-2006

We have provided the Agency with a budget that accurately reflects Redevelopment Law and details the requirements for each fund within the Agency budget. The Agency budget document is organized into three major sections: (1) Agency History, Work Program, Accomplishments and Future Plans; (2) Proposed Agency budget for FY 2007-2008; and (3) Capital Improvement Project Programs. These sections define each of the Agency's projects and detail the corresponding funds needed to complete these projects. The enclosed Executive Summary outlines the overall revenues, expenditures and projects. A summary financial proforma detailing the revenue and expenditures for Fiscal Year 2007-2008 is shown on Page 11.

I would like to identify some key elements of this year's Agency budget. First, because of the continual increase in assessed property values throughout the Project Area, the Agency's revenues will again exceed operating costs in FY 2007-2008. In FY 2007-2008, the tax increment revenue is estimated to increase by 14% over FY 2006-2007 for an estimated gross revenue of \$5,700,000. This tax increment revenue can be used for Debt Service, Affordable Housing, Administration costs and for proposed Agency Projects. The Agency will utilize this additional tax increment funding to partner with the private sector and develop projects benefiting the Project Area.

In the coming year, the Operating Team will bring forward for the Agency's consideration a series of repayment options to reimburse the City for General Fund loans from 1984 to the present.


George W. Britton, Executive Director

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Executive Summary

The Modesto Redevelopment Agency was formed to eliminate the amount of physical and economic blight in Modesto's downtown, as well as areas west of State Route 99 and along Scenic Drive. Since 1983, the Agency has accomplished many of the strategies set forth in the Implementation Plan, which is the framework used to guide the Agency's activities.

The Agency budget for FY2007-08 is outlined below.

• REVENUES •

The estimated gross tax increment for FY 2007-08 is \$5,700,000, an increase of 14% over the estimated gross tax increment for FY2006-07. In addition, the Agency will receive approximately \$392,638 in miscellaneous revenue from property leases and interest from funds within the RDA reserves. The reserves from FY 2006-07 total \$397,000, which will be used for Debt Service and Administration in the coming fiscal year. From the gross revenue of \$6,489,638 (including reserves), we deduct the following non-discretionary, statutory payments:

1. \$1,071,000 - Tax revenue pass-throughs to outside agencies
2. \$1,140,000 - 20% revenue transfer to the Housing Set-aside fund
3. \$ 102,600 - County administrative expenses

After these deductions, it is estimated that the Agency will net approximately \$4,176,038.

• EXPENDITURES •

For annual debt service, approximately \$2.89M is budgeted for FY 2007-08. For staff services, approximately \$337,000 is budgeted and is shown in the form of service credits from the Agency to the City. The Agency does not employ staff. Instead, the Agency provides service credits to certain City staff for needed services including legal, financial and administrative.

In addition approximately \$230,000 is budgeted for contracts with outside service providers including McDonough, Holland and Allen for legal review and Keyser-Marston for financial review of prospective development. Urban master planning is also funded from Account 9080 for changes to land uses within the Project Area.

The Housing Set-aside fund is expected to receive approximately \$1,215,000 in tax increment and interest on reserves for FY 07-08. The beginning budget funding within the Capital Improvement Project fund totals approximately \$5.997M. The Agency will be using these funds to assist in developing several affordable housing projects, including sites in the Downtown area and Town Center Affordable Housing Project on Belharbour Drive in Village One. The Agency will combine their funds with Community Development Block Grant Funds and HOME funds to maximize the financial leverage.

• FY 2007-08 WORK PROGRAM •

The Agency has identified the following projects and programs for FY 2007-2008. For detailed descriptions and objectives of the Capital Improvement Project (CIP) accounts, please refer to the Capital Improvement Project section in this budget document.

Total CIP: \$10,797,352. See CIP Section for details.

Project 1:	Gallo Center for the Arts	Start Date:	April 27, 2004	Est. Comp.:	Fall 2008
Status:	Under Construction				
Details:	Please refer to the description included in the Capital Improvement Program Section of this Budget				

Executive Summary

(cont.)

Project 4:	Affordable Housing Projects	Start Date:	Pending	Est. Comp.:	Pending
Status:	Please refer to the description included in the Capital Improvement Program Section of this Budget				
Details:	Projects under review.				

Project 5:	Agency Master Plan and EIR (Update)	Start Date:	July 2004	Est. Comp.:	Sept. 2007
Status:	Final Draft Complete				
Details:	Please refer to the description included in the Capital Improvement Program Section of this Budget				

Project 6:	Kansas-Woodland Business Park	Started:	Summer 2005	Est. Comp.:	Winter 2008
Status:	Developing				
Details:	Please refer to the description included in the Capital Improvement Program Section of this Budget				

Project 7:	Mixed-Use Project - 10th & H Streets	Est. Start:	Fall 2007	Est. Comp.:	Fall 2009
Status:	Negotiating Development Agreement				
Details:	<p>This Mixed-use Project is intended to meet several Agency objectives, including: (1) Add covered public parking; (2) Add retail space; (3) Add office space; (4) Add market-rate residential. The proximity of this project to existing destinations is critical to its success. The Gallo Center for the Arts is across 10th Street and the main theater and restaurant district is within one block of this location.</p> <p>The Agency owns four (4) parcels of land at the southwest corner of 10th & H Streets which is the Project Site. The Agency Board distributed a Request for Proposal (RFP) to solicit a public-private partnership for the development of a high-quality, Mixed-Use Project on this 31,500 square-foot Site. The Agency selected a developer for this project and entered into an Agreement to Negotiate Exclusively with Team Modesto. The goal is to deliver the desired development and provide for the redevelopment of this critical corner property. Team Modesto has negotiated with the Agency to expand the project to include the majority of the block between 9th & 10th Streets and G & H Streets.</p> <p>It is the Agency's desire to partner with Team Modesto, negotiate an acceptable development agreement (including a detailed scope of development and respective responsibilities of both the Agency and the Developer), determine financing needs and details, and complete project clearance and development within a two-year period ending Fall 2009. The Agency may consider several funding options that may include streetscape construction and assistance with parking.</p>				

Executive Summary

(cont.)

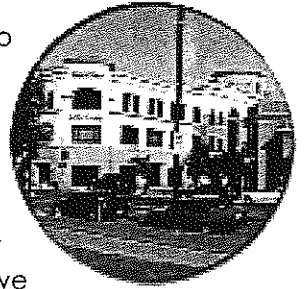
Project 8:	Downtown Public Parking Garages	Est. Start:	Pending	Est. Comp.:	Pending
Status:	Projects under review				
Details:	<p>Parking within the Downtown Area is in extremely short supply. This project is intended to meet the Agency objective of providing needed infrastructure to support the variety of uses within the Downtown Core, including Adopted residential.</p> <p>The Agency staff is working with private sector developers to identify new sites for parking garages. There is a severe parking shortage in the downtown and the Agency will continue to utilize partnerships to develop additional spaces to meet the growing demand.</p>				

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Why Have Redevelopment?

The purpose of forming a Redevelopment Agency is to eliminate physical and economic blight in a specific area of a community. The State of California enacted the Redevelopment Law for the specific purpose of assisting cities and counties in breathing new life into those targeted areas of cities that had fallen into economic and physical ruin. The heart of Modesto, our downtown, was one of those targeted areas. Modestans remember what the downtown was like before 1999. Back then, many were hesitant to walk alone in certain areas of the downtown because of the vacant buildings and seedy areas that seemed to be everywhere.

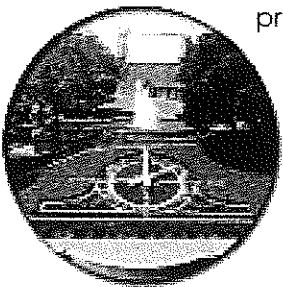
The only way to bring a blighted area to life is to attract private investment dollars to rebuild and redevelop the blighted properties. But, as one can imagine, investors are not anxious to put money into a dilapidated area with high risk and a very low rate of return. Understanding this, a Redevelopment Agency is formed for the specific purpose of providing a small amount of public funding to encourage investors to make a commitment within a blighted area. The Redevelopment Agency is given the role of using minimal public funds to leverage a much larger amount of private investment dollars to transform the blighted area from high risk to high activity --- which is what we have done with the new Tenth Street Place and other projects within the Redevelopment Project Area.



There are two key points to understand about a Redevelopment Agency. **First, the Agency is a distinct political body that is totally separate from the City.** In some cities, such as San Jose, the redevelopment agency is a separate board with separate offices and staff. In Modesto, as in many other California cities, the City Council agreed to become the Agency board. This provides a cost savings to the Agency since the same offices and staff are used for both the City and the Agency. But, while it is a cost savings, it can be confusing. It is important to remember that the Agency and the City are separate agencies with separate laws, separate budgets and separate funding sources.

The second key factor is the source of funding for the Redevelopment Agency. The funds for redevelopment come from the property taxes of only those properties within the Redevelopment Project Area. The Redevelopment Project Area was established by law when the Redevelopment Agency was formed and it includes the downtown and areas along Carpenter Road, Paradise Road and Scenic Drive. The Agency receives a specified percentage of the property taxes as properties are improved and then incurs debt by reinvesting this money back into the Project Area to improve even more properties. Again, the goal is to leverage a small amount of public funds with private investment dollars to redevelop the Project Area before the Agency is terminated. The Agency can operate for 40 years and then there is an additional 10 years to pay off all debt. For Modesto, the Agency will terminate in November 2031 and all debt will be paid by November 2041.

State law allows a redevelopment agency to invest in very specific uses. For example, a redevelopment agency cannot build a new city hall nor can they use the funds for operation or maintenance of any private or government-owned facility. The Redevelopment Agency can invest in many types of private projects including office buildings, parking garages and retail centers within the Project Area. For example, Modesto's Agency has partnered with the private sector to construct Tenth Street Place and two new office buildings on Tenth Street and 12th Street. Also, the Agency has joined with the private sector and Stanislaus County to construct the Gallo Center for the Arts. This Center will not only provide a benefit to the downtown but it will also increase the assessed value of the properties in the Project Area that, in turn, will increase the assessed property value. When the assessed value goes up, the taxes go up which means there is more money for the Agency to repay the debt they

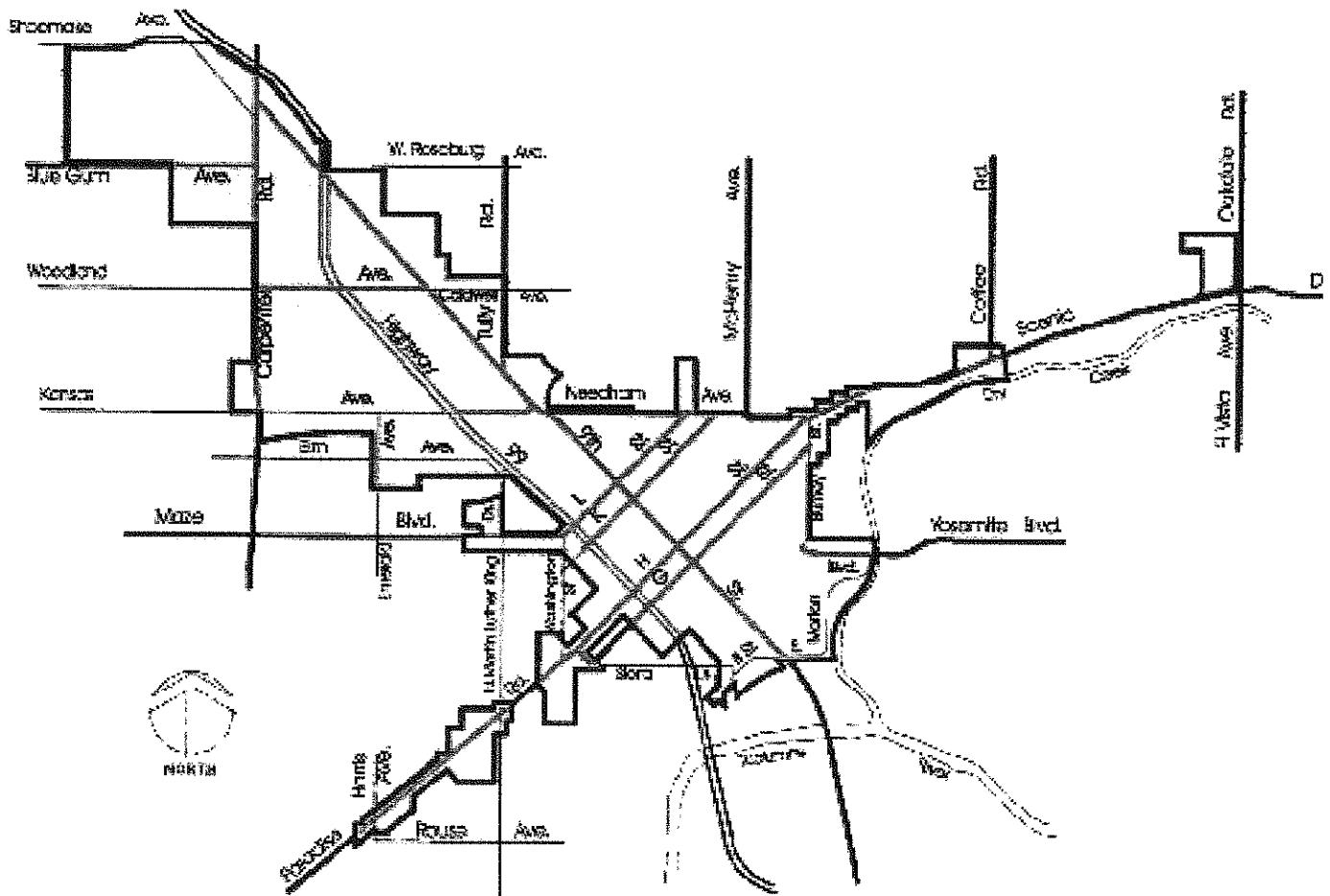


Why Have Redevelopment?

(cont.)

have incurred and contribute towards future projects. This is a perfect example of the redevelopment funding cycle and the role of redevelopment in a community.

Redevelopment has been an important and successful tool in renovating many cities. In Modesto, we think that it has been the main reason for attracting new investors into the downtown and for creating alliances between the City and the County to provide better services for our citizens in a central location. Also, we have added entertainment destinations in the downtown along with restaurants and new retail stores. All in all, redevelopment is performing its job well here in Modesto. Beyond the projects now under construction, housing is another objective for the Redevelopment Agency and we expect to see new housing projects starting within the next year.



Implementation Plan

The Redevelopment Agency's goal is to eliminate blighting influences and stimulate new private and public investment in the Redevelopment Area. The Agency can help to stimulate investment through land assembly, construction of upgraded public improvements, incentive programs for building renovation, participation in catalyst projects aimed at spurring other complementary private investments, and expenditure of its low and moderate income housing funds for development of affordable housing.

To create a framework to guide the Agency's activities the Agency has adopted a Vision and an Implementation Plan.

GOALS

This Plan was approved in December 2005 for the period of 2005-2009.

THE VISION

- Modesto's parks, plazas, and greenways contribute to a public realm that provides an attractive, inviting "Oasis in the Valley."
- Modesto's unique history and character are preserved to make the city a pleasant place to live, and are actively promoted to attract new investment.
- The downtown is a vibrant mixed-use area with an established residential element.
- Transportation opportunities are multi-modal and well-connected throughout the Redevelopment Area, city, and region.

1. Create a unique and recognizable image for Modesto and use it to strenuously promote the City.
2. Promote the economic viability of the Redevelopment Area by attracting new development.
3. Implement higher density, mixed-use development to create a balanced, vibrant downtown and active neighborhood centers.
4. Provide the rationale and impetus for the City to update its development standards to support the goals identified in this document.
5. Develop a variety of housing types in the Redevelopment Area, including affordable housing, particularly in the downtown, to act as a catalyst for other types of development.
6. Enhance the visual appeal of Modesto's public spaces by upgrading existing parks, plazas, and streets, and by creating new parks and plazas that offer public access.
7. Develop historic I and 10th Streets as an attractive, pedestrian-oriented zone. Create a clear sense of arrival at Modesto's downtown by enhancing the 6th and I Street Gateway and the intersection of I and 10th Streets.
8. Promote efficient automobile, bicycle, and pedestrian circulation and linkages into and through the Redevelopment Area.

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Agency Achievements

Completed Projects



- Modesto Centre Plaza
- DoubleTree Hotel
- 9th Street Garage



- Facade Grants - 5 years (More than 100 buildings)
- Wayfinding Signage



- City Towers Office Building
- Renaissance Project



- Tenth Street Place
 - Parking Garage
 - Brenden Theatres
 - First Floor Retail



- Affordable Housing
 - Gateway
 - Ashwood Village
 - Woodstone
 - Dan West Court



- Shopping Center on Paradise Road

FY 2005 - 2006 Project Goals

- Update to Agency Master Plan & EIR
– Projected Completion: 09/07
- Gallo Center for the Arts Streetscape
– Projected Completion: 11/07
- Kansas-Woodland Business Park
– Projected Acquisition/Sale: 12/07
- Renaissance Office Bldg. at 12th & I Streets
- Projected Completion: 06/06
- Streetscape Concept Master Plan for 10th Street & I Street
– Projected Completion: 09/07
- Mixed-Use Project at 10th & H Street: Development Agreement
- Projected Completion: 06/07
- Affordable Housing Projects: Sites identified at 17th & G Sts, Belharbour Drive
- Projected Completion: 04/07
- Marketing: Marketing campaign in progress; Media materials in development
- Projected Completion: 01/07

FY 2006- 2007 Goals Achieved

- Updated Agency Master Plan and EIR: Draft Master Plan completed; Draft EIR completed and under review Projected Completion: 09/07
- Gallo Center for the Arts streetscape: Construction in Progress Projected Completion: 11/07
- Kansas-Woodland Business Park: Remediation in Progress, Development Agreement in Negotiation Projected Acquisition/Sale: 12/07
- Renaissance Office Building Completed: 06/06
- Wayfinding Signage Completed: 06/06
- Streetscape Concept Master Plan for 10th St. & I St.: Conceptual Design Completed; Cost Estimate Completed; Phased Funding to be identified prior to final street selection & preparation of construction documents Projected Completion: 09/07
- 10th & H Street Mixed-Use Project: Development Agreement: Negotiation in Progress; Development Agreement Projected Completion: 06/07
- Affordable Housing Projects: Proformas submitted: (a) Town Center at Belharbour; (b) 11th Street Seniors Project (c) N. 9th Street Project; Development Agreements to be approved: Projected Completion: 10/07
- Marketing: Logo completed; Branding completed; Marketing campaign in progress; Media materials in development Projected Completion: 11/0

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Budget Summary

FY2007-08		Debt Service 9020	Administration 9050	Housing Set-aside 9060	Project Plan 9080
Estimated Beginning Working Capital (1)	\$	354,000	43,000	-	-
Adjusted Reserves	\$	354,000	43,000	-	-
Bond Reserve Fund (COPS) (2)	\$	1,977,050			

Revenues	Projected Total TI: \$5,700,000 (Est. 14% increase)				
TI - Revenue Received	\$	2,371,519	167,989	1,140,000	949,492
TI for Pass-thrus (3)	\$	1,071,000			
(Less ERAF)	\$	-			
Interest (4)	\$	133,000	2,000	75,000	75,000
Miscellaneous	\$				
Leases (5)	\$	107,638			
Total	\$	3,683,157	169,989	1,215,000	1,024,492

Expenditures					
9th Street Garage Lease (6)	\$	1,956,425			
Debt - Tenth Street Place	\$	932,006			
County Administrative Costs (7)	\$	61,965	3,024	20,520	17,091
Administration	\$				
Professional Services	\$		130,492		100,000
Staff/Service Credits (8)	\$	15,761	78,805	111,910	130,997
Internal Service Funds (ISF) - Mail Service	\$		668		335
Pass-thrus	\$	1,071,000			
Project Area Revitalization	\$				200,000
Transfer Out: Housing CIP - Q244	\$			1,082,570	
Transfer Out: Master Plan/EIR - K871	\$				45,000
Transfer Out: Public Improvements - K732	\$				531,069
Total	\$	4,037,157	212,989	1,215,000	1,024,492

		Debt Service 9020	Administration 9050	Housing Set-aside 9060	Project Fund 9080
Available Working Capital	\$	(0)	(0)	-	-

RDA CIP Budget:	Beginning Budget	Revenues	Expenditures	Ending Balance
KWBP Land - Q243 (Fund 9080)	\$ 100,000	-	100,000	
KWBP Plan - Q246 (Fund 9080)	\$ 605,000	-	605,000	
Housing - Q244 (Fund 9060)	\$ 5,996,731	1,082,570	7,079,301	
Gallo Center - Q260 (Fund 9080)	\$ 602,000		602,000	
Public Improvement - K732 (Fund 9080)	\$ 1,637,728	531,069	2,168,797	(0)
Master Plan/EIR - K871 (Fund 9080)	\$ 197,254	45,000	242,254	

1. Distribution of Ending Working Capital from FY 06-07
2. 1993 Certificates of Participation (COPS) - Trustee requires set aside of the Reserve Requirement
3. Estimated projections for annual Pass-Through costs provided by Keyser-Marston, Inc
4. Interest is estimated based on cash balances
5. Lease for First Floor Retail of Tenth Street Place Project
6. Includes \$6500 Trustee Fee; See Reimbursement Agreement for Agency to City reimbursement
7. County Administration Costs projected at 1.8% of Gross TI Revenues per Fund
8. Operating duties are performed by City staff and paid per Service Credits

Redevelopment FAQ

1. The Redevelopment Agency of the City of Modesto is commonly referred to as the "RDA" or the "Agency". You will see these references used in many reports and budget documents related to the Redevelopment Agency.
2. The primary source of revenue to the Agency comes from Tax Increment funding. This is funding that is generated from new development within the RDA Project Area. As each parcel is developed, the property taxes increase. A designated portion of these increased taxes flows to the Agency to promote more new development within the Project Area.
3. Another source of revenue to the Agency is property lease revenue. Currently, the Agency is receiving monthly lease payments from the retail shops located on the First Floor of the City-County Government Building located at 1010 Tenth Street within the Tenth Street Place project.
4. A smaller source of revenue to the Agency is the interest earned on each account through investments made by the Agency's Treasurer.
5. The Agency does not hire staff independently. As is common in California, the Agency pays City staff to provide the day-to-day work for the Agency. This City staff work is paid for through the use of service credits between the Agency and the City, reimbursing the City for each hour spent providing Agency work. In addition, the Agency contracts with private professional firms who provide a variety of services, from legal review to property appraisal.
6. The Bond Reserve Fund of \$1,977,050 is included in the RDA's budget as part of the legal requirements for the Modesto Centre Plaza Certificates of Participation ("COPs"). The COP's is the type of bonding mechanism that was used to fund the Modesto Centre Plaza. The Bond Trustee requires the RDA to maintain a specific account including one (1) year of payment for the on-going debt. This Reserve Fund will no longer be maintained once the debt is paid in full.
7. Stanislaus County charges the Agency for processing the property tax revenue each year. This Administration charge is estimated at 1.8% of the total revenue collected and is shown under County Administration Costs in the Agency's budget.
8. Stanislaus County collects property taxes on all parcels throughout the RDA Project Area. Generally, parcels owned by the Agency do not pay property taxes. However, when the Agency leases a parcel and/or building to a private company, then there is a required property tax collected called a "Possessory Interest Tax".

This is the case for the 9th Street Garage, between K Street and L Street. The Agency owns the garage and leases it to the City of Modesto for use in downtown parking. The City, in turn, sub-leases a large portion of the garage to the Doubletree Hotel for their private customers. The Doubletree Hotel is located just across 9th Street from the garage and the two structures are connected by way of a pedestrian bridge. The use of the garage by this private business creates a Possessory Interest Tax. As required by the Lease between the Agency and the City, the City pays any Possessory Interest Tax that is due as a result of this private use.

Debt Service

9020-DS92

Revenue	Actual 2006	Adopted 2007	Estimated 2007	Proposed 2008
Tax Increment	\$ 1,927,261	\$ 2,112,000	\$ 2,112,000	\$ 2,371,519
Tax Increment/Pass-thrus	\$ 537,533	\$ 600,000	\$ 600,000	\$ 1,071,000
(Less ERAF)	\$ (282,344)	\$ 0	\$ 0	\$ 0
Interest	\$ 163,879	\$ 121,000	\$ 121,000	\$ 133,000
Misc	\$ 0	\$	\$	\$
Leases	\$ 107,022	\$ 107,638	\$ 107,638	\$ 107,638
General Fund Loan	\$ 0	\$ 0	\$ 0	\$ 0
Total Source of Funds	\$ 2,453,351	\$ 2,940,638	\$ 2,940,638	\$ 3,683,157

Expenditures				
Debt - Centre Plaza	\$ 1,957,960	\$ 1,952,865	\$ 1,952,865	\$ 1,956,425
Debt - TSP	\$ 893,152	\$ 920,689	\$ 920,689	\$ 932,006
County Admin Costs	\$ 70,324	\$ 90,000	\$ 90,000	\$ 61,965
Staff/Service Credits	\$ -	\$ -	\$ -	\$ 15,761
Pass-thrus	\$ 537,533	\$ 600,000	\$ 600,000	\$ 1,071,000
Total Use of Funds	\$ 3,458,969	\$ 3,563,554	\$ 3,563,554	\$ 4,037,157

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Explanation

This fund maintains the accumulation of resources for and the payment of general long-term debt principal and interest. It also receives tax increment designated for the pass-throughs to various taxing agencies, including Stanislaus County, school districts and special districts.

Subordinated Tax Sharing Allocations (Original and Amended Area) (in 1,000's)								
	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14
Original Area	17	17	18	19	20	21	22	23
Stanislaus County (1)	0	414	488	448	464	480	745	771
County Office of Education (2)	61	71	83	77	79	82	102	105
Yosemite Community College (2)	71	82	96	88	91	95	118	122
Modesto City & HS District (2)	422	487	574	527	545	565	701	725
Total Tax Sharing Agreements	\$571	\$1,071	\$1,259	\$1,159	\$1,199	\$1,243	\$1,688	\$1,746

(1) County tax sharing agreement provides that the Agency receives 100% of the County's share of tax increment in years 1 to 15 (FY 1992-93 thru 2006-07). The County will receive 30% of its share in years 16 to 20 (FY 2007-08 thru 2011-12). The allocation increases to 45% in year 21 (FY 2012-13), 60% in year 26, 70% in year 31 and 90% in year 36.

(2) School District allocation formulas are based upon 25% of the Districts' respective share of net tax increment commencing in year 6 (FY 1997-98) to year 20 (FY 2011-12). This projection assumes that the allocation formula provided in Section 5 of the respective agreements remains in effect. The allocation increases to 30% in year 21 (FY 2012-13), 40% in year 31 and 50% in year 36.

Administration

9050-1490

Revenue	Actual 2006	Adopted 2007	Estimated 2007	Proposed 2008
Tax Increment	\$ 422,470	\$ 376,000	\$ 376,000	\$ 167,989
Interest	\$ (6,405)	\$ 2,000	\$ 2,000	\$ 2,000
Total Source of Funds	\$ 416,065	\$ 378,000	\$ 378,000	\$ 169,989

Expenditures				
County Admin Charges	\$	\$	\$	\$ 3,024
Administration	\$	\$	\$	\$
Professional Services	\$ 72,140	\$ 110,121	\$ 110,121	\$ 130,492
Staff Charges	\$ 251,083	\$ 275,053	\$ 275,053	\$ 78,805
Internal Service Fund Charges	\$ 12,265	\$ 11,807	\$ 11,807	\$ 668
Pass-thrus	\$	\$	\$	\$
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Total Use of Funds	\$ 335,488	\$ 396,981	\$ 396,981	\$ 212,989

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Explanation

This fund contains expenditures for services provided to the Redevelopment Agency by City staff in Community & Economic Development, Finance and the City Attorney's office.

Housing Set-aside

9060-1491

Revenue	Actual 2006	Adopted 2007	Estimated 2007	Proposed 2008
Tax Increment	\$ 946,636	\$ 1,000,000	\$ 1,000,000	\$ 1,140,000
Interest	\$ 92,967	\$ 75,000	\$ 75,000	\$ 75,000
Total Source of Funds	\$ 1,039,603	\$ 1,075,000	\$ 1,075,000	\$ 1,215,000
Expenditures				
Administrative Costs	\$	\$	\$	\$ 20,520
Staff Charges	\$ 6,973	\$ 7,441	\$ 7,441	\$ 111,910
Transfer Out CIP - Q244	\$ 1,032,630	\$ 1,067,559	\$ 1,067,559	\$ 1,082,570
Total Use of Funds	\$ 1,039,603	\$ 1,075,000	\$ 1,075,000	\$ 1,215,000

...

Explanation

This is a special revenue fund created pursuant to the Health & Safety Code Section 33334.3. All transactions related to Housing Set-Aside projects must be accounted for in this separate fund.

Fiscal Years 2007-2008

Low and Moderate Income Housing Fund

Expenditures for Planning and Administrative Activities

The Agency is required to adopt annual determinations that consider the necessity and proportionality of Low and Moderate Income Housing Fund (LMIHF) expenditures for planning and administrative activities.

Expenditures from the LMIHF for planning and administrative costs, relative to the total budget for Fiscal Years 2007-2008 and expenses are noted below:

Percent of Planning and Administrative Expenditures of LMIHF Budget

Expenditures from the LMIHF for planning and administrative costs (Admin), and its relationship to the total budget is noted below:

Fiscal Year	LMIHF Budget	Admin Expenditures	Admin % of Budget
FY 03/04	\$ 532,556	\$ 7,560	1.4%
FY 04/05	\$ 661,000	\$ 6,687	1.1%
FY 05/06	\$ 802,000	\$ 6,821	0.88%
FY 06/07	\$ 1,075,000	\$ 98,208	9.13%
FY 07/08 Est.	\$ 1,215,000	\$ 111,910	9.21%

Percent of Planning and Administrative Expenditures of LMIHF Expenditures

Expenditures from the LMIHF for planning and administrative costs (Admin), and its relationship to actual LMIHF expenditures is noted below:

Fiscal Year	LMIHF Expended	Admin Expenditures	Admin % of LMIHF
FY 03/04	\$ 47,714*	\$ 7,560	16%
FY 04/05	\$ 6,687*	\$ 6,687	100%
FY 05/06	\$ 6,821*	\$ 6,821	100%
FY 06/07	\$ 770,000**	\$ 98,208	12.75%
FY 07/08 Est.	\$ 7,079,301***	\$ 111,910	2%

* The Administrative and Planning expenditures for calendar years 2003 to 2006 were for legal review only of proposed affordable housing developments. This is a necessary cost to ensure compliance with Health & Safety Code requirements for proposed housing projects.

During 2006-2007, in addition to the mandatory legal review, the City of Modesto staff who provide administrative

Housing Set-aside

9060-1491

(cont.)

support to the Agency's Housing Fund reviewed and worked with developers on four proposed housing projects. Of the four proposals, two proposals are moving forward through the approval process and one property owned by the Agency may be disposed of to assist in funding the two viable projects. The two projects that are expected to be considered for funding will produce more than 100 affordable units as follows:

1. Town Center - 20 rental units; 7 single-family units
2. N. 9th Street Project - 80 rental units

** During FY 2006-2007, the Agency worked with the City of Modesto to identify and evaluate several Downtown sites for possible affordable housing projects. The Agency identified a parcel that was a small City Park site (17th & G Streets – "Tower Park"). The City declared this park as surplus to the City's needs and the Agency purchased the property for \$770,000 as a potential site for an affordable housing project.

Subsequent to the purchase of this parcel, the City staff met over several months with the adjacent landowners to discuss possible additional land acquisitions so the Agency would own the entire block. The goal was to provide a large enough site to allow both affordable housing and a retail/office mixed-use. The acquisition discussions were not successful. As such, the small parcel owned by the Agency is not large enough to produce a financially feasible affordable housing project. As such, the property owned by the Agency located at 17th & G Streets will be considered for disposition with the funds to be used to provide Agency assistance to the two projects listed above.

*** The revenue for the 2007-2008 Housing Fund is \$1,215,000. There is also a Capital Improvement Program ("CIP") account with a total of \$7,079,301, which includes the current budget revenue. All existing funds within the Housing budget and the CIP Account will be utilized for the above affordable housing projects within FY 2007-2008. Agency funding will be expended in conjunction with funding from the Community Development Block Grants, HOME and other housing funding.

Criteria: Health and Safety Code Section 33334.3(d) expresses the Legislature's intent that LMIHF expenditures for general planning and administrative activities not be disproportionate to actual costs for housing production, improvement, and preservation; and requires agencies to determine annually that planning and administrative expenses are necessary for the production, improvement, or preservation of low- and moderate-income housing.

State Controller's Office, Guidelines for Compliance Audits of California Redevelopment Agencies, November 1998, requires independent auditors to test for a written annual determination concerning the necessity and appropriateness of any planning and administrative expenditures from the LMIHF.

Health and Safety Code Section 33334.3(e) provides that the planning and administrative costs that may be paid by the LMIHF are those expenses incurred by the agency which are directly related to the programs and activities authorized by Section 33334.2(e) and are limited to: (A) through interagency agreements and agreements with contractors; and (B) costs incurred by a nonprofit organization not directly attributable to a specific project.

Project Plan

9080-1493

Revenue	Actual 2006	Adopted 2007	Estimated 2007	Proposed 2008
Tax Increment	\$ 899,281	\$ 912,000	\$ 912,000	\$ 949,492
Interest	\$ 25,486	\$ 75,000	\$ 75,000	\$ 75,000
Total Source of Funds	\$ 924,767	\$ 987,000	\$ 987,000	\$ 1,024,492

Expenditures				
County Admin Costs	\$	\$	\$	\$ 17,091
Professional Services	\$ 168,631	\$ 50,000	\$ 50,000	\$ 100,000
Staff/Service Credits	\$	\$ 13,553	\$ 13,553	\$ 130,997
Internal Service Funds	\$	\$	\$	\$ 335
Project Area Revitalization	\$ 170,085	\$ 300,000	\$ 300,000	\$ 200,000
RDA Master Plan/EIR (K871)	\$	\$	\$	\$ 45,000
Public Improvement (K732)	\$ 734,281	\$ 903,447	\$ 903,447	\$ 531,069
Total Use of Funds	\$ 1,072,997	\$ 1,267,000	\$ 1,267,000	\$ 1,024,492

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Explanation

This fund pays for various services associated with the Agency's Project planning and project implementation. Services provided include funding for market studies, feasibility studies, funds for project partnerships pursuant to adopted development agreements and other Project Area Revitalization projects.

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Modesto **Redevelopment** Agency

Capital Improvement Program
Fiscal Year 07-08 • Proposed

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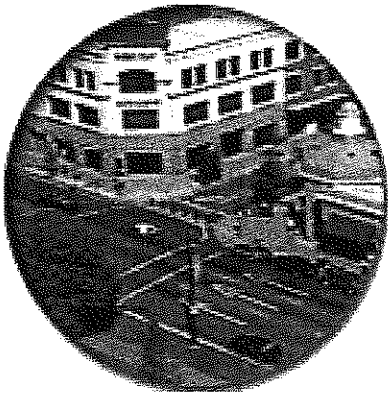
Capital Improvement Program

RDA CIP Budget	Beginning Budget	Revenues	Expenditures	Ending Balance
KWBP Land CIP - Q243	\$ 100,000	\$ -	\$ 100,000	\$
KWBP Plan CIP - Q246	\$ 605,000	\$ -	\$ 605,000	\$
Housing CIP - Q244	\$ 5,996,731	\$ 1,082,570	\$ 7,079,301	\$
Gallo Center CIP - Q260	\$ 602,000	\$ 0	\$ 602,000	\$
Public Impr CIP - K732	\$ 1,637,728	\$ 531,069	\$ 2,168,797	\$
Master Plan/ER CIP - K871	\$ 197,254	\$ 45,000	\$ 242,254	\$

Capital Improvement Project

9080-K732

Project Area Public Improvements



Project Manager: Linda Boston

Budget: \$ 2,168,797

Construct various public improvements within the RDA Project Area to support public-private development partnerships. Improvements may include, but are not limited to, various types of construction such as: street construction, streetscape, signage, public garages, land acquisition/disposition.

◊ HISTORY ◊

Over the past several years, the Agency has focused on assisting commercial and retail businesses within the Project Area in various ways. These programs have included the Façade Improvement Rebate Program that assisted commercial/industrial property owners and tenants with improvements to the exterior appearance of commercial buildings located in the Redevelopment Project Area. This program offered rebates ranging from 10% to 50% (maximum \$10,000 per project) of improvement costs for each property. In addition, the Agency has produced designs for wayfinding signage and will be constructing signage throughout the Downtown area to guide visitors to specific landmarks and destinations.

The Agency will now be focusing on a variety of public works projects that will include street construction, streetscape, signage, public garages, land acquisition/disposition and other projects that will grow from public-private partnerships in accordance with the Redevelopment law. These projects may include mixed-use projects, public parking, public amenities for market-rate housing, etc.

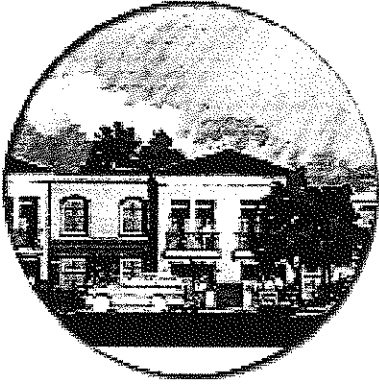
◊ NEXT STEPS ◊

1. Identification of Developers and Developable sites: The Agency staff continues to identify well-financed development partners in an increased effort to combine RDA funds with multiple funding sources for the production of various types of commercial buildings as well as market-rate housing within the Project Area. The Agency staff is also reviewing possible sites in the Project Area for public-private commercial developments. This fund will provide monies for the public amenities associated with these developments.
2. Additional parking: The Agency staff is working with other City departments to identify parcels near the downtown core that could be developed into multi-story parking garages. This additional parking inventory could provide alternative parking for downtown workers as well as for visitors.

Capital Improvement Project

9060 - Q244

Affordable Housing Projects



Project Manager: Linda Boston

Budget: \$ 7,079,301

◊ HISTORY ◊

Beginning in 2000, the Agency has focused on producing an affordable housing project in the Downtown. The primary barriers to this project have been:

- a. Increased land prices coupled with unwilling sellers that could necessitate eminent domain proceedings
- b. Reduced site acreage available for purchase
- c. Increased need for parking for the housing development and for the general population of downtown workers, customers and merchants

Because of the above issues, the Agency determined that additional funds would be needed for a downtown project versus a housing project in another area of the City. The Agency placed funds into this CIP Account in order to accumulate Housing Set-aside monies specifically for a downtown project.

As of June 2006, the Agency has identified two downtown sites and an additional site on the east side of Modesto in the Village One development area. The following is a summary of the proposed use the Housing Set-aside Funding for these two projects:

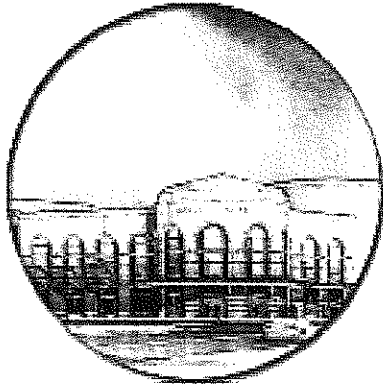
◊ NEXT STEPS ◊

1. 17th & G Street ("Tower Park"): The City of Modesto identified this small park site on the southwest corner of 17th & G Streets in Downtown Modesto as surplus to the City's needs. The Agency indicated their desire to purchase the site for an affordable housing project and acquired the site in June 2006. The Agency worked with the adjacent property owners on the block to expand the project site to include the entire block. Negotiations to purchase additional parcels were not successful. The use of this site for affordable housing will continue to be evaluated based on the development agreements for the three additional sites summarized below.
2. Town Center: This site is located at the northeast corner of Belharbour Drive and Roselle Avenue in the Village One area on the east side of Modesto. The 5-acre parcel is owned by the Stanislaus Housing Authority and is planned as a combined affordable and market-rate housing project. The Agency is considering investing \$450,000 in Housing Set-Aside funding in this project. The Agency's funding will be added to funding from the Community Development Block Grant funding and the Housing Authority funding.
3. N. 9th Street Project: This site is located on the east side of N. 9th Street, between N. 9th Street and Carver Road, to the north of Downtown. The 6.5-acre parcel is owned by Centerra Capital and is planned as an affordable housing project with apartments and possible single-family residential for first-time home buyers. The Agency is considering partnering with the developer using Housing Set-Aside funds. The Agency's funding will be added to funding from the Community Development Block Grant funds.

Capital Improvement Project

9080 - Q26C

Gallo Center for the Arts



Project Manager: Linda Boston

Budget: \$ 602,000

* HISTORY *

The Gallo Center for the Arts is a \$31 Million project, planned for the block between 10th and 11th Streets and H and I Streets in downtown Modesto. The center will feature a 1,200-seat theater, a 400-seat theater and art gallery. Though construction will be primarily funded by contributions from the community and Stanislaus County, the Agency approved using \$602,000 in tax increment revenue

for construction/replacement of such public improvements as deteriorated curb, sidewalks and streetlights, new street trees and street reconstruction.

The estimated cost for constructing the necessary street, streetscape and traffic signal improvements is \$602,000. Of this amount \$473,000 will be used to reimburse the County for the cost of constructing their portion of these improvements. The remaining \$129,000 will be used to reimburse the city for the cost of constructing their portion of the street improvements for the GAC.

On March 25, 2003, the City of Modesto approved a loan to the Modesto Redevelopment Agency in the amount of \$602,000 to fund this CIP Account. Also, the Agency will enter into an agreement with Stanislaus County in the amount of \$473,000 for reimbursement of costs associated with construction of the improvements.

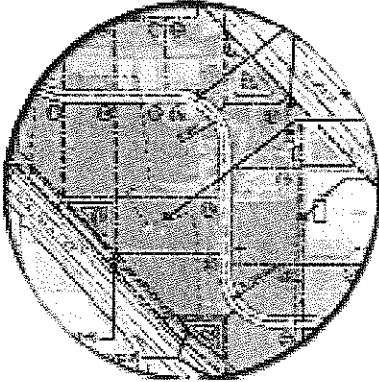
* NEXT STEPS *

- Construction: The County will be the project manager for this project. The Agency will provide funding for public improvements as the construction moves forward.
- Loan repayment: The loan amount will be added to the existing loan between the City and the Agency, including interest. The repayment of this loan will be as approved between the City and the Agency.

Capital Improvement Project

9080 - Q246

Kansas Woodland Business Park Concept Master Plan



Project Manager: Linda Boston

Budget: \$ 605,000

◊ HISTORY ◊

On November 6, 2002, the Agency approved the terms and conditions of a Purchase Option for the 45-acre FMC property. In summary, FMC and the Agency have agreed to the following:

- Agency receives the exclusive right to purchase the FMC property for a period of up to 3 years.
- The purchase price will be \$1,000,000 plus five percent (5%) of any amount received by the City upon sale of the Property in excess of \$1,000,000.
- Agency has paid an option payment of \$50,000 concurrent with the completion of the Property Option Agreement in consideration for the exclusive right to purchase the property.
- When the Agency elects to exercise the Property Option, the Agency will pay an Exercise Option payment of \$50,000.
- Both option payments (Total of \$100,000) will be applied to the purchase price.

◊ NEXT STEPS ◊

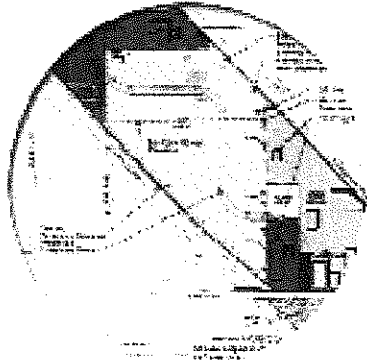
Staff is working concurrently on the following critical path items:

- Negotiations for the Developer Agreement (DA) and revisions to the Property Option Agreement.
- Completion of the following Specific Plan items:
 - Design and Use Guidelines and Standards
 - Traffic study and traffic mitigation measures
 - Conceptual infrastructure and design plans
 - Financing Plan
 - Tentative Subdivision Map
- Completion of the Program Environmental Impact Report (EIR)

Capital Improvement Project

9080 - Q243

Kansas Woodland Business Park Property Opt.



Project Manager: Linda Boston

Budget: \$ 100,000

◦ HISTORY ◦

On November 6, 2002, the Agency approved the terms and conditions of a Purchase Option for the 45-acre FMC property, located in the center of the Adopted Kansas-Woodland Business Park. In summary, the FMC Corporation and the Agency have agreed to the following:

- Agency receives the exclusive right to purchase the property for a period of up to 3 years.
- The purchase price will be \$1,000,000 plus five percent (5%) of any amount received by the City upon sale of the Property in excess of \$1,000,000.
- Agency has paid an option payment of \$50,000 concurrent with the completion of the Property Option Agreement in consideration for the exclusive purchase rights.

When the Agency elects to exercise the Property Option, the Agency will pay an Exercise Option Payment of \$50,000.

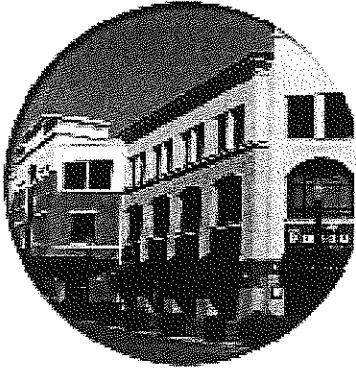
- Both option payments (Total of \$100,000) will be applied to the purchase price.
- FMC will secure approval from the State of California for a Site Cleanup Plan.
- FMC is responsible for remediation of the property as identified and ordered by the Dept. of Toxic Substances Control and the Regional Water Quality Control Board. The Agency has the right to purchase the property in an "As Is" condition once the remediation plan is approved and the site plan has been agreed upon between FMC, the Agency and the regulatory agencies.

◦ NEXT STEPS ◦

Staff will process the Property Option and release the Exercise Option Payment to the FMC Corporation once the State approvals are received and all development agreements are completed.

Capital Improvement Project

9080 - K871



Redevelopment Agency Master Plan

Project Manager: Linda Boston

Budget: \$ 242,254

HISTORY

In November 1991, the Redevelopment Agency (RDA) adopted the Amended Project Area and the Redevelopment Plan for a Project Area of approximately 2000 acres. This Project Area encompasses the downtown, a portion of the West side, as well as a smaller portion along Scenic Drive. As a part of this Project Area adoption, an Environmental Impact Report (EIR) was approved in accordance with the State law.

Subsequent to these actions, in 1994, a RDA Master Plan was also adopted to implement the goals and objectives of the RDA Plan. The purpose of this Master Plan is to provide a policy guideline document to identify specific types of land uses that the Agency should encourage and promote within the Project Area.

As a continuing part of this long-term strategy, the RDA staff - in consultation with the RDA General Counsel - has determined that both the RDA EIR and Master Plan should be updated. Considering the dramatic changes that have taken place since the early 1990's, both documents are out of date and must be revised to reflect the current conditions and to ensure legal compliance.

For the entire RDA Master Plan Update, the physical improvement strategies will include:

- Land Use policy direction
- Building massing for key sites
- Circulation, including pedestrian connections
- Streetscape character and urban design
- Focal points and gateways

NEXT STEPS

1. Consider increasing contract amount with EDAW, Inc. to include additional CEQA review not anticipated in current contract.
2. Staff will proceed with administration of the contract with EDAW, Inc.

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Exhibit "B"

Budgetary Control & Authority

The Redevelopment Agency's Budgetary Control & Authority policy is adopted by the Agency as a part of the resolution adopting the annual budget.

Basic Policy

The Agency budget is adopted at the fund level, and the authorized amount of expenditure for each fund is listed in Exhibit "A" of the budget resolution.

Multi-year appropriations authorized in previous years and not yet expended continue to be valid until explicitly revoked, notwithstanding the annual appropriation shown on Exhibit "A."

Executive Director's Authority

The Executive Director may take the following budgetary actions without Agency approval:

- Transfer appropriations between and within a fund
- Appropriate unbudgeted Agency revenues
- Appropriate reserves approved for litigation on a case-by-case basis
- Revoke multi-year appropriations and close CIP projects

Finance Officer's Authority

The Finance Officer may take the following budgetary actions without Agency approval:

- Appropriate unbudgeted grant interest
- Make technical budget corrections to implement the intent of Agency-approved actions and resolutions
- Transfer appropriations between sub-funds of a single fund

Assistant Executive Director's Authority

The Agency Assistant Executive Director may take the following budgetary actions without Agency approval:

- Transfer appropriations between non-salary line-items within a department, within a single fund

Actions Reserved to the Agency

All other budgetary actions require the approval of the Agency. In addition, the following specific actions always require Agency approval, any other provision of this policy notwithstanding:

- Appropriation of undesignated reserves
- Appropriation of revenues
- Budgeting of inter-fund transfers
- Budgeting of inter-fund loans
- Creating or increasing any multi-year appropriation including CIP projects

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 03- 2007**

**A RESOLUTION APPROVING A CONSULTANT AGREEMENT
BETWEEN THE MODESTO REDEVELOPMENT AGENCY AND
ADRIENNE GRAHAM, A SOLE PROPRIETORSHIP, FOR
PREPARATION OF THE ENVIRONMENTAL DOCUMENTS FOR THE
PROPOSED MIXED-USE DEVELOPMENT AT THE SOUTHWEST
CORNER OF 10TH & H STREETS AND AUTHORIZING THE
EXECUTIVE DIRECTOR TO EXECUTE SAID AGREEMENT.**

WHEREAS, the Redevelopment Agency of the City of Modesto (the "Agency") is carrying out the Redevelopment Plan for the Modesto Redevelopment Project, and

WHEREAS, as a continuation of the overall downtown renovation, the Agency has set forth as a key objective the pursuit of opportunities to increase the mixed use developments in the downtown area, and

WHEREAS, on August 3, 2005, the Agency approved an Exclusive Negotiating Agreement ("ENA") with Team Modesto, LLC ("Developer"), providing for the development of properties owned by the Agency at the Southwest corner of 10th Street and H Street (the "Project Site") located in the City of Modesto, California, and

WHEREAS, said Project Site is proposed to be developed into a mixed-use development consisting of parking, ground floor retail, office and market-rate townhomes, together with appurtenant public improvements (the "Mixed-Use Project"), and

WHEREAS, on May 22, 2007, the Agency approved a Memorandum of Understanding ("MOU") in order to complete certain pre-planning items, including:

1. Various studies, including environmental analysis pursuant to the California Environmental Quality Act ("CEQA"), *at Developer's expense*, and the legal contracts related to these studies,
2. Proposed project design, land uses, parameters and other pre-planning actions,
3. Requirements for the mixed-use development, including the site development schedule,
4. Terms of the parking agreement for public parking to be provided on the Site,
5. Land assembly to acquire all parcels for site development

, and

WHEREAS, staff recommends approval of a consultant agreement with Adrienne Graham which is attached hereto as “**Exhibit A**” and made a part hereof by this reference in order to complete said CEQA review to determine the feasibility of the proposed project for Agency’s review in advance of a proposed Disposition and Development Agreement (“DDA”), and

WHEREAS, said DDA will be entered into only after a public hearing of the Agency after publication of notice as may be required by said Redevelopment Law, which hearing will be held in accordance with said Redevelopment Law upon the successful conclusion of said CEQA analysis,

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the consultant agreement between the Agency and Adrienne Graham is hereby approved.

BE IT FURTHER RESOLVED, that the Redevelopment Agency of the City of Modesto hereby authorizes the Executive Director, or his/her designee, to execute said consultant agreement.

The foregoing resolution was introduced at a special meeting of the Modesto Redevelopment Agency held on the 4th day of September, 2007, by Agency Member Hawn, who moved its adoption, which motion being duly seconded by Agency Member O’Bryant, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Dunbar, Hawn, Keating, Marsh, O’Bryant, Olsen,
Chairperson Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: Jean Morris
JEAN MORRIS, Secretary

APPROVED AS TO FORM:

By R. Alcala Wood
SUSANA ALCALA WOOD, General Counsel

**STANDARD
AGREEMENT FOR CONSULTANT SERVICES**

THIS AGREEMENT, made and entered into in the City of Modesto, State of California, this ____ day of _____, 2007 by and between the REDEVELOPMENT AGENCY OF THE CITY OF MODESTO, a public body, corporate and politic, hereinafter referred to as "AGENCY", and, Adrienne L. Graham, AICP, a sole proprietorship, hereinafter referred to as "CONSULTANT".

This Agreement is made with regard to the following recitals:

A. The AGENCY has determined that as part of the development of the 10th & H Mixed Use Project at the southwest corner of 10th Street and H Street in Downtown Modesto (the "Site"), the AGENCY is considering a Disposition and Development Agreement (the "DDA") which will serve as the regulatory document for the proposed Planned Development of a 8-story mixed-use project (the "PD") at the Site. In preparation for the proposed disposition of real property owned by the AGENCY for the purpose of said PD, the AGENCY is seeking the services of Consultant to assess the potential environmental impacts that might result from the implementation and ultimate build-out pursuant to said PD.

B. CONSULTANT represents that it is qualified, willing and able to provide said environmental services referenced above.

C. CONSULTANT acknowledges that it will coordinate its work with the AGENCY's development team members including the City of Modesto Community and Economic Development staff, as needed.

NOW, THEREFORE, in consideration of this agreement, and the mutual promises, covenants, and stipulations hereinafter contained, the parties agree as follows:

1. **SCOPE OF SERVICES.**

CONSULTANT shall undertake and complete the preparation of the scope of work as set forth and described in "Exhibit A" or "project" which is attached hereto and incorporated herein by this reference. The CONSULTANT shall perform the services as described in "Exhibit A" in a manner compatible with the standards of its profession, and shall produce a fully complete project that is acceptable to AGENCY.

2. **TERM OF AGREEMENT.**

This Agreement is effective as of the date first written above and will continue in effect until AGENCY's acceptance of and payment for all services authorized by AGENCY and performed by CONSULTANT, unless terminated earlier in accordance with the provisions of the termination clause in this Agreement.

AGENCY hereby gives CONSULTANT notice to proceed with the preparation of the project in the manner described in "Exhibit A" as of the effective date of this agreement. CONSULTANT shall diligently proceed with the preparation of the project and agrees to complete said preparation within the time period set forth in "Exhibit A", as measured from the date this Agreement is signed by the Executive Director.

3. **COMPENSATION.**

CONSULTANT agrees to accept a sum not to exceed \$125,709 as full remuneration for performing all services and furnishing all staffing and materials called for in "Exhibit A" and for performance by CONSULTANT of all of its duties and obligations under this Agreement.

Upon execution of this Agreement, CONSULTANT is directed to proceed with all tasks related to the Project as set forth in said "Exhibit A". Monthly billing of time and

materials shall be based upon the current schedule of hourly rates set forth in attached "Exhibit A" which is attached hereto and incorporated herein by this reference.

4. OBLIGATIONS OF CONSULTANT.

Throughout the term of this Agreement, CONSULTANT shall possess, or secure all licenses, permits, qualifications and approvals legally required to conduct business. CONSULTANT warrants that it has all of the necessary professional capabilities and experience, as well as all tools, instrumentalities, facilities and other resources necessary to provide the AGENCY with the services described in attached Exhibit A. CONSULTANT further warrants that it will follow the current, generally accepted and professional practices to make findings, render opinions, prepare factual presentations, and provide professional advice and recommendations regarding this project.

5. PERFORMANCE BY KEY EMPLOYEE.

CONSULTANT has represented to AGENCY that Adrienne Graham will be the person primarily responsible for the performance of the services referred to in this Agreement. AGENCY has entered into this Agreement in reliance on that representation by CONSULTANT.

6. OWNERSHIP OF DOCUMENTS/TITLE TO DATA.

Ownership of Documents

All reports, drawings, designs, graphics, working papers and other incidental work or materials furnished hereunder shall become and remain the property of the AGENCY, and may be used by AGENCY as it may require without any additional cost to AGENCY. No reports prepared under this contract shall be used by the CONSULTANT for purposes other than this contract without the express prior written consent of AGENCY. Any

reuse of such materials by AGENCY for any project other than the project which is the subject of this agreement shall be at AGENCY's sole risk.

Title to Data

If, as a part of the agreement, CONSULTANT is required to produce data such as, but not limited to, drawings, plans, specifications, calculations, models, flow diagrams, visual aids and other related materials, the originals of all such data generated under this agreement will be delivered to AGENCY upon the completion or termination of services under the contract.

All materials, documents, data or information obtained from the AGENCY data files or any AGENCY medium furnished to CONSULTANT in the performance of this Agreement will at all times remain the property of the AGENCY. Such data or information may not be used or copied for direct or indirect use by CONSULTANT after termination of this Agreement without written consent of the AGENCY.

7. NEWS AND INFORMATION RELEASE.

CONSULTANT agrees that it will not issue any news releases in connection with either the award of this Agreement, or any subsequent amendment of or efforts under this Agreement, without first obtaining review and approval of said news releases from AGENCY through the Executive Director.

8. INTEREST OF CONTRACTOR.

CONSULTANT warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. CONSULTANT warrants that, in performance of this Agreement, CONSULTANT shall not employ any person

having any such interest. CONSULTANT agrees to file a Statement of Economic Interests with the City Clerk at the start and end of this contract if so required at the option of AGENCY.

9. AMENDMENTS.

Both parties to this Agreement understand that it may become desirable or necessary during the execution of this Agreement, for AGENCY or CONSULTANT to modify the scope of services provided for under this Agreement. Any material extension or change in the scope of work shall be discussed with AGENCY and the change and cost shall be memorialized in a written amendment to the original contract prior to the performance of the additional work.

Until a change order is so executed, AGENCY will not be responsible to pay any charges CONSULTANT may incur in performing such additional services, and CONSULTANT shall not be required to perform any such additional services.

10. INDEPENDENT CONTRACTOR.

All acts of CONSULTANT, its agents, officers, and employees and all others acting on behalf of CONSULTANT relating to the performance of this Agreement, shall be performed as independent contractors and not as agents, officers, or employees of AGENCY. CONSULTANT, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of AGENCY. CONSULTANT has no authority or responsibility to exercise any rights or power vested in the AGENCY. No agent, officer, or employee of the AGENCY is to be considered an employee of CONSULTANT. It is understood by both CONSULTANT and AGENCY that this Agreement shall not under any circumstances be construed or considered to create an employer-employee relationship or a joint venture.

CONSULTANT, its agents, officers and employees are and, at all times during the terms of this Agreement, shall represent and conduct themselves as independent contractors and not as employees of AGENCY.

CONSULTANT shall determine the method, details and means of performing the work and services to be provided by CONSULTANT under this Agreement. CONSULTANT shall be responsible to AGENCY only for the requirements and results specified in this Agreement, and, except as expressly provided in this Agreement, shall not be subjected to AGENCY's control with respect to the physical action or activities of the CONSULTANT in fulfillment of this Agreement. CONSULTANT has control over the manner and means of performing the services under this Agreement. CONSULTANT is permitted to provide services to others during the same period service is provided to AGENCY under this Agreement. If necessary, CONSULTANT has the responsibility for employing other persons or firms to assist CONSULTANT in fulfilling the terms and obligations under this Agreement.

If in the performance of this Agreement any third persons are employed by CONSULTANT, such persons shall be entirely and exclusively under the direction, supervision, and control of CONSULTANT. All terms of employment including hours, wages, working conditions, discipline, hiring, and discharging or any other term of employment or requirement of law shall be determined by the CONSULTANT.

It is understood and agreed that as an independent contractor and not an employee of AGENCY neither the CONSULTANT or CONSULTANT's assigned personnel shall have any entitlement as a AGENCY employee, right to act on behalf of the AGENCY in any capacity whatsoever as an agent, or to bind the AGENCY to any obligation whatsoever.

It is further understood and agreed that CONSULTANT must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of CONSULTANT's personnel.

As an independent contractor, CONSULTANT hereby indemnifies and holds AGENCY harmless from any and all claims that may be made against AGENCY based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

11. ASSIGNMENT.

Neither this Agreement nor any portion thereof shall be subcontracted or assigned without the express prior written consent of the AGENCY in each and every instance.

12. PATENT/COPYRIGHT MATERIALS.

Unless otherwise expressly provided in the contract, CONSULTANT shall be solely responsible for obtaining the right to use any patented or copyrighted materials in the performance of this Agreement. CONSULTANT shall furnish a warranty of such right to use to AGENCY at the request of AGENCY.

13. NOTICES.

Any and all notices permitted or required to be given hereunder shall be deemed duly given and effective (1) upon actual delivery, if delivery is by hand; or (2) five (5) days after delivery into the United States mail if delivery is by postage paid registered or certified (return receipt requested) mail. Each such notice shall be sent to the parties at the address respectively indicated below or to any other address as the respective parties may designate from time to time.

FOR CONSULTANT: Adrienne L. Graham, AICP
4533 Oxbow Drive
Sacramento, CA 95864
Voice: 916.206.0135
Fax: 456-7154
algraham@surewest.net

FOR AGENCY: Modesto Redevelopment Agency
Attention: Linda Boston
1010 Tenth Street, Suite 3300
Modesto, CA 95354
(209) 571-5179
lboston@modestogov.com

14. INSURANCE REQUIREMENTS.

The CONSULTANT shall provide at its own expense and maintain at all times the following insurance with insurance companies licensed in the State of California and shall provide evidence of such insurance to the AGENCY as may be required by the Risk Manager of the AGENCY. The policies or certificates thereof shall provide that, thirty (30) days prior to cancellation, notices of same shall be given to the Risk Manager of the AGENCY by US mail, postage pre-paid, for all of the following stated insurance policies. In the event of non-payment of premium, then and in that event, ten (10) days notice will be given.

(a) Worker's Compensation - in compliance with the statutes of the State of California, plus employer's liability with a minimum limit of liability of \$500,000.

(b) General Liability insurance with a minimum limit of liability per occurrence of \$1,000,000 for bodily injury and \$100,000 for property damage or \$1,000,000 combined single limit. This insurance shall indicate on the certificate of insurance the following coverages and indicate the policy aggregate limit applying to: premises and operations; broad form contractual; independent CONSULTANTS and subcontractors; products and completed operations;

(c) Automobile Liability insurance with a minimum limit of liability per occurrence of \$1,000,000 for bodily injury and \$100,000 for property damage or \$1,000,000 combined single limit. This insurance shall cover any automobile for bodily injury and property damage.

(d) Professional Liability insurance with a minimum limit of \$1,000,000 per claim and policy aggregate.

If at any time any of said policies shall be unsatisfactory to the AGENCY, as to form or substance, or if a company issuing such policy shall be unsatisfactory to the AGENCY, the CONSULTANT shall promptly obtain a new policy, submit the same to the Risk Manager for approval and submit a certificate thereof as hereinabove provided. Upon failure of the CONSULTANT to furnish, deliver or maintain such insurance and certificates as above provided, this Agreement, at the election of the AGENCY, may be forthwith declared suspended, or terminated. Failure of the CONSULTANT to obtain and/or maintain any required insurance shall not relieve the CONSULTANT from any liability under this Agreement, nor shall the insurance requirements be construed to conflict with or otherwise limit the obligations of the CONSULTANT concerning indemnification. The AGENCY, its agents, officers, employees, and volunteers shall be named as an additional insured on all insurance policies required herein, except Workers' Compensation and Professional Liability. The Workers' Compensation insurer shall agree to waive all rights of subrogation against the AGENCY, its agents, officers, employees, and volunteers for losses arising from work performed by CONSULTANT for the AGENCY. The CONSULTANT's insurance policy(ies) shall include a provision that the coverage is primary as respects the AGENCY except Worker's Compensation and Professional Liability; shall include no special limitations to coverage provided to additional insured; and, shall be placed with insurer(s) with acceptable Best's rating of A:VII or with approval of the Risk

Manager. The CONSULTANT must deliver certificates evidencing existence of the insurance called for in the contract specifications to the City Clerk at the time the contract is signed.

15. **TERMINATION OF AGREEMENT.**

Termination on Occurrence of Stated Events

This Agreement shall terminate automatically on the date on which any of the following events occur: (1) bankruptcy or insolvency of CONSULTANT, (2) legal dissolution of CONSULTANT, or (3) death of key principal(s) of CONSULTANT.

Termination by AGENCY for Default of CONSULTANT

Should CONSULTANT default in the performance of this Agreement or materially breach any of its provisions, at its option AGENCY may terminate this Agreement by giving written notification to CONSULTANT. The termination date shall be the effective date of the notice. For the purposes of this section, material breach of this Agreement shall include but not be limited to any of the following: failure to perform required services or duties, willful destruction of AGENCY's property by CONSULTANT, dishonesty or theft.

Termination by CONSULTANT for Default of AGENCY

Should AGENCY default in the performance of this Agreement or materially breach any of its provisions, at its option CONSULTANT may terminate this Agreement by giving written notice to AGENCY. The termination date shall be the effective date of the notice. For the purposes of this section, material breach of this Agreement shall include but not be limited to any of the following: failure to cooperate reasonably with CONSULTANT, willful destruction of CONSULTANT's property by AGENCY, dishonesty or theft.

Termination by AGENCY for Lack of Budgeted Funds

The AGENCY may terminate this Agreement effective July 1 of any given year upon the AGENCY's determination to not appropriate sufficient funds for this Agreement for the ensuing fiscal year. In such event AGENCY shall give CONSULTANT not less than 30 days written notice.

Termination for Failure to Make Agreed-Upon Payments

Should AGENCY fail to pay CONSULTANT all or any part of the payments set forth in this Agreement on the date due, at its option CONSULTANT may terminate this Agreement if the failure is not remedied within thirty (30) days after CONSULTANT notifies AGENCY in writing of such failure to pay. The termination date shall be the effective date of the notice.

Termination by AGENCY for Change of CONSULTANT's Tax Status

If AGENCY determines that CONSULTANT does not meet the requirements of federal and state tax laws for independent contractor status, AGENCY may terminate this Agreement by giving written notice to CONSULTANT. The termination date shall be the effective date of the notice.

Voluntary Termination

The parties may terminate this contract upon mutual written Agreement.

In the Event of Termination

If this Agreement is terminated pursuant to this Paragraph, CONSULTANT shall cease all its work on the project as of the termination date and shall see to it that its employees, subcontractors and agents are notified of such termination and cease their work. If AGENCY so requests, and at AGENCY's cost, CONSULTANT shall provide sufficient

oral or written status reports to make AGENCY reasonably aware of the status of CONSULTANT's work on the project. Further, if AGENCY so requests, and at AGENCY's cost, CONSULTANT shall deliver to AGENCY any work products whether in draft or final form which have been produced to date.

If the Agreement is terminated pursuant to any of the subsections contained in this paragraph, AGENCY will pay CONSULTANT an amount based on the percentage of work completed on the termination date, this percentage shall be determined by AGENCY in its sole discretion. If the Agreement is terminated pursuant to the subparagraph entitled Termination by AGENCY for Default of CONSULTANT, CONSULTANT understands and agrees that AGENCY may, in AGENCY's sole discretion, refuse to pay CONSULTANT for that portion of CONSULTANT's services which were performed by CONSULTANT on the project prior to the termination date and which remain unacceptable and/or not useful to AGENCY as of the termination date.

16. INDEMNITY.

CONSULTANT shall defend, indemnify, and hold harmless AGENCY, its agents, officers, and employees from and against all claims, damages, losses, judgment, liabilities, expenses, and other costs including litigation costs and attorney's fees from every cause, including but not limited to injury to person or property or wrongful death arising directly or indirectly out of any wrongful or negligent act or omission of CONSULTANT, its agents, officers and employees, except if the act or omission arises from the sole negligence or other liability of AGENCY, or its agents, officers, and employees or volunteers relating to or during the performance of its obligations under this agreement.

CONSULTANT's obligation to defend, indemnify, and hold the AGENCY, its agents, officers, and employees harmless under the provisions of this paragraph is not limited to

or restricted by any requirement in this Agreement for CONSULTANT to procure and maintain a policy of insurance.

17. ENTIRE AGREEMENT.

This Agreement and its exhibits contain the entire understanding between CONSULTANT and AGENCY. Additional or new terms contained in this Agreement which vary from CONSULTANT'S proposal are controlling and are deemed accepted by CONSULTANT by shipment of any article or other commencement of performance hereunder. All previous proposals, offers and communications relative to this Agreement, whether oral or written, are hereby superseded except to the extent that they have been incorporated into this Agreement. No future waiver of or exception to any of the terms, conditions, and provisions of this Agreement shall be considered valid unless specifically agreed to in writing by all the parties.

18. PARTIAL INVALIDITY.

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

19. WAIVER.

The waiver by any party to this Agreement of a breach of any provision hereof shall be in writing and shall not operate or be construed as a waiver of any other or subsequent breach hereof unless specifically stated in writing.

20. AUDIT.

The AGENCY's duly authorized representative shall have access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify CONSULTANT's charges to AGENCY under this Agreement.

CONSULTANT agrees to retain reports, records, documents, and files related to charges under this Agreement for a period of four (4) years following the date of final payment for CONSULTANT services. AGENCY's representative shall have the right to reproduce any of the aforesaid documents.

21. **GOVERNING LAW.**

This Agreement shall be governed according to the laws of the State of California.

22. **HEADINGS NOT CONTROLLING.**

Headings used in the Agreement are for reference purposes only and shall not be considered in construing this Agreement.

23. **COMPLIANCE WITH LAWS.**

CONSULTANT shall insure compliance with all safety and hourly requirements for employees, in accordance with federal, state, and county safety and health regulations and laws. CONSULTANT shall fully comply with all applicable federal, state, and local laws, ordinances, regulations and permits. CONSULTANT will have a City of Modesto business license.

///

IN WITNESS WHEREOF, the AGENCY has caused this Standard Agreement for Consultant Services to be signed and executed on its behalf by its Executive Director, and attestation by its Secretary on the ___ day of _____, 2007, and Consultant has signed and executed this Agreement, which shall become effective on the day and year first above written.

MODESTO REDEVELOPMENT AGENCY

CONSULTANT*
Adrienne L. Graham, AICP
A Sole Proprietorship

GEORGE W. BRITTON, Executive Director

By: Adrienne L. Graham, AICP

CONSULTANT'S Federal ID #

ATTEST:

(Seal)

By: JEAN MORRIS, Secretary

APPROVED AS TO FORM:

By: SUSANA ALCALA WOOD
General Counsel

APPROVED AS TO INSURANCE:

By: Mary Akin, Risk Manager

- * Corporations - signature of two (2) officers required or one (1) officer plus corporate seal.
- Partnership - signature of a partner required
- Sole Proprietorship - signature of proprietor required

EXHIBIT “A”

**SCOPE OF WORK
10th and H Project
Draft EIR**

INTRODUCTION

The Modesto Redevelopment Agency proposes to redevelop a portion of a downtown City block with a mix of uses, including residential, commercial and parking. The project site is bounded by 10th, 9th, H and G Streets, but does not include the buildings at the corner of 9th and H Streets. The project site is currently occupied by a parking lot, several retail buildings and associated parking areas. The proposed project is construction of an 8-story building to house the 105 condominiums, 37,000 gross square feet (gsf) of retail uses, 35,000 gsf of offices and 471 parking spaces. Given the anticipated size of the proposed project, an Environmental Impact Report (EIR) will be prepared.

The Redevelopment Agency is undertaking an update to the Redevelopment Master Plan (RMP), and preparing a program EIR for the update. The 10th & H project site is in Area 3 of the RMP. The RMP identifies goals and implementation strategies to guide redevelopment in Modesto over the next 10 years and beyond. The RMP identifies several proposed catalyst and opportunity sites within each area. Although the 10th & H project was not identified as a catalyst or opportunity site, it will be developed in accordance with the RMP. Therefore, the 10th & H EIR will tier from the RMP EIR to the extent appropriate. The 10th & H EIR will use information contained in the RMP EIR where applicable, and rely on policies and mitigation measures identified in the RMP EIR to reduce impacts where feasible.

The scope of work is based on discussions with City and applicant staff and review of existing documents, including a pre-release version of the RMP Draft EIR and the General Plan Update Master EIR (2003). An Initial Study will be used to focus the analysis of the Draft EIR. This scope of work assumed that the 10th & H Draft EIR will include the following technical sections:

- Aesthetics and Visual Quality,
- Air Quality (including climate change),
- Land Use,
- Noise,
- Transportation and Circulation, and
- Utilities.

The remaining technical areas will be addressed solely in the Initial Study, which will be prepared with the Notice of Preparation and appended to the Draft EIR.

The transportation analysis will be prepared by KD Anderson Transportation Engineers. The noise analysis will be prepared by JC Brennan & Associates.

Specific tasks are described below. A cost estimate and schedule follow, along with a discussion of key issues.

Task 1 Project Initiation

The Consultant will coordinate the project initiation with RDA staff and consultants. The Consultant will identify information needs, conduct a site visit, and review available information relating to the proposed project.

Task 2: Prepare Administrative Draft Notice of Preparation/Initial Study

The Consultant will prepare an Administrative Draft Notice of Preparation (NOP) and Initial Study for City review and comment. The NOP will include:

- A discussion of the purpose of the EIR;
- A description of the project and its environmental setting;
- The location of the project on an attached map;
- The relationship of the project to the RMP and General Plan;
- Objectives of the proposed project;
- The probable environmental effects of the proposed project; and
- Required entitlements and project approvals.

The administrative draft Initial Study will focus the Draft EIR analysis by addressing those impacts that would be less than significant, or that could be reduced to less-than-significant level with mitigation from the General Plan MEIR and the RMP EIR and/or other standard measures.

Task 3: Prepare Notice of Preparation

The Consultant will make changes to the Administrative Draft NOP and Initial Study based upon staff comments. Upon completion of the NOP/Initial Study, the Consultant will provide up to one camera-ready copy for reproduction and distribution by the City to the appropriate agencies and interested parties. The Consultant will deliver 15 copies of the NOP/Initial Study to the State Clearinghouse.

The Consultant will attend one scoping meeting during the NOP review period. It is assumed that the City will make arrangements for a room and notice the meeting. The Consultant will assist the City with the content of the notice, and decisions regarding the format of the scoping meeting.

Task 4 Prepare Administrative Draft EIR

The Consultant will prepare an Administrative Draft EIR (ADEIR) in full compliance with the requirements of CEQA. It is assumed that the Draft EIR will include the following technical sections:

- Aesthetics and Visual Quality,
- Air Quality (including Climate Change),
- Land Use,

- Noise,
- Transportation and Circulation, and
- Utilities.

Each technical section will describe the applicable environmental setting and regulatory context. The methods and standards of significance used for determining impacts of the project will be clearly and explicitly described in each technical section of the EIR, including any assumptions, models, or modeling techniques that are important to understand the conclusions of the analysis. The impact analysis will evaluate the extent to which compliance with applicable State and or federal laws, City ordinances and policies, General Plan MEIR or RMP mitigation measures or other requirements will reduce impacts. The EIR will include additional mitigation, as needed, to reduce impacts to a less-than-significant level.

The significance of impacts will be based on thresholds drawn from the General Plan Master EIR and RMP EIR), supplemented as needed (subject to City approval) by the CEQA Guidelines, the City's General Plan, other applicable City, regional, State or federal standards, and, where other standards are unavailable, professional judgment. For each impact, the EIR will clearly identify the level of significance of that impact.

For each significant impact, mitigation measures will be identified, where necessary and available. Mitigation measures from the General Plan MEIR and RMP EIR will be used where applicable. The EIR will describe how implementation of each mitigation measure will reduce the effect of the impact. The level of significance will be identified both before and after mitigation. The EIR will also indicate where any jurisdiction other than the City would have jurisdiction over mitigation implementation.

The Draft EIR will include a summary chapter, in accordance with Section 15123 of the CEQA Guidelines, identifying the impacts of the proposed project and recommended mitigation measures. A summary table will be included, consisting of a matrix of impacts and mitigation measures, including levels of significance of impacts before and after mitigation. This chapter will also set the context for the EIR, describe known areas of controversy, and identify alternatives.

The Consultant will work with the City to define CEQA alternatives to the proposed project that could avoid or reduce the magnitude of significant and/or significant and unavoidable impacts. It is assumed that a maximum of three alternatives will be analyzed, including the No Project Alternative. The alternatives will be qualitatively analyzed at a level of detail less than of the proposed project. In some cases, quantification will be provided (e.g., acreage-related impacts such as agriculture). An environmentally superior alternative will be identified.

The Consultant will prepare the remaining statutorily required sections of the EIR, including:

- A summary of cumulative impacts identified for the proposed project (also contained in each technical section);
- A summary of significant and unavoidable impacts;

- An evaluation of potential growth-inducing effects;
- A discussion of significant irreversible environmental changes that would occur with development of the proposed project.

Task 5: Draft EIR

The Consultant will make revisions to the Administrative Draft EIR based upon comments from the City. A Screencheck version of the Draft EIR will be provided to the City to ensure that comments on the ADEIR were incorporated as intended. The Screencheck Draft EIR will be prepared in redline and strike-out text.

After review of the Screencheck Draft EIR, the Consultant will make final edits to the Draft EIR and print up to 50 copies of the Draft EIR.

The Consultant will prepare the Notice of Completion (NOC) and will file this notice, along with 15 disk copies of the document and 15 copies of a printed summary, with the State Clearinghouse. It is assumed that the City will distribute copies of the Notice of Availability and/or Draft EIR to regional and local agencies and all persons who have requested notification of the availability of City CEQA documents and/or documents pertaining to the proposed project.

Task 6 Administrative Final EIR

After the public comment period has closed on the Revised DEIR, the Consultant will review all comments made on the Revised DEIR, and provide the City a list of issues raised and information provided in comments on the Draft EIR that could require additional analysis and/or changes to the Draft EIR text (other than minor corrections).

The Consultant will prepare written responses to all oral and written comments received on the Draft EIR. The Administrative Final EIR (AFEIR) will include a list of commenters, responses to comments, summary of text changes, a revised summary table, and a draft Mitigation Monitoring Plan (see Task 7).

Costs associated with the preparation of the responses to comments on the Draft EIR assume that a reasonable number of comment letters (approximately 40 pages) are received by the City, that no issues requiring additional studies or modeling are received, and that no new issues are raised. The Consultant will contact the City regarding an amendment to the budget if comments on the Draft EIR exceed that which is currently anticipated.

Task 7 Mitigation Monitoring Program (MMP)

The Consultant will prepare an administrative review copy of a Draft Revised MMP for inclusion in the Administrative Final EIR. For every mitigation measure identified in the Draft EIR and Initial Study, the timing, responsible party, implementation action and monitoring party

will be identified. The Draft MMP will be presented with the AFEIR and will be revised for inclusion in the Final EIR.

Task 8 Prepare Final EIR

Based on City comments on the AFEIR, the Consultant will modify the Administrative Final EIR into the Final EIR. The Consultant will provide 50 copies of the Final EIR to the City for distribution. It is assumed that the City will distribute the Final EIR and send a Public Notice of Availability of the Final EIR and Public Hearing to the newspaper, community groups, and/or individuals who might be interested in the proposed project. The City will be responsible for preparing and filing a Notice of Determination, as well as any Findings or Statement of Overriding Considerations, if required.

Task 9: Public Hearings on Final EIR

The Consultant will attend and participate up to 2 public hearings for certification of the EIR. Technical assistance will be provided to City staff at the public hearings.

Task 10 Project Management

The consultant will attend up to 3 project meetings, in addition to the scoping meeting and public hearings. These meetings may include meetings to be held with the City staff, and/or other agencies or technical specialists during the project to ensure clear and regular communication concerning the issues. Additional meetings, if necessary, will be reimbursed on a time-and-materials basis.

Products

The following list includes all documents, whether bound, electronic or camera-ready, that will be submitted to the City by the Consultant.

- 5 copies of the Administrative Draft NOP and Initial Study submitted to the City for review.
- 15 copies of the NOP delivered to the State Clearinghouse.
- 50 copies, 1 camera-ready and 1 electronic copy of the NOP submitted to the City for reproduction and distribution.
- 5 copies of the Administrative Draft EIR submitted to the City for review.
- 1 unbound copy of the Screencheck DEIR submitted to the City for review and comment.
- 15 electronic copies of the Draft EIR and 15 printed copies of a summary submitted to the State Clearinghouse.

- 50 copies, 1 unbound, camera-ready copy and one electronic copy of the DEIR submitted to the City for distribution.
- 5 bound copies of the Administrative Final EIR submitted to the City for review.
- 1 unbound copy of the Screencheck Final EIR submitted to the City for review and comment.
- 50 copies, 1 camera-ready copy and 1 electronic copy of the FEIR and MMP submitted to the City for distribution.

Meetings and Hearings

The Consultant will be available to attend the following meetings:

- Up to 3 project meetings with City staff during the EIR process,
- 1 public scoping meeting, and
- 2 public hearings.

Cost Estimate

The estimated cost is based on the presented scope of work and schedule. The estimated cost of preparing the EIR is based on knowledge of the project at this time. If the public or agency comments on the Draft EIR exceed 40 pages and/or raise new issues requiring additional analysis, the consultant may wish to renegotiate the cost based on the level of comment received.

The EIR will be prepared by Adrienne L. Graham at a billing rate of \$130/hour and Francisca Mar at a billing rate of \$100/hour. Mileage will be charged at \$0.40/mile. A 10 percent administrative fee will be added to subconsultant and direct costs.

Factors that would increase the scope of work and estimated costs outlined in the proposal include: attendance at additional public meetings; printing of additional copies of reports; analysis of additional issues above those discussed in this proposal or a more detailed level of analysis than described in this proposal; changes in the project requiring reanalysis or rewriting of report sections; collection of data required for the DEIR beyond that described in this proposal; attendance at additional meetings beyond those budgeted; and excessive comments on the Administrative Draft EIR, AFEIR, or the MMP. We would propose to renegotiate these items, if required, or charge on a time-and-materials basis.

Schedule

The consultant is prepared to complete the EIR process according to the schedule shown below. This schedule shows the entire environmental review being completed in approximately 44 weeks after authorization to proceed. This schedule assumes that KD Anderson receives the information they need to produce the traffic analysis within 1 week of authorization to proceed, City comments on drafts are not excessive, and public comments on the NOP and Draft EIR are not excessive.

**10th & H Street Project
EIR Cost Estimate**

Task	Hours	Cost
Task 1 Project Initiation	16	\$ 1,840
Task 2 Prepare Ad Draft NOP/Initial Study	40	\$ 4,600
Task 3 Prepare Notice of Preparation/Initial Study	16	\$ 1,840
Task 4 Prepare ADEIR	300	\$34,500
Task 5 Prepare DEIR	80	\$ 9,200
Task 6 Prepare AFEIR	48	\$ 5,520
Task 7 Prepare MMP	16	\$ 1,840
Task 8 Prepare FEIR	24	\$ 2,760
Task 9 Public Meetings and Hearings	24	\$ 2,760
Task 10 Project Management	80	\$ 9,200
Total Hours	644	
Hourly Rate (combined rate for A Graham and F Mar)	\$ 115	
Total Consultant Labor	\$74,060	\$74,060
Subconsultants		\$40,154
Traffic (KD Anderson)	\$30,540	
Noise (JC Brennan & Associates)	\$ 7,614	
Word Processing and Graphics	\$ 2,000	
Expenses		
Delivery, Postage	\$ 500	\$ 6,800
Printing	\$5,000	
Travel and Mileage	\$ 500	
Miscellaneous	\$ 800	
Administrative Fee (10% on subs and expenses)		\$ 4,695
Total Budget		\$125,709

**10th & H Street Project EIR
Tentative Schedule**

Task	Time Needed	Tentative Dates
Authorization to Proceed and receipt of project information	Not applicable	August 6
Draft NOP/Initial Study provided to City	8 weeks	October 1
City review of Draft NOP/Initial Study complete	2 weeks	October 15
NOP finalized	2 weeks	October 29
NOP public circulation	30 days	October 29 through November 28
ADEIR submitted to City	3 weeks	December 21
City provides ADEIR comments to consultant	2 weeks (plus 1 week holiday)	January 4, 2007
Screencheck DEIR submitted to City	4 weeks	February 1
City Review	1 week	February 8
Prepare public review DEIR	1 week	February 15
RDEIR public review	45 days	February 15 through March 31
Admin Final EIR and MMP submitted to City	4 weeks	April 28
City provides AFEIR comments	2 weeks	May 12
Prepare Screencheck FEIR	2 weeks	May 26
City Review	1 week	June 2
Finalize FEIR and MMP	1 week	June 9
Commission/Council action on project	Minimum of 10 days	June 19
Total	45 weeks	

Notes: Assumes traffic consultant receives all necessary information within one week of authorization to proceed. The traffic analysis requires 14 weeks after authorization, and the ADEIR requires 3 weeks after completion of the traffic study.

SUMMARY OF KEY ISSUES

The issues to be evaluated in the EIR are summarized below. For each technical section, the environmental setting and regulatory context will be described. Information from the RMP EIR will be used to the extent appropriate. Mitigation from the General Plan Master EIR and RMP EIR will be applied to project impacts as applicable. If needed, additional feasible mitigation measures will be identified.

Issues to be Addressed in the Draft EIR

Aesthetics and Visual Quality

The project site is located in Modesto's downtown. As a mixed-use building, the project will be generally consistent with an urban downtown environment. However, it will alter the character of the existing site (parking lots and low-profile buildings). The EIR will describe the visual character of the project site and surrounding area, particularly the bordering streets. The EIR will qualitatively evaluate the changes in visual character that would result from the proposed project. Particular attention will be given to the mass and scale of the proposed project compared to surrounding buildings. The EIR will discuss the extent to which the proposed project would further RMP goals and policies related to visual resources.

The EIR will also discuss potential impacts due to nightlighting and glare.

Air Quality

The City lies within the San Joaquin Valley Air Basin (SVAB), which has non-attainment status for ozone and particulate matter standards.

The air quality analysis will describe the existing air quality environment, including sources of ozone precursors, CO, and particulate matter (PM₁₀). The federal, State, regional, and local regulatory framework, including the upcoming change in federal ozone and particulate matter (PM₁₀ to PM_{2.5}) standards will be discussed. Monitoring data collected for these pollutants will be summarized.

The air quality analysis will identify the appropriate methodology for determining significant air quality impacts, in consultation with the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) (e.g., URBEMIS2002 modeling). Emissions of reactive hydrocarbons, oxides of nitrogen and particulates will be discussed, and modeled if appropriate, for construction and traffic-related emissions. Mitigation from the General Plan Master EIR and RMP EIR will be applied as appropriate, and additional measures will be identified if needed.

A screening analysis will be conducted to determine if carbon monoxide (CO) hotspots warrant analysis. This scope assumes that the proposed project will not increase traffic congestion enough to warrant CO modeling.

Potential impacts associated with Toxic Air Contaminants from both stationary source facilities and mobile sources will be qualitatively evaluated. In addition, the air quality section will include a qualitative discussion of the proposed project's contribution to climate change through the generation of greenhouse gas emissions. The EIR will include feasible mitigation to off-set or reduce the significance of any impacts.

Land Use

The Land Use section of the EIR will describe the compatibility of the project's land uses and density in the context of existing, proposed, and planned density and land use patterns in the surrounding area. Existing land uses in the vicinity of the plan area will be mapped and described. The EIR will identify and summarize relevant adopted goals and policies from applicable land use plans, including the General Plan and the RDA. The EIR will identify any potential land use incompatibilities that could result from development of the proposed project. Potential inconsistencies with the General Plan and/or RMP will be identified as well.

Noise

As required by RMP EIR Mitigation Measure 4.5-2, a project-specific noise analysis will be conducted by J.C. Brennan & Associates, Inc. The EIR will describe the existing noise environment, based on 24-hour and short-term measurements conducted by J.C. Brennan & Associates. Noise sources, including traffic and any nearby sources, will be identified. Potentially sensitive noise receptors (e.g., residences) that could be affected by project-related noise will also be identified.

The EIR will identify the noise level standards contained in the City General Plan Noise Element that are applicable to this project, as well as any germane City, state and federal standards.

The EIR will identify significant noise impacts due to and upon development of the proposed project. Traffic noise will be modeled using traffic data prepared by KD Anderson. Traffic noise impacts will be quantified both for the project site, and at offsite areas that would be subject to substantial increases in traffic due to the proposed project.

The EIR will qualitatively address construction noise impacts on existing and planned residential and other sensitive uses. The effects of non-vehicular noise on future residents of the proposed project area will also be evaluated qualitatively.

The analysis of noise mitigation measures will focus on appropriate and practical recommendations for noise control aimed at reducing any identified potential noise impacts to a level of insignificance. Mitigation options will be prioritized according to feasibility and ability to minimize visual impacts.

Traffic

KD Anderson will prepare a traffic report that will be used to prepare the traffic section for the EIR. Please see the attached scope of work.

Utilities

The EIR will describe the existing and planned utilities, including the water, wastewater and storm drainage systems, based on recent Master Plans prepared for these systems. Existing conveyance lines in the project vicinity will be described. Gas and electrical facilities in the project vicinity will be described based on consultation with PG&E and the Modesto Irrigation District. Landfill capacity will also be addressed. The EIR will quantify project demand for water, wastewater treatment, solid waste disposal, natural gas and electricity, and evaluate the ability of the City and energy providers to meet project demand. Based on discussions with the City Engineer, the adequacy of water, storm drainage and sewer lines to convey project water, wastewater and runoff will be evaluated. If deemed appropriate, mitigation measures to reduce energy will be taken from CEQA Appendix K.

Issues to be Addressed in the Initial Study

Agricultural, Biological and Mineral Resources

As an urban project located on a block that is completely developed and surrounded by development, there will be no impacts on agricultural, biological or mineral resources.

Cultural Resources

A records search will be conducted by the Central California Information Center to determine if there are recent records of archaeological or historic resources in the project vicinity.

Because the project site has been completely developed, it is not expected that archaeological resources would be present. However, the potential often exists for subsurface resources to be found, particularly if a basement is being constructed. Any subsurface resources could not be studied until the site is cleared. Therefore, if the CCIC indicates that archaeological resources could be present, the EIR will include mitigation requiring a treatment plan, which would include archival research and testing after the site has been cleared, and possibly monitoring during excavation.

The age of buildings on and adjacent to the project site will be determined based on information provided by the City. The EIR will report whether any buildings are over 45 years of age. If the historic resource inventory has been prepared, then the EIR will report if any buildings in the project vicinity were identified as potentially historic. If there are buildings on the project site that are over 45 years and have not been surveyed for historic significance, the Consultant will work with the City to determine if the buildings warrant evaluation for historic significance. As an addition to this scope, the Consultant could contract with an architectural historian to evaluate the historic significance of the buildings. If buildings adjacent to the project site are over 45 years old, the EIR will discuss how the project could affect the historic context of said buildings. If significant effects could occur, a historic resource chapter will be included in the Draft EIR.

According to the RMP EIR, paleontological resources could be present in the redevelopment area. The proposed project includes a basement, so, if present, fossils could be damaged or destroyed during project construction. The Initial Study will discuss the potential for paleontological

resources to be present, and explain how RMP EIR mitigation would ensure that paleontological resources are protected.

Geology and Soils

The Initial Study will identify potential geologic and soils conditions that could affect development on the project site, and explain how the Uniform Building Code and other state and City laws and regulations will ensure that project construction minimizes risks associated with such constraints.

Hazardous Materials and Public Safety

If a Phase 1 Environmental Site Assessment (ESA) has been prepared, the Initial Study will report the findings and any recommendations for further analysis and/or remediation. If no Phase 1 ESA has been prepared, it will be required through mitigation.

Although approximately 2 miles away, the project site appears to be in Zone 4 of the Modesto City-County Airport. The Initial Study will discuss the restrictions in Zone 4 and how RMP mitigation addresses development within the influence area of the airport.

Hydrology and Water Quality

Potential impacts on water supply and the City's drainage system will be evaluated in the Utilities chapter.

The project site is not in the 100-year floodplain, so occupants would not be subjected to the risk of flooding.

The project site is already covered with impervious surface, including parking lots, so the proposed project should not substantially increase the amount of stormwater runoff, including "first flush" stormwater which often contains elevated levels of urban contaminants from oil and other pollutants. The Initial Study will explain how compliance with the State's General Construction Permit and the City's NPDES Phase 2 Stormwater Management Plan will ensure that the proposed project does not substantially degrade water quality.

Population and Housing

The Initial Study will report the anticipated change in population and housing due to the proposed project, and discuss how the increases would relate to the General Plan and RMP. The Initial Study will also explain that the proposed project would not remove any existing housing, or divide a community.

Public Services

New residential and recreational development will increase demand for public services, including police, fire, parks and schools. Based on the RMP EIR and contact with service providers, the EIR will document existing services and the ability of fire, police, parks and

schools to serve project development, and to identify any concerns these service providers may have about the proposed project. Given the location of the Fire Department Headquarters and police station, it is expected that response times to the project site would be adequate. The EIR will explain the role of taxes and fees in funding additional stations and personnel.

The EIR will describe existing and planned school facilities that could serve the project site, based on review of the RMP EIR and consultation with the District. The EIR will calculate the number of students estimated to live in the project site, based on generation rates provided by the School District. The EIR will report whether existing and planned schools in the project vicinity would have capacity to serve project students. The EIR will discuss the statutory requirements and limitations on school funding, and how those statutes, including the agreement between the City and the District regarding assessment of supplemental fees.



**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 04- 2007**

A RESOLUTION MAKING THE MANDATORY LEGAL FINDINGS PURSUANT TO HEALTH & SAFETY CODE SECTION 33445 AND AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE REIMBURSEMENT AGREEMENTS WITH THE CITY OF MODESTO AND THE COUNTY OF STANISLAUS TO DISTRIBUTE AGENCY TAX INCREMENT FUNDS IN THE AMOUNT OF \$952,427.54 FROM CAPITAL IMPROVEMENT PROJECT ACCOUNT NO. Q260 AND ACCOUNT NO. K732 TO REIMBURSE SAID AGENCIES FOR THE COST OF VARIOUS PUBLIC IMPROVEMENTS ON STREETS ADJACENT TO THE GALLO CENTER FOR THE ARTS AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE SAID REIMBURSEMENT AGREEMENTS

WHEREAS, the Redevelopment Agency of the City of Modesto (the "Agency") is carrying out the Redevelopment Plan (the "Redevelopment Plan") for the Modesto Redevelopment Project, and

WHEREAS, pursuant to the requirements of the Community Redevelopment Law, (Health and Safety Code section 33000 *et seq.*) (the "Redevelopment Law") the Agency annually receives tax increment revenue for the purpose of eliminating blighted conditions within the Agency Project Area, and

WHEREAS, on March 25, 2003, the City Council of the City of Modesto (the "Council") reviewed four alternative designs for street and streetscape public improvements (the "Public Improvements") in conjunction with the construction of the proposed Gallo Center for the Arts (the "Center") which Center is a \$63 million project being constructed on the block between 10th and 11th streets and H and I Streets in downtown Modesto, and

WHEREAS, the Council approved funding for said Public Improvements which are generally shown on attached **Option 1A**, which is made a part hereof by this reference, at a total estimated cost of \$1,030,000 including the utility, streetscape and street improvements along I Street and 11th Street and extending the street improvements (curb, sidewalk, lights and trees) around all four sides of the block, and

WHEREAS, the Council recommended that an optional source of funding for said Public Improvements might be provided from the Agency's tax increment funding and, as such, agreed to loan the Agency a total amount of \$602,000 (the "Loan Funds") for a portion of the proposed Public Improvement construction, pending future approval by the Agency by separate action, and

WHEREAS, on March 25, 2003, the Agency approved Resolution No. 6-2003 accepting said Loan Funds from the Council for said Public Improvements with the following conditions:

Before approving the use of said Loan Funds or other tax increment funds for said Public Improvements:

1. The Agency is required to complete negotiations with County of Stanislaus (the "County") and the City of Modesto (the "City") to produce agreements setting forth the financial requirements for the use of said Loan Funds
2. The Agency and the Council both must make the following mandatory legal findings pursuant to the Redevelopment Law (Health & Safety Code §33445(a)):
 - A. The proposed Public Improvements are a benefit to the Redevelopment Project Area or to the neighborhood surrounding the Gallo Center for the Arts
 - B. No other reasonable means of financing said Public Improvements is available to the community.
 - C. The reimbursement of funds for the cost of said Public Improvements will assist in the elimination of one or more blighting conditions inside the Agency Project Area and is consistent with the Implementation Plan adopted on December 14, 2005, and

WHEREAS, the Center construction has continued towards completion, including the funding of construction of said Public Improvements by both the City and the County, with the goal of opening on September 27, 2007, which construction funding was provided as follows:

- A. City of Modesto - \$212,000 (Est)
- B. County of Stanislaus - \$740,427.54

,and

WHEREAS, Agency tax increment financing can only be utilized for said Public Improvements if the said legal findings are made by both the Agency and the Council, and

WHEREAS, at their meetings on August 1, 2007 and August 8, 2007, the Citizens Redevelopment Advisory Commission considered the request for tax increment funding to reimburse the City and the County for construction costs in the total amount of \$952,427.54 for said Public Improvements as set forth in the attached "**Streetscape Costs**", which is made a part hereof by this reference, and recommended the approval of said tax increment funding, and

WHEREAS, the Commission recommended that the Agency make the following legal findings pursuant to the Redevelopment Law, Health and Safety Code Section 33445:

1. The said Public Improvements are a benefit to the Redevelopment Project Area and to the neighborhood surrounding the Gallo Center for the Arts
2. No other reasonable means of financing said Streetscape Costs are available to the community
3. The funding of said Streetscape Costs will assist in the elimination of one or more blighting conditions inside the Redevelopment Project Area and is consistent with the Five-Year Implementation Plan adopted by the Agency pursuant to Health and Safety Code Section 33490.

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto as follows:

Section 1. The Agency has reviewed the financial documentation for the Center and has determined that the following legal findings shall be made:

1. The said Public Improvements are a benefit to the Redevelopment Project Area and to the neighborhood surrounding the Gallo Center for the Arts
2. No other reasonable means of financing said Streetscape Costs are available to the community
3. The funding of said Streetscape Costs will assist in the elimination of one or more blighting conditions inside the Redevelopment Project Area and is consistent with the Five-Year Implementation Plan adopted by the Agency pursuant to Health and Safety Code Section 33490.

Section 2. The Agency authorizes the Executive Director to negotiate reimbursement agreements with the City of Modesto and the County of Stanislaus for the distribution of Agency tax increment funds from Capital Improvement Project Account No. Q260 and Account No. K732 to reimburse the City and the County for said Streetscape Costs (the "Agency Assistance") as follows:

- A. City of Modesto - \$212,000 (Est)
- B. County of Stanislaus - \$740,427.54

Section 3. The Agency Assistance as defined in this resolution is necessary to effectuate the purposes of the Redevelopment Plan

Section 4. The Executive Director, or his/her designee, is hereby authorized to take such further actions and execute such documents as are necessary to carry out the conditions of this

Resolution on behalf of the Agency. The Executive Director, or his/her designee, is further authorized to cooperate with the City and the County in implementing the terms and conditions between the Agency and City and the County as provided in this Resolution.

The foregoing resolution was introduced at a special meeting of the Modesto Redevelopment Agency held on the 4th day of September, 2007, by Agency Member Hawn, who moved its adoption, which motion being duly seconded by Agency Member Olsen, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Dunbar, Hawn, Keating, Marsh, O'Bryant, Olsen,
Chairperson Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: Jean Morris
JEAN MORRIS, Secretary

APPROVED AS TO FORM:

By R. Stevens, Asst.
SUSANA ALCALA WOOD, General Counsel

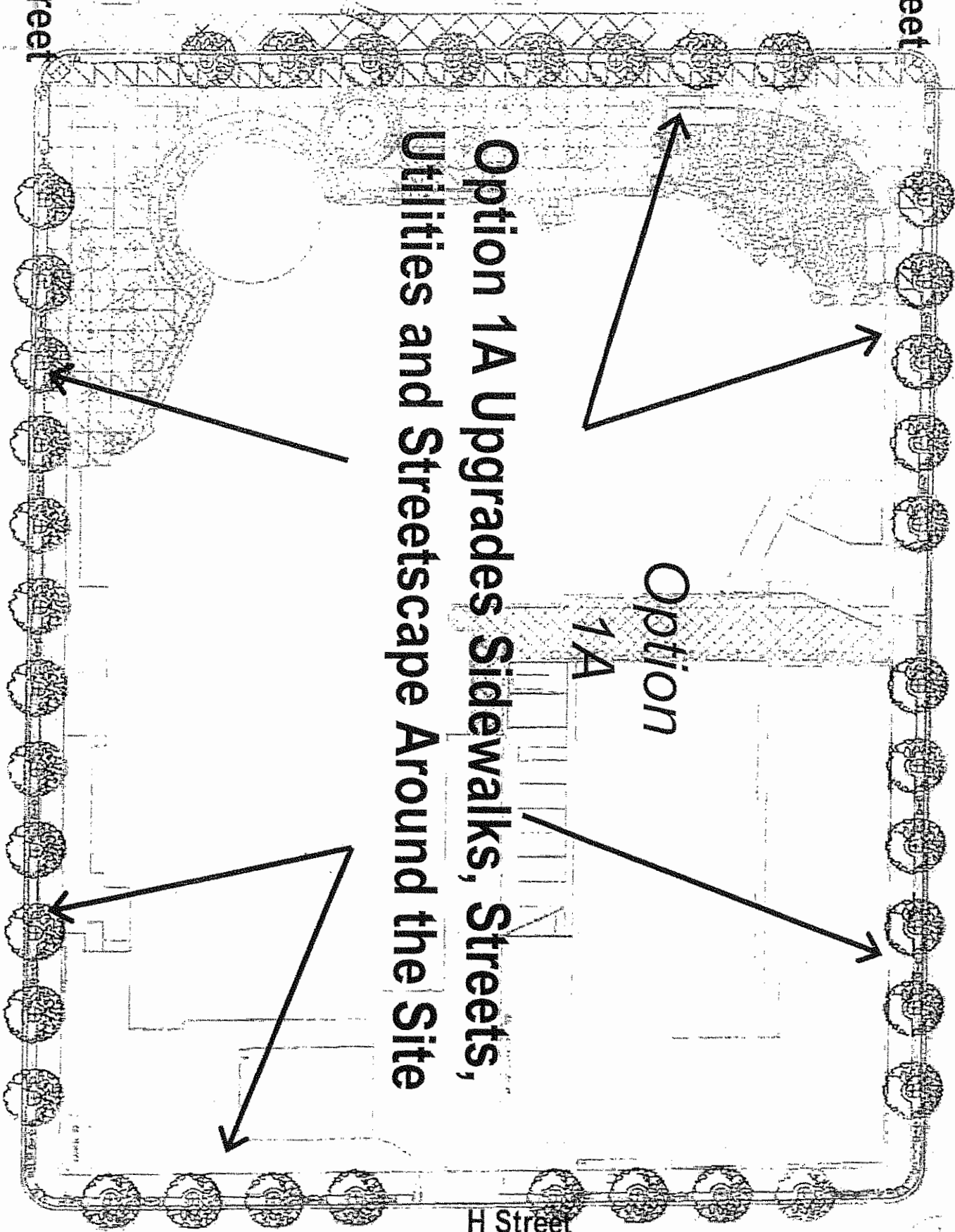
11th Street

I Street

10th Street

Option 1A Upgrades Sidewalks, Streets, Utilities and Streetscape Around the Site

Option 1A



City of Modesto Redevelopment Agency - Streetscape Project
Estimated Cost Calculations

<i>Task Description:</i>	Original Estimate	ENR 15.9% Inflator	Estimate with 4-year Inflation
Remove and Replace Curb and Gutter	\$21,000.00	\$3,339.00	\$24,339.00
Sidewalk - Lithocrete	\$58,240.00	\$9,260.16	\$67,500.16
Driveway Approaches	\$4,200.00	\$667.80	\$4,867.80
I Street Pavers Plus Concrete Border	\$25,200.00	\$4,006.80	\$29,206.80
I Street Bollards	\$9,000.00	\$1,431.00	\$10,431.00
Drain Inlets	\$6,000.00	\$954.00	\$6,954.00
Traffic Control	\$15,000.00	n/a	\$15,000.00
	\$138,640.00	\$19,658.76	\$158,298.76

NOTE: For those items that were not supported by detailed billings from the project's contractors, the estimated cost for each task was used, based on the 2003 estimate of cost that was provided by the City of Modesto. To reflect the passage of time and the inflation that has occurred in the construction material market, the change in the Engineering News Record San Francisco CCI index was measured from February 2003 to June 11, 2007. This change resulted in a 15.9% increase in costs during this period. As shown in the table above, the increase has been applied to those estimates that have been selected for use in determining the amount of the funding request for the Gallo Arts Center.

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 05- 2007**

A RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE MODESTO REDEVELOPMENT AGENCY, 4701 STODDARD LLC, SYLVIA COX AND EAH HOUSING FOR THE PROPOSED AFFORDABLE HOUSING DEVELOPMENT ON THE EAST SIDE OF N. 9TH STREET, NORTH OF CARVER ROAD INTERSECTION AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE SAID MEMORANDUM OF UNDERSTANDING AND AUTHORIZING A MULTI-YEAR OPERATING ORGANIZATION TO ADMINISTER DEPOSITES AND EXPENDITURES RELATED TO SAID MEMORANDUM OF UNDERSTANDING

WHEREAS, the Redevelopment Agency of the City of Modesto (the “Agency”) is carrying out the Redevelopment Plan for the Modesto Redevelopment Project, and

WHEREAS, pursuant to the requirements of the Community Redevelopment Law, (Health and Safety Code section 33000 *et seq.*) (the “Redevelopment Law”) the Agency annually has deposited a portion of its tax increment funds into a Housing Set-Aside Fund for the purpose of improving and increasing the supply of affordable housing for very low, low and moderate-income households, and

WHEREAS, the Agency has made the finding that Housing Set-aside funds can be used anywhere within the Modesto city limits to increase the inventory of affordable housing, and

WHEREAS, in order to continue to increase the inventory of affordable housing, the Agency has set forth as a key objective the pursuit of opportunities to join Agency funds with various City of Modesto (the “City”) affordable housing funds to expand the opportunities for housing developments, and

WHEREAS, the Agency has received a proposal from 4701 STODDARD LLC, SYLVIA COX (the “Owner”) and EAH HOUSING (the “Developer”) to develop approximately 130 affordable residential units on Owner’s parcel on the east side of N. 9th Street, north of the Carver Road intersection (the “Housing Project”), and

WHEREAS, the Agency’s General Counsel has determined that a Memorandum of Understanding (“MOU”) must be entered into in order to complete certain pre-planning items, for said Housing Project, including:

1. Various studies, including environmental analysis pursuant to CEQA, *at Developer’s expense*, and the legal contracts related to these studies,
2. Proposed project design, land uses, parameters and other pre-planning actions,

3. Development requirements for the affordable housing development, including the development schedule,

, and

WHEREAS, at their regular meeting on June 6, 2007, the Citizens Redevelopment Advisory Commission considered said Housing Project and directed staff to conduct joint negotiations with the Owner and Developer to produce a Draft MOU which is attached hereto and made a part hereof by this reference for future consideration by the Advisory Commission and the Agency, and

WHEREAS, the completion of the actions set forth in said MOU is expected to result in an Owner Participation Agreement (“OPA”) between the Agency and the Owner/Developer for said Housing Project, which OPA shall be subject to final review and approval by the Agency, and

WHEREAS, said OPA will be entered into only after a public hearing of the Agency after publication of notice as may be required by said Redevelopment Law, which hearing will be held in accordance with said Redevelopment Law upon the successful conclusion of said MOU terms & conditions, and

WHEREAS, in order to accurately administer the funding mechanism for the tasks contained in said MOU, staff is recommending the creation of a multi-year operating organization within the Agency’s operating budget.

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the Memorandum of Understanding is hereby approved as follows:

Section 1. By execution of this MOU, the Agency is not committing itself to or agreeing to undertake: (a) Any acquisition of land from the Owner; or (b) Any other acts or activities requiring the subsequent independent exercise of discretion by the Agency, the City or any agency or department thereof.

Section 2. This MOU does not constitute a disposition of property or exercise of control over property by the Agency or the City and does not require a public hearing.

Section 3. Execution of this MOU by the Agency is merely an agreement to enter into a period of time for pre-planning actions according to the terms hereof, reserving final discretion and approval by the Agency as to any Owner Participation Agreement and all proceedings and decisions in connection therewith.

Section 4. The Agency hereby approves the MOU in substantially the form on file with the Secretary of the Agency.

Section 5: The Agency hereby authorizes the creation of a multi-year operating organization within the Agency's operating budget for the purpose of budgeting the Developer's deposits and administering the subsequent expenditures related to said MOU.

Section 6. The Executive Director, or his/her designee, is hereby authorized to execute the MOU on behalf of the Agency, subject to any minor conforming, technical or clarifying changes approved by the Agency Counsel. The Executive Director, or his/her designee, is hereby further authorized to take such further actions and execute such documents as are necessary to carry out the MOU on behalf of the Agency. The Executive Director, or his/her designee, is further authorized and directed to cooperate with the Developer in the negotiations and pre-planning actions between the Agency and Developer as provided under this MOU.

Section 7. This action by the Agency does not require supporting environmental analysis or documentation under the California Environmental Quality Act (CEQA) because the Agency is not committing itself to a project.

The foregoing resolution was introduced at a special meeting of the Modesto Redevelopment Agency held on the 4th day of September, 2007, by Agency Member O'Bryant, who moved its adoption, which motion being duly seconded by Agency Member Olsen, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Dunbar, Hawm, Keating, Marsh, O'Bryant, Olsen,
Chairperson Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: Jean Morris
JEAN MORRIS, Secretary

APPROVED AS TO FORM:

By R. Alcala Wood, Asst.
SUSANA ALCALA WOOD, General Counsel

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 06-2007**

A RESOLUTION APPROVING A CONSULTANT AGREEMENT BETWEEN THE MODESTO REDEVELOPMENT AGENCY AND EDAW, INC, A CALIFORNIA CORPORATION, FOR PREPARATION OF THE ENVIRONMENTAL DOCUMENTS FOR THE PROPOSED AFFORDABLE HOUSING PROJECT ON THE EAST SIDE OF N. 9TH STREET, NORTH OF THE CARVER ROAD INTERSECTION AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE SAID AGREEMENT.

WHEREAS, the Redevelopment Agency of the City of Modesto (the “Agency”) is carrying out the Redevelopment Plan for the Modesto Redevelopment Project, and

WHEREAS, pursuant to the requirements of the Community Redevelopment Law, (Health and Safety Code section 33000 *et seq.*) (the “Redevelopment Law”) the Agency annually has deposited a portion of its tax increment funds into a Housing Set-Aside Fund for the purpose of improving and increasing the supply of affordable housing for very low, low and moderate-income households, and

WHEREAS, the Agency has made the finding that Housing Set-aside funds can be used anywhere within the Modesto city limits to increase the inventory of affordable housing, and

WHEREAS, in order to continue to increase the inventory of affordable housing, the Agency has set forth as a key objective the pursuit of opportunities to join Agency funds with various City of Modesto affordable housing funds to expand the opportunities for housing developments, and

WHEREAS, on September 4, 2007, the Agency approved a Memorandum of Understanding (“MOU”) with 4701 STODDARD LLC, SYLVIA COX (the “Owner”) and EAH HOUSING (the “Developer”) to develop approximately 130 affordable residential units on Owner’s parcel on the east side of N. 9th Street, north of the Carver Road intersection (the “Housing Project”) in order to complete certain pre-planning items, including:

1. Various studies, including environmental analysis pursuant to the California Environmental Quality Act (“CEQA”), *at Developer’s expense*, and the legal contracts related to these studies,
2. Proposed project design, land uses, parameters and other pre-planning actions,
3. Requirements for the Housing Project, including the site development schedule

, and

WHEREAS, staff recommends approval of a consultant agreement with EDAW, Inc. which is attached hereto as “**Exhibit A**” and made a part hereof by this reference in order to complete said CEQA review to determine the feasibility of the proposed Housing Project for Agency’s review in advance of a proposed Owner Participation Agreement (“OPA”), and

WHEREAS, said OPA will be entered into only after a public hearing of the Agency after publication of notice as may be required by said Redevelopment Law, which hearing will be held in accordance with said Redevelopment Law upon the successful conclusion of said CEQA analysis,

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the consultant agreement between the Agency and EDAW, Inc. is hereby approved.

BE IT FURTHER RESOLVED, that the Redevelopment Agency of the City of Modesto hereby authorizes the Executive Director, or his/her designee, to execute said consultant agreement.

The foregoing resolution was introduced at a special meeting of the Modesto Redevelopment Agency held on the 4th day of September, 2007, by Agency Member O’Bryant, who moved its adoption, which motion being duly seconded by Agency Member Olsen, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Dunbar, Hawn, Keating, Marsh, O’Bryant, Olsen,
Chairperson Ridenour
NOES: Agency Members: None
ABSENT: Agency Members: None

ATTEST: Jean Morris
JEAN MORRIS, Secretary

APPROVED AS TO FORM:

By R. Stevens, Asst.
SUSANA ALCALA WOOD, General Counsel

**STANDARD
AGREEMENT FOR CONSULTANT SERVICES**

THIS AGREEMENT, made and entered into in the City of Modesto, State of California, this ____ day of _____, 2007 by and between the REDEVELOPMENT AGENCY OF THE CITY OF MODESTO, a public body, corporate and politic, hereinafter referred to as "AGENCY", and, EDAW, INC, a California corporation, hereinafter referred to as "CONSULTANT".

This Agreement is made with regard to the following recitals:

A. The AGENCY has determined that as part of the development of the N. 9th Street Affordable Housing Project on the east side of N. 9th Street, north of Carver Road intersection (the "Site"), the AGENCY is considering an Owner Participation Agreement (the "OPA") which will serve as the regulatory document for the proposed Planned Development of a 3-story affordable housing project (the "HP") at the Site. In preparation for the proposed disposition of real property owned by the AGENCY for the purpose of said HP, the AGENCY is seeking the services of Consultant to assess the potential environmental impacts that might result from the implementation and ultimate build-out pursuant to said HP.

B. CONSULTANT represents that it is qualified, willing and able to provide said environmental services referenced above.

C. CONSULTANT acknowledges that it will coordinate its work with the AGENCY's development team members including the City of Modesto Community and Economic Development staff, as needed.

NOW, THEREFORE, in consideration of this agreement, and the mutual promises, covenants, and stipulations hereinafter contained, the parties agree as follows:

1. **SCOPE OF SERVICES.**

CONSULTANT shall undertake and complete the preparation of the scope of work as set forth and described in "Exhibit A" or "project" which is attached hereto and incorporated herein by this reference. The CONSULTANT shall perform the services as described in "Exhibit A" in a manner compatible with the standards of its profession, and shall produce a fully complete project that is acceptable to AGENCY.

2. **TERM OF AGREEMENT.**

This Agreement is effective as of the date first written above and will continue in effect until AGENCY's acceptance of and payment for all services authorized by AGENCY and performed by CONSULTANT, unless terminated earlier in accordance with the provisions of the termination clause in this Agreement.

AGENCY hereby gives CONSULTANT notice to proceed with the preparation of the project in the manner described in "Exhibit A" as of the effective date of this agreement. CONSULTANT shall diligently proceed with the preparation of the project and agrees to complete said preparation within the time period set forth in "Exhibit A", as measured from the date this Agreement is signed by the Executive Director.

3. **COMPENSATION.**

CONSULTANT agrees to accept a sum not to exceed \$210,542 as full remuneration for performing all services and furnishing all staffing and materials called for in "Exhibit A" and for performance by CONSULTANT of all of its duties and obligations under this Agreement.

Upon execution of this Agreement, CONSULTANT is directed to proceed with all tasks related to the Project as set forth in said "Exhibit A". Monthly billing of time and

materials shall be based upon the current schedule of hourly rates set forth in attached "Exhibit A" which is attached hereto and incorporated herein by this reference.

4. OBLIGATIONS OF CONSULTANT.

Throughout the term of this Agreement, CONSULTANT shall possess, or secure all licenses, permits, qualifications and approvals legally required to conduct business. CONSULTANT warrants that it has all of the necessary professional capabilities and experience, as well as all tools, instrumentalities, facilities and other resources necessary to provide the AGENCY with the services described in attached Exhibit A. CONSULTANT further warrants that it will follow the current, generally accepted and professional practices to make findings, render opinions, prepare factual presentations, and provide professional advice and recommendations regarding this project.

5. PERFORMANCE BY KEY EMPLOYEE.

CONSULTANT has represented to AGENCY that Randy Chafin will be the person primarily responsible for the performance of the services referred to in this Agreement. AGENCY has entered into this Agreement in reliance on that representation by CONSULTANT.

6. OWNERSHIP OF DOCUMENTS/TITLE TO DATA.

Ownership of Documents

Upon AGENCY's final payment to Consultant for the services provided herein, all reports, drawings, designs, graphics, working papers and other incidental work or materials furnished hereunder shall become and remain the property of the AGENCY, and may be used by AGENCY as it may require without any additional cost to AGENCY. No reports prepared under this contract shall be used by the CONSULTANT for purposes other than this contract without the express prior written consent of AGENCY. Any reuse of such materials by

AGENCY for any project other than the project which is the subject of this agreement shall be at AGENCY's sole risk.

Title to Data

If, as a part of the agreement, CONSULTANT is required to produce data such as, but not limited to, drawings, plans, specifications, calculations, models, flow diagrams, visual aids and other related materials, the originals of all such data generated under this agreement will be delivered to AGENCY upon the completion or termination of services under the contract.

All materials, documents, data or information obtained from the AGENCY data files or any AGENCY medium furnished to CONSULTANT in the performance of this Agreement will at all times remain the property of the AGENCY. Such data or information may not be used or copied for direct or indirect use by CONSULTANT after termination of this Agreement without written consent of the AGENCY.

7. NEWS AND INFORMATION RELEASE.

CONSULTANT agrees that it will not issue any news releases in connection with either the award of this Agreement, or any subsequent amendment of or efforts under this Agreement, without first obtaining review and approval of said news releases from AGENCY through the Executive Director.

8. INTEREST OF CONTRACTOR.

CONSULTANT warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. CONSULTANT warrants that, in performance of this Agreement, CONSULTANT shall not employ any person

having any such interest. CONSULTANT agrees to file a Statement of Economic Interests with the City Clerk at the start and end of this contract if so required at the option of AGENCY.

9. AMENDMENTS.

Both parties to this Agreement understand that it may become desirable or necessary during the execution of this Agreement, for AGENCY or CONSULTANT to modify the scope of services provided for under this Agreement. Any material extension or change in the scope of work shall be discussed with AGENCY and the change and cost shall be memorialized in a written amendment to the original contract prior to the performance of the additional work.

Until a change order is so executed, AGENCY will not be responsible to pay any charges CONSULTANT may incur in performing such additional services, and CONSULTANT shall not be required to perform any such additional services.

10. INDEPENDENT CONTRACTOR.

All acts of CONSULTANT, its agents, officers, and employees and all others acting on behalf of CONSULTANT relating to the performance of this Agreement, shall be performed as independent contractors and not as agents, officers, or employees of AGENCY. CONSULTANT, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of AGENCY. CONSULTANT has no authority or responsibility to exercise any rights or power vested in the AGENCY. No agent, officer, or employee of the AGENCY is to be considered an employee of CONSULTANT. It is understood by both CONSULTANT and AGENCY that this Agreement shall not under any circumstances be construed or considered to create an employer-employee relationship or a joint venture.

CONSULTANT, its agents, officers and employees are and, at all times during the terms of this Agreement, shall represent and conduct themselves as independent contractors and not as employees of AGENCY.

CONSULTANT shall determine the method, details and means of performing the work and services to be provided by CONSULTANT under this Agreement. CONSULTANT shall be responsible to AGENCY only for the requirements and results specified in this Agreement, and, except as expressly provided in this Agreement, shall not be subjected to AGENCY's control with respect to the physical action or activities of the CONSULTANT in fulfillment of this Agreement. CONSULTANT has control over the manner and means of performing the services under this Agreement. CONSULTANT is permitted to provide services to others during the same period service is provided to AGENCY under this Agreement. If necessary, CONSULTANT has the responsibility for employing other persons or firms to assist CONSULTANT in fulfilling the terms and obligations under this Agreement.

If in the performance of this Agreement any third persons are employed by CONSULTANT, such persons shall be entirely and exclusively under the direction, supervision, and control of CONSULTANT. All terms of employment including hours, wages, working conditions, discipline, hiring, and discharging or any other term of employment or requirement of law shall be determined by the CONSULTANT.

It is understood and agreed that as an independent contractor and not an employee of AGENCY neither the CONSULTANT or CONSULTANT's assigned personnel shall have any entitlement as a AGENCY employee, right to act on behalf of the AGENCY in any capacity whatsoever as an agent, or to bind the AGENCY to any obligation whatsoever.

It is further understood and agreed that CONSULTANT must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of CONSULTANT's personnel.

As an independent contractor, CONSULTANT hereby indemnifies and holds AGENCY harmless from any and all claims that may be made against AGENCY based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

11. ASSIGNMENT.

Neither this Agreement nor any portion thereof shall be subcontracted or assigned without the express prior written consent of the AGENCY in each and every instance.

12. PATENT/COPYRIGHT MATERIALS.

Unless otherwise expressly provided in the contract, CONSULTANT shall be solely responsible for obtaining the right to use any patented or copyrighted materials in the performance of this Agreement. CONSULTANT shall furnish a warranty of such right to use to AGENCY at the request of AGENCY.

13. NOTICES.

Any and all notices permitted or required to be given hereunder shall be deemed duly given and effective (1) upon actual delivery, if delivery is by hand; or (2) five (5) days after delivery into the United States mail if delivery is by postage paid registered or certified (return receipt requested) mail. Each such notice shall be sent to the parties at the address respectively indicated below or to any other address as the respective parties may designate from time to time.

FOR CONSULTANT: Randy Chafin
EDAW, Inc
2022 J Street
Sacramento, CA 95811
Voice: 916-414-5855
randy.chafin@edaw.aecom.com

FOR AGENCY: Modesto Redevelopment Agency
Attention: Linda Boston
1010 Tenth Street, Suite 3300
Modesto, CA 95354
(209) 571-5179
lboston@modestogov.com

14. **INSURANCE REQUIREMENTS.**

The CONSULTANT shall provide at its own expense and maintain at all times the following insurance with insurance companies licensed in the State of California and shall provide evidence of such insurance to the AGENCY as may be required by the Risk Manager of the AGENCY. The policies or certificates thereof shall provide that, thirty (30) days prior to cancellation, notices of same shall be given to the Risk Manager of the AGENCY by US mail, postage pre-paid, for all of the following stated insurance policies. In the event of non-payment of premium, then and in that event, ten (10) days notice will be given.

(a) Worker's Compensation - in compliance with the statutes of the State of California, plus employer's liability with a minimum limit of liability of \$500,000.

(b) General Liability insurance with a minimum limit of liability per occurrence of \$1,000,000 for bodily injury and \$100,000 for property damage or \$1,000,000 combined single limit. This insurance shall indicate on the certificate of insurance the following coverages and indicate the policy aggregate limit applying to: premises and operations; broad form contractual; independent CONSULTANTS and subcontractors; products and completed operations; and professional liability.

(c) Automobile Liability insurance with a minimum limit of liability per occurrence of \$1,000,000 for bodily injury and \$100,000 for property damage or \$1,000,000 combined single limit. This insurance shall cover any automobile for bodily injury and property damage.

(d) Professional Liability insurance with a minimum limit of \$1,000,000 per claim and policy aggregate.

If at any time any of said policies shall be unsatisfactory to the AGENCY, as to form or substance, or if a company issuing such policy shall be unsatisfactory to the AGENCY, the CONSULTANT shall promptly obtain a new policy, submit the same to the Risk Manager for approval and submit a certificate thereof as hereinabove provided. Upon failure of the CONSULTANT to furnish, deliver or maintain such insurance and certificates as above provided, this Agreement, at the election of the AGENCY, may be forthwith declared suspended, or terminated. Failure of the CONSULTANT to obtain and/or maintain any required insurance shall not relieve the CONSULTANT from any liability under this Agreement, nor shall the insurance requirements be construed to conflict with or otherwise limit the obligations of the CONSULTANT concerning indemnification. The AGENCY, its agents, officers, employees, and volunteers shall be named as an additional insured on all insurance policies required herein, except Workers' Compensation and Professional Liability. The Workers' Compensation insurer shall agree to waive all rights of subrogation against the AGENCY, its agents, officers, employees, and volunteers for losses arising from work performed by CONSULTANT for the AGENCY. The CONSULTANT's insurance policy(ies) shall include a provision that the coverage is primary as respects the AGENCY except Worker's Compensation and Professional Liability; shall include no special limitations to coverage provided to additional insured; and, shall be placed with insurer(s) with acceptable Best's rating of A:VII or with approval of the Risk

Manager. The CONSULTANT must deliver certificates evidencing existence of the insurance called for in the contract specifications to the City Clerk at the time the contract is signed.

15. **TERMINATION OF AGREEMENT.**

Termination on Occurrence of Stated Events

This Agreement shall terminate automatically on the date on which any of the following events occur: (1) bankruptcy or insolvency of CONSULTANT, (2) legal dissolution of CONSULTANT, or (3) death of key principal(s) of CONSULTANT.

Termination by AGENCY for Default of CONSULTANT

Should CONSULTANT default in the performance of this Agreement or materially breach any of its provisions, at its option AGENCY may terminate this Agreement by giving written notification to CONSULTANT. The termination date shall be the effective date of the notice. For the purposes of this section, material breach of this Agreement shall include but not be limited to any of the following: failure to perform required services or duties, willful destruction of AGENCY's property by CONSULTANT, dishonesty or theft.

Termination by CONSULTANT for Default of AGENCY

Should AGENCY default in the performance of this Agreement or materially breach any of its provisions, at its option CONSULTANT may terminate this Agreement by giving written notice to AGENCY. The termination date shall be the effective date of the notice. For the purposes of this section, material breach of this Agreement shall include but not be limited to any of the following: failure to cooperate reasonably with CONSULTANT, willful destruction of CONSULTANT's property by AGENCY, dishonesty or theft.

Termination by AGENCY for Lack of Budgeted Funds

The AGENCY may terminate this Agreement effective July 1 of any given year upon the AGENCY's determination to not appropriate sufficient funds for this Agreement for the ensuing fiscal year. In such event AGENCY shall give CONSULTANT not less than 30 days written notice.

Termination for Failure to Make Agreed-Upon Payments

Should AGENCY fail to pay CONSULTANT all or any part of the payments set forth in this Agreement on the date due, at its option CONSULTANT may terminate this Agreement if the failure is not remedied within thirty (30) days after CONSULTANT notifies AGENCY in writing of such failure to pay. The termination date shall be the effective date of the notice.

Termination by AGENCY for Change of CONSULTANT's Tax Status

If AGENCY determines that CONSULTANT does not meet the requirements of federal and state tax laws for independent contractor status, AGENCY may terminate this Agreement by giving written notice to CONSULTANT. The termination date shall be the effective date of the notice.

Voluntary Termination

The parties may terminate this contract upon mutual written Agreement.

In the Event of Termination

If this Agreement is terminated pursuant to this Paragraph, CONSULTANT shall cease all its work on the project as of the termination date and shall see to it that its employees, subcontractors and agents are notified of such termination and cease their work. If AGENCY so requests, and at AGENCY's cost, CONSULTANT shall provide sufficient

oral or written status reports to make AGENCY reasonably aware of the status of CONSULTANT's work on the project. Further, if AGENCY so requests, and at AGENCY's cost, CONSULTANT shall deliver to AGENCY any work products whether in draft or final form which have been produced to date.

If the Agreement is terminated pursuant to any of the subsections contained in this paragraph, AGENCY will pay CONSULTANT an amount based on the percentage of work completed on the termination date, this percentage shall be determined by AGENCY in its sole discretion. If the Agreement is terminated pursuant to the subparagraph entitled Termination by AGENCY for Default of CONSULTANT, CONSULTANT understands and agrees that AGENCY may, in AGENCY's sole discretion, refuse to pay CONSULTANT for that portion of CONSULTANT's services which were performed by CONSULTANT on the project prior to the termination date and which remain unacceptable and/or not useful to AGENCY as of the termination date.

16. INDEMNITY.

CONSULTANT shall defend, indemnify, and hold harmless AGENCY, its agents, officers, and employees from and against all claims, damages, losses, judgment, liabilities, expenses, and other costs including litigation costs and attorney's fees from every cause, including but not limited to injury to person or property or wrongful death arising directly or indirectly out of any wrongful or negligent act or omission of CONSULTANT, its agents, officers and employees, except if the act or omission arises from the sole negligence or other liability of AGENCY, or its agents, officers, and employees or volunteers relating to or during the performance of its obligations under this agreement.

CONSULTANT's obligation to defend, indemnify, and hold the AGENCY, its agents, officers, and employees harmless under the provisions of this paragraph is not limited to

or restricted by any requirement in this Agreement for CONSULTANT to procure and maintain a policy of insurance.

17. ENTIRE AGREEMENT.

This Agreement and its exhibits contain the entire understanding between CONSULTANT and AGENCY. Additional or new terms contained in this Agreement which vary from CONSULTANT'S proposal are controlling and are deemed accepted by CONSULTANT by shipment of any article or other commencement of performance hereunder. All previous proposals, offers and communications relative to this Agreement, whether oral or written, are hereby superseded except to the extent that they have been incorporated into this Agreement. No future waiver of or exception to any of the terms, conditions, and provisions of this Agreement shall be considered valid unless specifically agreed to in writing by all the parties.

18. PARTIAL INVALIDITY.

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

19. WAIVER.

The waiver by any party to this Agreement of a breach of any provision hereof shall be in writing and shall not operate or be construed as a waiver of any other or subsequent breach hereof unless specifically stated in writing.

20. AUDIT.

The AGENCY's duly authorized representative shall have access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify CONSULTANT's charges to AGENCY under this Agreement.

CONSULTANT agrees to retain reports, records, documents, and files related to charges under this Agreement for a period of four (4) years following the date of final payment for CONSULTANT services. AGENCY's representative shall have the right to reproduce any of the aforesaid documents.

21. **GOVERNING LAW.**

This Agreement shall be governed according to the laws of the State of California.

22. **HEADINGS NOT CONTROLLING.**

Headings used in the Agreement are for reference purposes only and shall not be considered in construing this Agreement.

23. **COMPLIANCE WITH LAWS.**

CONSULTANT shall insure compliance with all safety and hourly requirements for employees, in accordance with federal, state, and county safety and health regulations and laws. CONSULTANT shall fully comply with all applicable federal, state, and local laws, ordinances, regulations and permits. CONSULTANT will have a City of Modesto business license.

///

IN WITNESS WHEREOF, the AGENCY has caused this Standard Agreement for Consultant Services to be signed and executed on its behalf by its Executive Director, and attestation by its Secretary on the ____ day of _____, 2007, and Consultant has signed and executed this Agreement, which shall become effective on the day and year first above written.

MODESTO REDEVELOPMENT AGENCY

CONSULTANT*
EDAW, INC, a California Corporation

GEORGE W. BRITTON, Executive Director

By: _____

By: _____

CONSULTANT'S Federal ID # _____

ATTEST:

(Seal)

By: JEAN MORRIS, Secretary

APPROVED AS TO FORM:

By: SUSANA ALCALA WOOD
General Counsel

APPROVED AS TO INSURANCE:

By: Mary Akin, Risk Manager

- * Corporations - signature of two (2) officers required or one (1) officer plus corporate seal.
- Partnership - signature of a partner required
- Sole Proprietorship - signature of proprietor required

EXHIBIT “A”

**SCOPE OF WORK
N. 9th Street Affordable Housing**

**Evaluate Proposed Project Pursuant to the
California Environmental Quality Act**

MODESTO REDEVELOPMENT AGENCY
NINTH STREET/CARVER ROAD AFFORDABLE HOUSING PROJECT EIR/EA
SCOPE OF SERVICES

This proposed scope of work to prepare an environmental impact report/environmental assessment (EIR/EA) is organized into major tasks that EDAW has developed based on our knowledge of the project area and preliminary understanding of the proposed Affordable Housing Project. EDAW will discuss refinements to the scope of work, budget, and project schedule with the Modesto RDA staff as part of Task 1.

PROJECT UNDERSTANDING AND APPROACH

The Modesto Redevelopment Agency (RDA) wishes to secure Community Development Block Grant (CDBG) funding to support a community/economic development need within the Redevelopment Area. The grant will be used for public infrastructure benefits in the vicinity of the proposed project which is bordered by Clayton Avenue (north), North Ninth Street (south), Highway 99 (north), and Carver Road (east). The proposed improvements will support development of an affordable housing development of 130 rental units on a 6.5-acre site that is currently being used for light industrial and highway commercial purposes. The project area also includes adjacent land that will be annexed to the City as part of this project; the total land area is approximately 12 acres. The proposed project will be developed on Catalyst Site 1 of the Redevelopment Master Plan. According to the master plan, the site was envisioned to be developed in accordance with the following description, excerpted from the RDA Master Plan.

Related to catalyst and opportunity sites, the Master Plan recommends development of Catalyst Site 1 as a 160-room extended-stay hotel with an attached 19,000 square foot facility (e.g., lobby, fitness center, meeting rooms, 8,000 square foot restaurant) and market-rate, live-work residential units with two residential products including 45 townhomes with tuck-under parking on the majority of the site and 36 loft units in a four-story mixed-use development on Carver Road.

The proposed housing development is defined as a project under the California Environmental Quality Act (CEQA), and is subject to environmental review. The RDA has determined that an EIR is the appropriate form of environmental documentation. Also, to receive funding from the CDBG program administered by the Department of Housing and Urban Development (HUD), the project must have National Environmental Policy Act (NEPA) clearance in the form of an EA supporting a Finding of No Significant Impact (FONSI), if it is demonstrated that the project would not result in significant impacts.

EDAW proposes a two-phased approach to determine the appropriate environmental document, described below. If issues of concern identified in the EIR can be adequately addressed employing NEPA standards of review, an EA/FONSI will be prepared. If not, an EIS will be prepared and would be based on the EIR analysis.

This analysis of this analysis will be that it tiers from the Redevelopment Area Master Plan EIR. Also, it is assumed at this time that certain environmental topics will be scoped out of this environmental document as part of the Initial Study and Notice of Preparation process.

This scope of services and budget assumes preparation of an EIR and EA/FONSI. If an EIS is warranted, an amendment to the scope and budget would be requested.

The EIR and EA will be formatted into a single, bound document that addresses both CEQA and NEPA requirements.

SCOPE OF WORK

Task 1: Project Initiation

EDAW will meet with RDA staff to discuss the project, receive project documents and materials, and kick off the environmental review. EDAW's project manager and appropriate technical experts will review documentation (including EIR, application package, and HUD Grant Management Manual) to assure understanding of the project, the required process, and RDA objectives.

TASK 1 SUMMARY

Products: None

Meetings: One Meeting with RDA staff

Task 2: Coordinate and Facilitate EIR/EA Scoping Process

The purpose of this task is to conduct the scoping process, including preparation of an Initial Study (IS) and Notice of Preparation (NOP), and participation in a scoping session, to help determine the contents of the EIR/EA.

EDAW will prepare an IS using the Environmental Checklist form provided as Appendix G to the current CEQA Guidelines. The IS form will be followed by explanatory text discussing the relevant analyses and reasons for the preliminary environmental determinations. EDAW will use the IS to clarify those resource areas where significant impacts to the environment could occur and support the rationale for preparing a focused EIR/EA.

EDAW will assist in publishing the NOP in a local newspaper, if needed. RDA staff will distribute the NOP according to its procedures. The NOP public review is scheduled for 30 days, during which comments on the scope of the EIR/EA will be received.

In coordination with the RDA, EDAW will schedule and organize one scoping meeting for agencies and the public. The meeting will be noticed in the NOP. EDAW will present the project description and potential environmental issues at the scoping meeting.

EDAW will facilitate the scoping meeting and the compilation of comments expressed at the meeting, including as needed, sign-up sheets, speaker request cards, and written comment sheets. Topics presented by commenters will be recorded in note form. (A court recorder is not proposed but can be provided for additional cost, if desired).

A draft and final Scoping Comment Summary will be prepared for submittal to the RDA. The final summary will be presented as an Appendix in the EIR/EA. Based on the comments received during scoping and in response to the NOP, EDAW will review the work program for revision, as needed. If any changes to the work program are required, the RDA will need to approve the changes.

TASK 2 SUMMARY

Products: Photo-ready copy of the IS and NOP for use by RDA staff (1 copy)
 IS/NOP for delivery by EDAW to the State Clearinghouse (15 copies)
 Scoping comment summary

Meetings: One scoping meeting

Task 3: Prepare Administrative Draft EIR/EA

The purpose of this task is to prepare a comprehensive and legally defensible EIR/EA for RDA staff administrative review. The format will be generally consistent with the RDA Master Plan EIR, prepared by EDAW. The EDAW team will focus the analysis on the proposed project and analyze four alternatives, including the No-Project Alternative and three development alternatives, in lesser, comparative detail. We will work closely with RDA staff to develop and conceptually define the four alternatives. Alternatives will be defined in narrative descriptions. Each alternative will be evaluated with respect to each key impact category reviewed for the proposed project. The EIR/EA will discuss all significant and less-than-significant impacts, in conformance with CEQA. Any mitigation measures considered but eliminated because of new impacts that would be associated with their implementation will be discussed. A thorough quality assurance review of the Administrative Draft EIR/EA will be conducted before submittal to the RDA.

The following scope describes the various key sections of the EIR/EA and a summary of the environmental topics that will be addressed.

Chapter 1. Purpose and Need

The purpose and need chapter of the EIR/EA will form a clear and concise context for both the project and the EIR/EA. The purpose and need chapter will be prepared based on information provided during project initiation, and will include project and EIR/EA introduction and background; general project description including all important features; purpose and need for the project and the EIR/EA; regional and local setting; EIR/EA organization; required permits and approval process for any discretionary actions; and intended uses of the EIR/EA, including a list of cooperating and other agencies expected to use the EIR/EA in decision-making.

Chapter 2. Proposed Project and Alternatives

The statement of purpose and need described above is important in determining the range of alternatives to be evaluated in the EIR/EA. The four proposed alternatives will be described in this chapter. Differences between the four alternatives will be highlighted for clarification and differentiation of each alternative. Each alternative will be described in sufficient detail for comparative analysis, but at a lesser level than the proposed project. Alternatives considered but rejected for detailed EIR/EA analysis will also be discussed. The advantages and disadvantages of each alternative and the reasons for rejecting or recommending it for further analysis will be presented in a summary table. The environmentally superior alternative will be identified. During the course of environmental analysis, minor variations to the proposed project that could reduce or eliminate environmental concerns may become apparent; these variations will be evaluated and documented.

(Optional Task): As an optional task, EDAW can prepare alternative site design plans that illustrate the alternatives evaluated in the EIR/EA. These illustrations could show project elements in different configurations. This optional task may be inspired by comments received in response to the NOP,

scoping meetings, environmental concerns raised by RDA staff or a desire to consider alternative configurations with a varied mix of uses on the site. An estimate of hours to produce alternative design plans is not included in the budget, but can be provided.

Chapter 3. Executive Summary

This chapter will summarize the proposed project's environmental effects and mitigation measures.

Chapter 4. Affected Environment

This chapter forms the heart of the EIR/EA. This chapter will document the affected environment, evaluate environmental consequences of the proposed project, followed by the relative effect of each alternative, based on accepted thresholds and other regulatory standards, describe cumulative impacts, and formulate mitigation measures. Significance thresholds will be defined in consultation with RDA staff; however, these are expected to be consistent with thresholds used in the Redevelopment Master Plan EIR. Specific topical areas to be addressed, the general approach to be used, and the known issues to be confronted in each section are described below.

At this time, we envision that the EIR/EA will address the following environmental topics:

- aesthetics
- air quality
- global climate change analysis
- cultural resources
- environmental justice
- geology/soils
- hazards and hazardous materials
- hydrology and water quality
- noise
- public services and utilities
- transportation and circulation

Further, at this time, we believe that the following environmental topics can be addressed in a cursory manner in the IS and scoped out of the EIR/EA for further analysis: biological resources, planning and land use, agricultural resources, mineral resources, recreation, and population and housing.

Aesthetics. The potential impacts from construction and operation of the proposed project will be evaluated through the use of ground-level site photographs from sensitive viewpoints on or near the project site. Impacts will be assessed in terms of visibility of the project, alteration of the visual setting, and sensitivity of viewpoints. Mitigation measures will be recommended, if necessary, to reduce any significant impacts.

(Optional Task): As an optional task, EDAW can prepare additional photosimulations of the proposed project within the existing visual setting from scenic viewpoints specified by the RDA. Simulations can also be prepared for each alternative. The need for and the number, location, size, and detail of the simulations will require consultation with RDA staff. As such, an estimate of hours to produce the photosimulations is not included in the budget, but can be added.

Agricultural Resources. The project site contains no agricultural resources, nor is agricultural land adjacent to the site. This environmental topic will be scoped out of the EIR/EA.

Air Quality. The EIR/EA will discuss the applicable local, state, and federal air quality regulatory framework, including newer federal ozone and particulate matter standards. Regional and local air quality, including attainment status for all criteria pollutants, will be described. The local topographic effects on pollutant dispersal will be discussed. Sensitive receptors will be identified within one-half mile of the project site. Field monitoring of meteorology and pollutant emissions is not considered to be necessary, and is not included in this scope.

The most current version of the California Air Resources Board's Urban Emissions Model (URBEMIS) will be used to estimate short-term construction and long-term operational emissions associated with the project. A table will be included that compares existing emissions with emissions associated with the proposed project and project alternatives. The estimates will be compared to the San Joaquin Air Pollution Control District's Significance Thresholds for reactive organic gas, particulate matter, nitrogen oxide, and carbon monoxide emissions.

Potential emissions of odors and/or hazardous air pollutants generated by stationary and area sources will be qualitatively discussed. Because the proposed project and project alternatives are not anticipated to include construction of any major stationary sources of emissions, dispersion modeling of stationary source emissions is not anticipated to be required and, as a result, is not included in this scope.

The significance of air quality impacts will be determined in comparison with applicable local, state, and federal standards. Mitigation measures will be developed for any impacts found to be significant or potentially significant.

Global Climate Change Analysis. This analysis will be added to Section 5.0 Cumulative, Growth-Inducing, and Irreversible Impacts where potential cumulative air quality impacts are described.

With regard to global climate change, the air quality analysis will include a general summary of applicable regulations (e.g., Assembly Bill [AB] 32) and the current state of the science (e.g., the Fourth Assessment Report of the International Panel on Climate Change [February 2007]). EDAW will apply methodologies that attempt to quantify global warming impacts associated with vehicular emissions resulting from implementation of the proposed project (e.g., URBEMIS 2007 version 9.2.0). EDAW will calculate 1990 California emission levels (as referenced in AB 32) and other indicators to compare against implementation of the proposed project to assess consistency with current policy and planning efforts.

The focus of the analysis will be a calculation of the project's generation of greenhouse gas (GHG) emissions and an assessment of whether this generation constitutes a substantial contribution to the significant adverse cumulative impact of global climate change. Our approach to the analysis will be to compare the emissions from this proposed project with the total greenhouse gas emissions, as contained in the California's Greenhouse Gas emission inventory. In this way, the relative contribution of this project can be viewed in a larger context. Although the project would involve sources of multiple GHGs, the focus of the analysis will be on CO₂ generation. A majority of available data on GHG generation focuses on CO₂, which can be used as a suitable indicator of overall GHG emissions.

In the instance of a significant or potentially significant cumulatively considerable incremental contribution to global climate change, availability, and feasibility of mitigation measures will be discussed and proposed, if necessary.

Biological Resources. The majority of the site is paved and has been subject to extensive urban light industrial, highway commercial use. Existing vegetation will be documented, based on existing information and a site reconnaissance. Existing trees will be mapped and identified. The potential for special-status plants to occur will be assessed based on habitat available on the site. In addition, the potential for nearby wetlands or stream environment zones (SEZ) to be directed impacted by proposed development will be discussed. Focused surveys for threatened and endangered plants and formal wetland delineations are not proposed.

It is anticipated at this time that, because of the disturbed nature of the site, biological resources will be addressed in a cursory manner in the IS and EA, and scoped out of the EIR.

Cultural Resources. The project requires the assessment of cultural resources situated within the project area. The site, along State Route 99, may contain potentially historic buildings and resources.

This scope of work includes preparation of technical study to inventory and assess known historical resources in the project area against the criteria of the National Register of Historic Places (NRHP) and the California Register of Historical Resources (CRHR). EDAW will begin by conducting a records search of historical maps, building permits, and local directories to determine original construction dates and subsequent alterations to the buildings. These sources will also provide information on ownership of the involved properties over time. Other historic records, such as Sanborn Fire Insurance Maps and aerial photographs, may also be examined to provide information on changes to the buildings and the setting of these resources over time.

Following documentation, the buildings will be assessed to determine whether they meet the criteria for inclusion in the NRHP (Title 36 Code of Federal Regulations Part 60.4) or CRHR (Public Resources Code Section 5024.1).

A technical report will be prepared, following the archival research and historical inventory and assessment. The report will provide a brief historical context for the project vicinity; discuss research methods, and present results of the archival research and of the historical inventory/assessment. Also included will be recommendations regarding further treatment of any significant resources identified during the archival research or the field examination of the property. A draft of the technical report will be provided to RDA for review. A final report, incorporating RDA comments, will be prepared. One copy of the final report will also be sent to the North Central Information Center, at California State University, Sacramento, for incorporation into the statewide cultural resources information system.

If, as a result of this research, EDAW finds that any of the structures are significant historical resources, we may recommend further documentation as a mitigation measure (such as a completion of a Historic American Buildings Survey [HABS]). EDAW is well qualified to perform HABS recordation if such a measure is required as a result of the evaluation. However, these efforts will be performed as a separate task and are not included in this current scope and budget.

EDAW will also contact local historical organizations in an effort to determine if cultural resources not formally on record are present within the project area. This program of literature review and background research will be used to develop a concise description of the cultural setting of the project areas as it relates to the prehistoric, ethnographic and historic past and to identify any specific cultural resource issues and concerns.

Based on the results of the pre-field and field reconnaissance stages of research, EDAW cultural resource specialists will prepare an EIR/EA section that provides an overview of project area prehistory, ethnography and history, study methodology, a discussion of documented cultural resources, the

potential impacts to these and unrecorded sites, features or objects, and suitable measures designed to mitigate project-related impacts.

Environmental Justice. This section will address federal (NEPA) requirements that no racial, ethnic, or socioeconomic group of people should bear a disproportionate share of the negative environmental consequences of a project and that everyone, regardless of race, culture, or income, should enjoy the same degree of protection from environmental and health hazards. Federal guidelines also require that groups who may be disproportionately affected by a project be consulted during the environmental process.

There are two considerations in conducting an environmental justice analysis: whether the project itself will expose people to disproportionate environmental impacts from within the project area and whether the people within the project will be exposed to disproportionate environmental impacts occurring outside the project area.

The proposed project will result in construction of multi-family housing adjacent to busy transportation routes, including State Route 99, Ninth Street, and railroad tracks. This close proximity increases the potential for impacts associated with such uses, including, but not necessarily limited to, air contaminants, and noise.

The information to be collected and potential issues to be addressed for the environmental justice section will include:

- existing areas of low-income or minority concentrations and potential future areas of such concentrations;
- the potential for the project to disproportionately expose individuals to multiple or cumulative human or environmental health hazards; and
- whether interrelated cultural, social, occupational, historical, or economic factors may amplify the natural and physical environmental effects of the proposed agency action.

As part of the scoping, consultation, and public review process, we will seek input from low-income populations and minority populations as early in the process as information becomes available. If we identify any potentially affected populations of such groups, we will work with Stanislaus County to develop a strategy for effective public involvement in determining the scope of the NEPA analysis.

If we determine that the project has the potential for disproportionate impacts, we will propose mitigation measures to avoid, reduce below a level of significance, or eliminate those impacts. If such impacts cannot feasibly be avoided, reduced, or eliminated, we will, at the RDA's request, prepare a Statement of Overriding Considerations.

Geology and Soils. The proposed project would likely result in complete re-grading of the entire project site. Cut and fill areas would likely be minimal, given the relatively flat topography. A general discussion of topographic alteration, erosion potential, and potential expansive soil conditions will be presented. Potential seismic hazard impacts will also be discussed.

This section of the EIR/EA will describe the potential adverse environmental effects related to coverage, land capability, soils, and geology. Existing site conditions will be described based on available topographic maps, soils, the geotechnical investigation report prepared for the project, and other available geology information. Information will be taken from land capability maps, and existing Soils Conservation Service maps and other geotechnical literature will be researched, as needed. This information will be used to describe the site topography, soil development, and geologic characteristics in the project area,

as needed. The potential for geologic hazards on the site, including distance from faults and hazards associated with earthquakes such as liquefaction, landslides, compaction, and ground shaking will be described.

The potential for exposure to contaminated soils will be addressed in the Hazards section of the EIR/EA.

Detailed mitigation measures for all significant and potentially significant impacts related to earth resources will be provided. Specific performance standards will be identified that include implementation of appropriate Best Management Practices (BMPs) and compliance with standard local mitigation requirements.

Hazards and Hazardous Materials. The project site has been used for many for a variety of highway-related commercial and light industrial purposes. As such, there is a potential for hazardous materials, including building materials (e.g., asbestos and lead paint) and substances that may have leaked into the ground to be present. EDAW will engage ENGEO, Inc. to conduct a Phase 1 Environmental Site Assessment of the project site. The proposed scope of services is described below.

The proposed scope of services includes the following:

- a review of the environmental documents provided;
- a review of publicly available and practically reviewable standard local, state or tribal, and federal environmental record sources;
- a review of publicly available and practically reviewable standard historical sources, aerial photographs, Sanborn Fire Insurance Maps, and physical setting sources;
- a reconnaissance of the property and observation of adjoining properties;
- interviews with present and past owners, operators and/or occupants of the Property and government officials; and
- preparation of a report with our findings, opinions and conclusions.

Site Reconnaissance. ENGEO will conduct a reconnaissance of the property to visually and/or physically review site use and current conditions. The reconnaissance will be conducted to check for the storage, use, production, or disposal of hazardous or potentially hazardous materials.

The reconnaissance allows ENGEO to observe areas of visible soil, pavement, or concrete staining and/or stressed vegetation representing potential environmental impacts to the site soil or groundwater. The property will be observed for fill pipes, concrete pads, or depressed and settling areas of soil that may be indicative of underground storage tanks.

During the site reconnaissance, adjoining properties will be visually and/or physically observed from the vantage point of the property boundaries. This observation will check for recognized environmental conditions that could potentially impact the property.

Records Research. ENGEO will review a government records database report prepared by Environmental Data Resources (EDR) to evaluate hazardous materials information regarding the subject site and nearby properties. If appropriate, agency-specific file research may be necessary for information regarding the property and nearby sites.

Available historic sequences of aerial photographs, topographic maps, and Sanborn Fire Insurance Maps will be reviewed for the past use of the property. Aerial photographs will be reviewed for the history of development on the parcels and in the site vicinity.

ENGEO requests that available data on the property be provided, including such items as the title report; chain-of-title and other prepared legal descriptions of the property; construction drawings, including the location of easements and utility trenches; site drawings with the location of the wells, sumps, concrete cellars and other structures or materials storage areas; construction drawings from site improvements; and other pertinent data that may apply to site use.

Two environmental questionnaires will be provided to the RDA. One is to be completed by the user of this report and one is to be completed by a key site manager. The key site manager can be the current property owner, owner representative, facilities manager, leasing agent, or other person having good knowledge of the uses and physical characteristics of the property. In some cases, the user may also fit the definition of a key site manager.

Report Preparation. After compiling and reviewing the collected data, ENGEO will prepare a written report. The report will document the services performed and the findings of the assessment with ENGEO's opinions, conclusions, and recommendations regarding potential environmental concerns.

Hydrology and Water Quality. While the site is primarily developed and covered with pavement, the proposed project will alter the surface hydrology, including the amount and direction of stormwater run-off. We understand that Modesto Public Works Department staff will conduct a stormwater and water quality analysis of the proposed project. EDAW will use the documentation prepared by City staff to prepare the Hydrology and Water Quality section of the EIR/EA.

Noise. The project site is bordered by two busy noise-producing roadways, Ninth Street and State Route 99, and a railroad is located parallel with Ninth Street. The EIR/EA will include a description of the existing noise environment near the project site, based on any existing noise documentation (e.g., General Plan or Community Plan data) that is available and on a site reconnaissance. During the site visit, short-term ambient noise monitoring (i.e., 15-minute measurements on one day) will be conducted at the project site and along roadways that could be affected by project-related traffic. Relevant background information, including noise fundamentals and descriptors will be described. The applicable federal, state, and local regulatory framework will be discussed.

To assess potential short-term (i.e., construction) noise impacts, sensitive receptors and their relative exposure will be identified. Noise levels of specific construction equipment will be determined based on published resources and a list of construction equipment likely to be used during project construction. The resultant noise levels at nearby receptors (at given distances from the source) will be calculated.

Long-term (i.e., operational) noise impacts, including increased noise from mobile, stationary, and area sources, will be assessed for the proposed project and project alternatives. The Federal Highway Administration (FHWA) roadway noise prediction model (FHWA-RD-77-108) will be used to determine roadway traffic noise levels (in Ldn/CNEL) for existing, existing plus project, and future cumulative with and without project scenarios. Distances to the 60, 65, and 70 dBA Ldn/CNEL noise contours will be provided for all modeled roadway segments. An assessment of area and stationary source noise will also be included. The significance of short-term and long-term noise impacts will be determined based on applicable state and local noise standards. Mitigation measures will be developed for significant and potentially significant noise impacts.

Land Use and Planning. It is anticipated at this time that, since land use will be consistent with both the Redevelopment Master Plan and the Urban Area General Plan EIR, analysis of land use impacts will be addressed in a cursory manner in the IS and EA and scoped out of the EIR/EA.

Mineral Resources. The project site contains no know mineral resources, nor are know mineral resources expected to be adjacent to the site. This environmental topic will be scoped out of the EIR/EA.

Population and Housing. It is anticipated at this time that, since land use—including population and housing—will be consistent with both the Redevelopment Master Plan and the Urban Area General Plan EIR, analysis of population and housing impacts will be addressed in a cursory manner in the IS and EA and scoped out of the EIR/EA.

Public Services and Utilities. EDAW staff will evaluate utilities, including power, water treatment and distribution, wastewater treatment and disposal, and solid waste collection and disposal. Public services, such as police and fire protection services, schools, and other government services, will also be evaluated. EDAW staff will contact each public service and utility provider to obtain information on the most current service levels. Staff will also query the service provides for information on existing staffing and equipment, capacity, adequacy of existing infrastructure, and plans for future expansion and/or improvements.

We understand that the Modesto Public Works Department will assess the potential impacts of the proposed project on the City's wastewater system and that a consultant (West Yost Associates) will provide an assessment of the water system demands and impacts. We assume that these reports will be made available to us and will be sufficient for use in the EIR. If further analysis or revisions are required, we assume that these would be performed by either City staff or its consultants.

The analysis for public services will focus on the increased demand that would result from the proposed project and whether the affected public service providers can adequately serve the project. Water supply and sewage disposal demands will be quantified for the project to verify adequate utility system capacities and evaluate the effect of development on current service levels, and additional resources required to maintain or meet the demand of the project will be identified. Mitigation measures will be developed in consultation with the service providers, if needed.

Recreation. The project site contains no recreational uses. Any potential impact on City recreational facilities will be addressed under the public services and utilities section of the EIR/EA. This environmental topic will be scoped out of the EIR/EA.

Transportation and Circulation. Analysis of the transportation and circulation impacts of the project will be conducted by KD Anderson Transportation Engineers. In general, this study will make use of data available from the Master Plan EIR to confirm the adequacy of the area circulation system to accommodate this project. The work required is similar to other studies KD Anderson has prepared for other downtown projects in Modesto near SR 99. However, as per the Master Plan EIR, HCM 2000 will be used for identifying LOS rather than the more sophisticated analysis typically required by Caltrans (SYMCHRO-Simtraffic).

Study Initiation. KD Anderson will attend an initiation meeting with the RDA and City staff to discuss the City's concerns, our study approach, developer objectives for the project, etc. They will go over the schedule for their work and for the project as a whole.

Collect Traffic Volume Data/ Assess Current Conditions. KD Anderson will collect the traffic count and parking information needed for their analysis.

Traffic Counts. For the traffic impact analysis, KD Anderson will assemble a.m./p.m. peak-hour traffic volume and LOS data from the Master Plan EIR for the following locations. KD Anderson's budget does not include new counts at any study intersections:

1. Briggsmore Road/Sisk Road
2. Briggsmore Road/NB SR 99 ramps
3. Briggsmore Road/SB SR 99 ramps
4. Carpenter Road/9th Street
5. Carpenter Road/Woodland Avenue
6. Carver Road/Orangeburg Avenue
7. Carver Road/9th Street
8. 9th Street/Coldwell Avenue
9. Coldwell Avenue/Graphics Drive

KD Anderson will employ this data to quantitatively describe current traffic conditions in this area in terms of operating Level of Service at study intersections using the procedures contained in the 2000 Highway Capacity Manual (2000 HCM), as was the case in the Master Plan EIR. The extent to which current traffic conditions meet City standards will be determined and the need for improvements to resolve current problems will be noted.

Identify Project Traffic Characteristics. KD Anderson will quantify the trip generation associated with the land uses within the proposed project based on Institute of Transportation Engineers (ITE) rates and /or rates employed in the City-wide traffic model. The directional distribution of project trips will be determined based on "select link" analysis and consideration of existing travel patterns. KD Anderson shall also identify the trip generation assumed for this site in the Master Plan DEIR. Trip generation and distribution assumptions will be shared with City staff before continuing with the study.

Identify/Evaluate Short Term (5 Year) Future Conditions. Standard City requirements ask for evaluation of conditions occurring at the anticipated opening year with full build out and occupancy or five years in the future assuming background traffic growth and implementation of projects in the City's CIP and traffic impacts fee program. KD Anderson will use the short-term traffic volume forecasts contained in the Master Plan EIR, which assumes site development, to create "Shorter Term No Project" conditions.

Project impacts will be identified by superimposing project trips onto the background condition to create the "Five Year Future Plus Project" condition.

The extent of study area circulation system improvements that should be assumed to be in place in five years will be as assumed in the Master Plan DEIR.

Evaluate Long Term (2025) Traffic Impacts. Year 2025 traffic volume forecasts will be prepared in a similar manner, using the data contained in the Master Plan EIR. A.m. and p.m. peak-hour forecasts will be created for the "no project" condition, and project traffic will be superimposed onto this data to create "existing plus project" conditions.

Review Project Access. If a site plan is available, proposed project access will be reviewed with regard to City of Modesto standards for intersection spacing and the extent to which auxiliary lanes/traffic controls are needed will be suggested. KD Anderson will also consider the capacity of planned traffic controls and determined potential entry and exit queues. Potential conflicts between automobile, pedestrian, and bicycle access will be considered.

Identify Mitigation Measures. If unsatisfactory traffic or access conditions are projected KD Anderson will review the mitigation measures identified in the Master Plan EIR and recommend a strategy for reducing impacts to a level of insignificance. However, those impacts that may not be avoidable will be noted as well.

Prepare Report. KD Anderson will summarize their evaluation in a written report. The draft report will be provided to the client for review before finalization for submittal to the City.

Finalize Report. KD Anderson will finalize the report based on consideration of one consolidated set of City/RDA comments

Meetings/Coordination. In addition to KD Anderson's initiation meeting, they may need to meet with RDA and/or City of Modesto staff to go over the report. KD Anderson has assumed three meetings, and this cost is included in the budget. However, while participation in the Planning Commission review of the project or additional meetings with City staff may be necessary, this cost is not included in the base budget.

Short-Term Uses and Long-Term Productivity. The relationship between local, short-term uses of environmental resources and maintaining long-term productivity of the environment will be evaluated.

Significant Irreversible and Irretrievable Commitments of Resources. Any significant irreversible and irretrievable commitments of resources will be identified and documented.

Other Potential Impacts Identified During Scoping of EIR/EA. Any other potential impacts identified during scoping but not appearing in a preceding section of this EIR/EA will be covered in this section. Additional analysis of other issues can be provided subject to a scope and budget amendment approved by the RDA in advance of the work.

Chapter 5. Affected Environment—Cumulative Impacts, Growth-Inducing Impacts, and Indirect Effects

For the cumulative impact discussion, the EDAW team will identify reasonably anticipated projects likely to occur in the Redevelopment Area and beyond that may result in cumulative impacts when combined with the proposed project. The analysis will address known projects and either approved or proposed (applications on file), within a defined area around the proposed project. The cumulative impact assessment will be based on reasonably anticipated potential projects that may, in combination with the proposed project, create adverse environmental impacts. Cumulative impact findings will be presented within this standalone section or integrated into the topical sections described above. Findings of court cases regarding the scope of cumulative impact discussions will be used to ensure that all pertinent issues are addressed.

Growth-inducing impacts must be discussed under EIR/EA content requirements of Chapter 5 of the Code of Ordinances. Potential sources of growth inducement and their corresponding impacts, such as removal of obstacles to growth, major new employment generation, or major economic influences, will be qualitatively analyzed, to the extent that they are applicable.

Chapter 6. Document Preparation

This chapter will consist of three sections. The first section will discuss how the document was prepared, the scoping process, scoping results, and agencies and individuals that were consulted while developing the EIR/EA. The second section will present key RDA and EDAW team staff involved in document

preparation. The third section will identify references cited within the EIR/EA. A glossary may be included if it would materially enhance the readability and understanding of the EIR/EA.

Technical Appendices

Certain resource areas may require detailed information that is best presented as a technical appendix rather than in the body of the EIR/EA.

TASK 3 SUMMARY

Products: Administrative Draft EIR/EA (5 copies)

Meetings: One Meeting with RDA staff

Task 4: Prepare Draft EIR/EA

The purpose of this task is to prepare the publicly circulated Draft EIR/EA, based on comments by the RDA on the Administrative Draft EIR/EA.

Based on one set of consolidated comments from RDA staff (acting as coordinator of the lead agency comments), EDAW and its subconsultants will revise the Administrative Draft EIR/EA.

One copy of a "screen-check" Draft EIR/EA each will be provided to the RDA to review before production of the public draft editions.

EDAW will provide minor changes based on any last-minute comments and reproduce the Draft EIR/EA and prepare an electronic copy for submittal to the RDA for distribution.

TASK 4 SUMMARY

Products: Screen-check Draft EIR/EA (1 copy)

Draft EIR/EA (50 copies)

Meetings: None

Task 5: Prepare Draft Responses to Comments

The purpose of this task is to prepare draft responses to all written and verbal comments received from agencies and the public on the Draft EIR/EA.

After comments on the Draft EIR/EA are received, EDAW will confer with RDA staff to discuss the comments and to develop a strategy for responses.

EDAW will prepare a list of commenters, compile and organize the comments, and develop draft responses to significant environmental points raised in the comments. The scope of the effort is difficult to predict in advance. For purposes of budgeting, it is assumed that responses will involve explanation, clarification, or elaboration of existing analysis and findings but not include new analysis, issues, or alternatives. An estimate of 60 technical staff hours is included in the budget, plus time for document assembly and production. If additional time were required because of the volume or complexity of the comments, a scope of work adjustment would be needed.

EDAW will submit the draft responses to comments document to RDA staff for its review and comment.

TASK 5 SUMMARY

Products: Draft responses to comments (5 copies)

Meetings: One Meeting with RDA staff

Task 6: Prepare Administrative Final EIR/EA and Mitigation Monitoring Program

The purpose of this task is to prepare an Administrative Final EIR/EA that includes responses to all written and verbal comments, changes to the Draft EIR/EA, and a Mitigation Monitoring Program.

Based on one set of consolidated comments from RDA staff, EDAW and its subconsultants will revise the draft responses to comments and incorporate them into the Administrative Final EIR/EA.

The EDAW team will prepare an Administrative Final EIR/EA to include the following components: an introductory chapter; all text revisions to Draft EIR/EA sections with modifications indicated in ~~strikeout~~ (strikeout) for deletions, and redline (redline) for additions; a list of persons, organizations, and public agencies commenting on the Draft EIR/EA; enumerated comment letters and public hearing notes; responses to the significant environmental points raised in comments received on the Draft EIR/EA; and a revised/final Mitigation Monitoring Plan.

Mitigation Monitoring Plan. Mitigation monitoring plans are developed to ensure that the mitigation measures and any project revisions to minimize environmental impacts are implemented. A Mitigation Monitoring Program will be developed in coordination with RDA staff. It is critical that specific performance standards that are measurable are established. The monitoring plan will incorporate features to monitor the success of mitigation, determine responsible parties for monitoring proposed mitigation, the role of the project proponent, guidelines and specifications for conducting monitoring and reporting results, enforcement procedure for noncompliance, and schedules and budgets for conducting the monitoring. We will provide a draft copy of the Mitigation Monitoring Program for RDA staff review and a Final Mitigation Monitoring Program that responds to RDA staff direction.

TASK 6 SUMMARY

Products: Administrative Final EIR/EA (5 copies)
Draft Mitigation Monitoring Program (1 copy)
Final Mitigation Monitoring Program (1 copy)

Meetings: One Meeting with RDA staff

Task 7: Prepare Final EIR/EA

The purpose of this task is to prepare the publicly circulated Final EIR/EA, based on comments by RDA staff.

Based on one set of consolidated comments from RDA staff, EDAW and its subconsultants will revise the Administrative Final EIR/EA.

One copy of a "screen-check" Final EIR/EA each will be provided to RDA staff to review before production of the public draft editions.

EDAW will provide minor changes based on any last-minute comments and reproduce the Final EIR/EA and prepare an electronic copy for submittal to Modesto RDA for distribution.

TASK 7 SUMMARY

Products: Screen-check draft edition of the Final EIR/EA (1 copy)
Final EIR/EA (100 copies) and one (1) camera-ready copy
Meetings: None

Task 8: Attend Public Meetings

In addition to the staff meetings described in various tasks, EDAW's principal/project director and project manager will attend public meetings before decision making bodies. We will attend one Modesto Planning Commission meeting and one Redevelopment Agency Board meeting. Other meetings may be attended on a time-and-materials basis or with a contract amendment with prior authorization by RDA staff.

TASK 8 SUMMARY

Products: None
Meetings: One Planning Commission Public Hearing
One Redevelopment Agency Board Hearing

Task 9: Project Management and Coordination

The purpose of this task is to effectively manage the project schedule, budget, invoicing, contracts, and subcontracts. EDAW's project manager, project director, and administrative support staff will devote effort each month to ensure an efficient and timely process for project execution. This includes close coordination with RDA staff about project management issues, as needed.

TASK 9 SUMMARY

Products: None
Meetings: Ongoing telephone and e-mail communications

Task 10: Prepare FONSI

If the results of the preliminary determination indicate that the issues of concern in the EIR may be resolved, EDAW will prepare a FONSI to confirm this determination. The EA will be based on the EIR analysis and will be prepared in accordance with 24 CFR Part 58 Subpart E. The Environmental Assessment will include the grantee name and address, a description of the project and location map, a determination of existing conditions, identification of project impacts with data sources and explanation, a discussion of project alternatives, a discussion of any measures that will be implemented to mitigate project impacts, and a discussion of any irreversible project impacts. In addition, the other applicable laws and authorities will also be addressed and documented as part of the EA, including historic preservation, floodplain management, wetlands protection, endangered species, air quality, and other statutes and executive orders.

EDAW will prepare (or assemble, as appropriate) and submit to the RDA:

1. a full description of the project;
2. a completed Form 58.6;
3. a completed and documented EA;
4. a copy of completed State Historic Preservation Officer (SHPO) correspondence;
5. an Environmental Finding Form, marked "Environmental Assessment;"
6. documentation, as described in Section 58.43, of the dissemination of a combined "Notice of FONSI and Notice of Intent to Request Release of Funds;"
7. a copy of the distribution list;
8. A copy of the published combined Notice of FONSI/NOIRROF to be published by RDA in a local newspaper of general circulation, which initiates the public comment period;
9. comments received during public review; and
10. a completed "Request for Release of Funds and Certification" form.

TASK 10 SUMMARY

Products: Administrative Draft EA/FONSI and all draft forms (3 copies)
Final EA/FONSI and all final forms (20 copies)

Meetings: None

PROPOSED SCHEDULE

Tasks	Week Completed
Notice to proceed	Sept 12, 2007
Project initiation	1
Draft project description to RDA	2
RDA accepts project description	3 (10/4/07)
Submit Initial Study/NOP to RDA (Initial Study needed if EIR is focused)	4
RDA comments on IS/NOP	6
NOP review period	10
Attend Scoping Meeting	During 30-day NOP period
Administrative Draft EIR to RDA (16 weeks from acceptance of project description)	19 (1/23/08)
RDA comments on ADEIR to EDAW	21
Second administrative Draft EIR to RDA	23
RDA comments to 2 nd ADEIR to EDAW	24
Screen-check Draft EIR to RDA	25
RDA comments to EDAW	26
Draft EIR released to public, Notice of Availability filed	27(3/19/08)
Draft EIR public hearing held	During 45-day public review period
Draft EIR public comment period closes	34 (5/7/08)
Administrative Final EIR to RDA	36
RDA comments to EDAW	38
Screen-check Final EIR to RDA ¹	39
RDA comments to EDAW	40
Public circulation of Final EIR	40
Findings of Fact and statement of overriding considerations prepared	TBD
Final EIR public hearing, EIR certification	Early July 2008
Notice of Determination filed	Early July 2008

¹ This schedule assumes that the comments received are consistent with the effort outlined in the scope of work.

COST ESTIMATE

The table on the following page provides a breakdown of our estimated cost of performing the services described in this proposed Scope of Services.

Proposal Assumptions

With the objective of ensuring clarity about the proposal, EDAW has prepared assumptions that explain the basis for the cost and effort to implement this scope of work. The assumptions underlying the proposed work are:

1. The budget is valid for up to six months from the date of submittal/opening, after which it may be subject to revision.
2. City or RDA will develop the mailing list for distribution of the EIR/EA and notices. City or RDA will be responsible for newspaper cost of publication of notices, which will be billed directly to City or RDA, so they are not included in the proposed budget.
3. Photocopy costs included in the proposal are for the specified number of copies of deliverables and reasonable incidental and in-team photocopying. If additional copies of deliverables are needed, they can be provided with an amendment to the proposed budget.
4. Review cycles for preliminary documents are presented in the scope of work. Additional review cycles or additional versions of administrative drafts are assumed to not be needed.
5. The proposed work addresses CEQA and NEPA requirements of the proposed action. Work concludes at the acceptance by the RDA of the final deliverable.
6. The budget is based on completion of work within an agreed upon schedule. If substantial delay occurs, an amendment of the budget would be warranted to accommodate additional project management time and other costs. Substantial delay is normally defined as 90 days or more.
7. Costs are included for the number of meetings specified in the scope of work. If additional meetings are needed, they can be included with an amendment of the budget.
8. The extent of public comment on a Draft EIR/EA is not predictable. The proposed budget includes a reasonable, preliminary estimate time to respond to comments. EDAW will consult with the City or RDA after the evaluation of the comments to determine if the preliminarily estimated budget is sufficient.
9. Costs have been allocated to tasks to determine the total budget. EDAW may reallocate costs among tasks, as needed, as long as the total budget is not exceeded.
10. Once the proposed project description, baseline, and alternatives are approved by the City or RDA for analysis in the draft EIR/EA, it is assumed they will not change thereafter. If changes requiring revisions to analysis or re-writing of EIR/EA information occur, an amendment of the budget would be warranted.
11. The CEQA statutes or guidelines and NEPA may change during the course of this EIR/EA. If amendments require redoing work already performed or substantially increasing effort, a contract amendment may be warranted.

MODESTO REDEVELOPMENT AGENCY
 NINTH STREET/CARVER ROAD AFFORDABLE HOUSING PROJECT EIR/EA

COST ESTIMATE

7/24/2007

EDAW TASKS	Rate/Hour	PIC	Project Manager	Env Planners	Senior Biologist	Biologist	Senior Archaeologist	Hazards	Hydro/WQ	Geo/Soils	Air/Noise Sr.	Air/Noise Analyst	Graphics GIS	Word Processing	Total Hours	Total Dollars
		\$207	\$173	\$105	\$135	\$95	\$110	\$105	\$120	\$115	\$150	\$80	\$90	\$85		
1. Project Initiation	6	12	10												28	\$4,368
2. Scoping Process	4	12	36	2	4	4	4	4	2	2	6	2	6	88	\$10,374	
3. Prepare Admin Draft EIR/EA															0	\$0
1. Introduction	1	4	6									4	2	17	\$2,059	
2. Summary	2	6	16										10	34	\$3,982	
3. Project Description	2	8	24									12	8	54	\$6,078	
4. Environmental Settings, Impacts, Mitigation															0	\$0
a. Land Use and Planning (scope out)	1	1	2									4	4	12	\$1,290	
b. Agricultural Resources (scope out)		1	2									4	4	11	\$1,083	
c. Population, Employment, and Housing (scope out)		1	2											3	\$383	
d. Surface Hydrology and Water Quality	2	2	4					36				2	4	50	\$6,020	
e. Public Services and Utilities	2	4	64									2	4	76	\$8,346	
f. Geology/Soils/Paleontology	1	2	4						24			2	2	35	\$4,083	
g. Cultural Resources	2	2	4			36						2	4	50	\$5,660	
h. Biological Resources (scope out)		1	2	1	2									6	\$708	
i. Hazards and Hazardous Materials	2	2	4				20					2	2	32	\$3,630	
j. Visual Resources	1	4	16									8	4	33	\$3,639	
k. Traffic and Transportation	2	8	20									8	4	42	\$4,958	
l. Air Quality, including Global Climate Change	2	2	4							20	120	4	4	156	\$14,480	
m. Noise	2	2	4							16	116	4	4	148	\$13,560	
n. Environmental Justice	2	4	16											22	\$2,788	
o. Mineral Resources (scope out)		1	1											2	\$278	
p. Recreation (scope out)		1	1											2	\$278	
5. Significant & Unavoidable Impacts	2	4	8									2	2	18	\$2,296	
6. Cumulative Impacts	2	12	28									2	2	46	\$5,780	
7. Growth-Inducing Impacts	2	8	16	4		2		4		8		2	2	48	\$6,268	
8. Alternatives	2	16	36	4		2		2		4		8	6	80	\$9,792	
Subtotal (Task 4)	32	96	284	9	2	40	20	42	24	48	236	72	72	977	\$107,437	
5. Draft Responses to Comments	2	36	60	2	4	4	2	2	2	6	16	4	12	152	\$18,272	
6. Admin Final EIR/EA	2	24	40	1	2	2	2	4	4	2	8	2	6	99	\$12,091	
7. Final EIR/EA	2	16	24	2	2	2	1	2	2	4	4		4	65	\$8,217	
8. Public Meetings	2	16	16											34	\$4,862	
9. Project Management and Coordination	12	48												60	\$10,788	
10. EA/FONSI	4	4	16										4	28	\$3,540	
Total EDAW Labor Hours	66	264	486	16	14	52	29	64	34	62	270	80	104	1531		
Total EDAW Labor Dollars	\$13,662	\$45,672	\$51,030	\$2,160	\$1,330	\$5,720	\$3,045	\$6,480	\$3,910	\$9,300	\$21,600	\$7,200	\$8,840		\$179,949	

MODESTO REDEVELOPMENT AGENCY
 NINTH STREET/CARVER ROAD AFFORDABLE HOUSING PROJECT EIR/EA

COST ESTIMATE

7/24/2007

DIRECT COSTS		Total
1. Subconsultants		
KD Anderson Transportation (traffic)		\$13,780
Engeo, Inc. (Phase 1 ESA)		\$5,000
2. Printing: (rounded to nearest whole \$)		
Admin. Draft NOP: 1 copy, \$5 ea.		\$5
Final NOP: 15 copies, \$5 ea.		\$75
ADEIR/EA: 5 copies, \$50 ea.		\$250
Screencheck DEIR/EA: 1 copy, \$50 ea.		\$50
DEIR/EA: 50 copies, \$50 ea.		\$2,500
Response to Comments: 5 copies, \$10 ea.		\$50
Admin FEIR/EA w/ MMP: 5 copies, \$50 ea.		\$250
Screencheck FEIR/EA: 1 copy, \$50 ea.		\$50
Final EIR/EA: 100 copies, \$50 ea.		\$5,000
Admin Draft EA/FONSI: 3 copies, \$10 ea.		\$30
Final EA/FONSI: 20 copies, \$10 ea.		\$200
Subtotal, Reproduction		\$8,460
3. Miscellaneous		
		\$500
4. Other Reproduction		
		\$100
5. Mileage/Parking		
		\$500
6. Maps/Supplies/Photos		
		\$125
7. Postage/Delivery via Certified Mail		
		\$250
8. Admin. Fee for Subconsultants (10%)		
		\$1,878
Total Direct Costs		\$30,593
TOTAL ESTIMATED EIR FEE		\$210,542

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 07- 2007**

**A RESOLUTION APPROVING AN OWNER PARTICPATION AGREEMENT
BETWEEN THE MODESTO REDEVELOPMENT AGENCY AND THE STANISLAUS
COUNTY HOUSING AUTHORITY FOR THE PROPOSED TOWN CENTER
AFFORDABLE HOUSING PROJECT AT THE NORTHEAST CORNER OF ROSELLE
AVENUE AND BELHARBOUR DRIVE AND AUTHORIZING THE EXECUTIVE
DIRECTOR TO EXECUTE SAID AGREEMENT AND ALL RELATED DOCUMENTS**

WHEREAS, the Redevelopment Agency of the City of Modesto (the “Agency”) is carrying out the Redevelopment Plan (the “Redevelopment Plan”) for the Modesto Redevelopment Project, and

WHEREAS, pursuant to the requirements of the Community Redevelopment Law, (Health and Safety Code section 33000 *et seq.*) (the “Redevelopment Law”) the Agency annually has deposited a portion of its tax increment funds into a Housing Set-Aside Fund for the purpose of improving and increasing the supply of affordable housing for very low, low and moderate-income households, and

WHEREAS, the Agency has made the finding that Housing Set-aside funds can be used anywhere within the Modesto city limits to increase the inventory of affordable housing, and

WHEREAS, in order to continue to increase the inventory of affordable housing, the Agency has set forth as a key objective the pursuit of opportunities to join Agency funds with various City of Modesto (the “City”) affordable housing funds to expand the opportunities for housing developments, and

WHEREAS, at their regular meeting on March 7, 2007, the Citizens Redevelopment Advisory Commission directed staff to conduct joint negotiations with the City and with the Stanislaus County Housing Authority (the “Owner”) to provide assistance towards the development of 20 multi-family units at the Village One Town Center project, which is an affordable housing project located on Assessor Parcel No. 085-009-005 (the “Project”), and

WHEREAS, said Agency assistance is set forth pursuant to an Owner Participation Agreement (“OPA”) which is attached hereto and made a part hereof by this reference which said OPA provides for, among other things, the development of twenty (20) multi-family units which will be in compliance with the Redevelopment Law covenants for affordability, and

WHEREAS, said OPA further provides that the Agency will pay to the Owner a portion towards the Owner's share of the cost of the Project (the "Agency's Project Contribution") in an amount not to exceed Four Hundred, Fifty Thousand Dollars (\$450,000), and

WHEREAS, the Agency has found and determined that the payment by the Agency of costs for the Agency's Project Contribution is necessary to effectuate the purposes of the Redevelopment Plan, and

WHEREAS, the Agency has found and determined that there is no other reasonable means of private or commercial financing which will produce the same number of new units at the same level of affordability that is reasonably available to the Agency or to the owner of the units, and

WHEREAS, the Agency has found and determined that the Agency's funding assistance from the Housing Set-aside Fund to the Village One Town Center Project will increase the community's supply of low- and moderate-income housing, and

WHEREAS, the Agency has found and determined that, pursuant to the requirements of the Community Redevelopment Law, the units shall remain affordable to, and occupied by, persons and families of low- and moderate-low income, very low and extremely low income households for not less than 55 years for rental units and 45 years for for-sale units and that a covenant requiring this affordability shall be recorded against the property with the Stanislaus County Clerk Recorder, and

WHEREAS, the Agency has found and determined that the payment of funds for the Agency's Project Contribution will be of benefit to the Redevelopment Project and is consistent with the Five-Year Implementation Plan adopted by the Agency pursuant to Health and Safety Code Section 33490, and

WHEREAS, at their regularly scheduled meeting of August 1, 2007, the Citizens Redevelopment Advisory Commission reviewed said OPA and recommended its approval to the Agency, and

WHEREAS, at their Special Meeting on September 4, 2007, the Agency reviewed said OPA by and between the Agency and the Owner providing for the development of said Project.

WHEREAS, the Agency will be required to subordinate its covenants and restrictions under the affordability covenants and has found and determined that an economically feasible alternative method of financing, refinancing, or assisting the units or parcels on substantially

comparable terms and conditions, but without subordination, is not reasonably available and the Agency has obtained written commitments reasonably designed to protect the Agency's investment in the event of default.

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the following findings have been made:

Finding: The payment by the Agency of costs for the Agency's Project Contribution is necessary to effectuate the purposes of the Redevelopment Plan

Finding There is no other reasonable means of private or commercial financing which will produce the same number of new units at the same level of affordability that is reasonably available to the Agency or to the owner of the units

Finding The Agency's funding assistance from the Housing Set-aside Fund to the Village One Town Center Project will increase the community's supply of low- and moderate-income housing

Finding Pursuant to the requirements of the Community Redevelopment Law, the units shall remain affordable to, and occupied by, persons and families of low- and moderate-low income, very low and extremely low income households for not less than 55 years for rental units and that a covenant requiring this affordability shall be recorded against the property with the Stanislaus County Clerk Recorder

Finding The payment of funds for the Agency's Project Contribution is consistent with the Five-Year Implementation Plan adopted by the Agency pursuant to Health and Safety Code Section 33490, and

Finding The Agency will subordinate its covenants and restrictions under the affordability covenants because an economically feasible alternative method of financing, refinancing, or assisting the units or parcels on substantially comparable terms and conditions, but without subordination, is not reasonably available and the Agency has obtained written commitments reasonably designed to protect the Agency's investment in the event of default.

BE IT FURTHER RESOLVED that said Owner Participation Agreement is hereby approved as follows:

Section 1. The Agency authorizes Agency's Project Contribution as set forth in this Resolution for construction of twenty (20) multi-family units within the Village One Town Center Housing Project.

Section 2. The Agency's Project Contribution will be in an amount not to exceed Four Hundred Fifty Thousand Dollars (\$450,000) to pay a fair-share of the debt service payments allocated to capital construction costs under said OPA.

Section 3. The Agency's Project Contribution commences upon issuance of the Certificate of Completion as set forth in Section 304 of the OPA

Section 4. The Agency's Project Contribution will be repaid to the Agency by the Owner beginning in Year 31

Section 5. The Executive Director is hereby authorized and directed to pay the Owner the Agency's Project Contribution on behalf of the Agency as set forth in said OPA and in this Resolution.

Section 6. The Executive Director, or his/her designee, is hereby authorized to execute the OPA and related documents. The Executive Director, or his/her designee, is further authorized to cooperate with the Owner in implementing the terms and conditions between the Agency and Developer as provided under this OPA.

The foregoing resolution was introduced at a special meeting of the Modesto Redevelopment Agency held on the 4th day of September, 2007, by Agency Member Keating, who moved its adoption, which motion being duly seconded by Agency Member Marsh, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Dunbar, Hawn, Keating, Marsh, O'Bryant, Olsen,
Chairperson Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: Jean Morris
JEAN MORRIS, Secretary

APPROVED AS TO FORM:

By Susana Alcala Wood
SUSANA ALCALA WOOD, General Counsel

MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 08-2007

A RESOLUTION APPROVING A POLICY FOR INVESTMENT OF PUBLIC FUNDS

WHEREAS, the Redevelopment Agency of the City of Modesto ("Agency") is carrying out the Redevelopment Plan for the Modesto Redevelopment Project, and

WHEREAS, pursuant to Health and Safety Code Section 33603, it is the function of the Agency to deposit and invest funds in accordance with sound treasury management, and

WHEREAS, the Agency is also governed by Section 33606 of the Health and Safety Code that requires local agencies annually adopt an investment policy, and

WHEREAS, a revision has been made to the policy and a copy of the policy is marked **Attachment "A"**, attached hereto and incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED that the Redevelopment Agency of the City of Modesto hereby approves the Policy for Investment of Public Funds.

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 25th day of September, 2007, by Agency Member Hawn, who moved its adoption, which motion being duly seconded by Agency Member Dunbar, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Dunbar, Hawn, Keating, O'Bryant, Olsen,
Chairperson Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: Marsh


ATTEST:


JEAN MORRIS, Secretary

(SEAL)

APPROVED AS TO FORM:

By 
SUSAN ALCALA WOOD, General Counsel

	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <p>CITY COUNCIL POLICY</p> </div>		<p><u>POLICY NO.:</u> <u>1.019</u></p>
<p>SUBJECT: INVESTMENT POLICY</p>			

PURPOSE

The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities.

BACKGROUND

Under Section 33603 of the Health and Safety Code, it is the function of the Redevelopment Agency to deposit and invest funds in accordance with sound treasury management. The Agency operates its pooled idle cash investment under the “prudent investor” rule which states that:

“When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with the care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.”

The Agency considers a broad spectrum of investment opportunities, so long as the investment is deemed prudent and allowable under current legislation of the State of California.

On an annual basis, the Treasurer will render to the Agency the statement of investment policy. The report will be considered, with any changes, by the Agency at a public meeting.

INVESTMENT REPORT

The Treasurer shall provide the Agency with a monthly report of investment transactions. In addition, the Treasurer shall render a quarterly report to the Agency, Agency Executive Director and the internal auditor within 30 days following the end of the quarter. The report shall contain the following:

1. The type of investment, issuer, purchase date, date of maturity, credit rating, overall portfolio yield based on cost, total par and dollar amount invested on all securities, investments and monies.
2. The weighted average maturity of the portfolio.
3. A description of any funds, investments or programs that are under management of

and the cash flow needs. The Agency will measure the portfolio's performance against a market benchmark that is commensurate with the Agency's investment risk constraints and the cash flow characteristics of the portfolio.

AUTHORIZED INVESTMENTS

Commencing with Section 53601 of Article 1, Chapter 4 of the Government Code of the State of California, surplus money may be invested in the following:

A. City of Modesto bonds. Bonds issued by the City.

B. U.S. Treasury securities. United States Treasury notes, bonds, bills or certificates of indebtedness or those for which the faith and credit of the United States are pledged for the principal and interest.

C. State of California securities. Registered State of California warrants, treasury notes or bonds, provided that the securities are rated AAA by a nationally recognized statistical rating agency

D. California municipal securities. Bonds, notes, warrants or other evidence of indebtedness of any local agency within California, provided that the securities are rated AAA by a nationally recognized statistical rating agency

E. Federal Agency securities. Obligations issued by a federal agency or United States government-sponsored enterprise.

F. Bankers' Acceptances. Bankers' Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by a nationally recognized statistical rating agency.

Purchases of Bankers' Acceptances may not exceed 180 days maturity or 40 percent of the City's surplus money. The maximum amount permitted to be invested in the Banker's Acceptances of any one commercial bank is the greater of 10 percent of the City's surplus funds or \$1 million.

G. Commercial Paper. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization. The entity that, issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

(1) The entity meets the following criteria: (a) is organized and operating within the United States as a general corporation. (b) Has total assets in excess of \$500 million. (c) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization (NRSRO).

(2) The entity meets the following criteria: (a) is organized within the United States as a

The Agency will have specific written agreements with each firm with which it enters into Repurchase Agreements.

K. Reverse Repurchase Agreements. The Agency may invest in reverse repurchase agreements only with "primary dealers" with which the Agency has entered into a master repurchase agreement contract. The Agency may invest in reverse repurchase agreements with the following conditions: The Agency may only use reverse repurchase agreements to (1) cover a temporary cash shortage, or (2) augment earnings. Reverse repurchase agreements may not be used to leverage the portfolio.

In addition, if a reverse repurchase agreement is authorized, it may be utilized only if the security to be sold on reverse repurchase agreement has been owned and fully paid for by the Agency for a minimum of 30 days prior to the sale; the total of all reverse repurchase agreements on investments owned by the Agency does not exceed 20% of the portfolio; and the agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of the security using a reverse repurchase agreement and the final maturity date of the same security. The proceeds of the reverse repurchase agreement may not be invested in securities whose maturity exceeds the term of the Reverse Repurchase Agreement.

L. Medium-term corporate notes. Medium-term corporate notes defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term notes shall be rated in a rating category "AA-" or its equivalent or better by a nationally recognized rating service. Purchase of medium-term corporate notes may not exceed 30 percent of the Agency's investment portfolio.

M. Money market funds. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (money market funds).

N. State of California Local Agency Investment Fund (LAIF).

O. Mortgage and asset-backed securities. Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable-backed bond that has been issued by a Federal Agency and has a maximum of five years maturity.

MAXIMUM MATURITY

Investment maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled so as to permit the Agency to meet all projected obligations.

Maximum maturity of an authorized investment is limited to five years.

of treasury investments. The Designee may also be directed to monitor and forecast the Agency's cash flows, and prepare periodic investment reports that are submitted to the Agency. The Accounting Division of the Finance Department monitors all treasury transactions and prepares accounting records of all investment transactions as to type of investment, amount, yield, and maturity. No other person has authority to make investment transactions without the written authority of the Treasurer. Pursuant to Health and Safety Section 33603, all persons investing monies are trustees and therefore fiduciaries subject to the prudent investor standard. Financial market security transactions will be executed by delivery versus payment and the securities will be held by a third party custodian.

Subject to required procurement procedures, the Agency may engage the support services of outside professionals in regard to its financial program, so long as it can be demonstrated or anticipated that these services produce a net financial advantage or necessary financial protection of the Agency's resources.

POLICY REVIEW

The investment policy shall be adopted by resolution of the Agency on, at minimum, an annual basis. This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends. Any amendments to the policy shall be forwarded to Agency for approval.

This policy and the internal controls related to the investment of Agency funds will be reviewed by the Agency's independent external auditors in the conduct of their annual audit of the Agency.

Federal Home Loan Mortgage Corporation (FHLMC, "Freddie Mac") purchases conventional mortgages and sells mortgage-backed securities.

Student Loan Marketing Association (SLMA, "Sallie Mae") facilitates that flow of private capital into various federally-guaranteed student loan programs maintained through banks, S&Ls, educational institutions and other participating lenders.

Federal Farm Credit System (FFCB) sells securities to provide mortgage loans and short-term and intermediate-term credit to farmers, ranchers, and agricultural cooperatives.

Federal Home Loan Bank (FHLB) acts as a credit reserve system for the thrift industry to stabilize the flow of funds to member savings and loan and savings banks.

Futures

Exchange traded contracts specifying a future date of delivery or receipt of a specific product (physical commodity or financial instrument). Futures are used by business as a hedge against unfavorable price changes, and by speculators who hope to profit from such changes.

Local Agency Investment Fund (LAIF)

State of California LAIF is designed to provide a convenient and safe means of investing temporarily idle monies by the State Treasurer. LAIF provides high liquidity and generally pays higher yields than can be realized by individual local agencies (for similar maturities) due to economies of scale.

Medium-Term Notes

Issued by corporations (in the form of secured or unsecured debt) for the purpose of raising working capital and purchasing capital assets.

Options

A right to buy (call) or sell (put) a fixed amount of a given stock at a specified price within a limited period of time. The purchaser hopes that the stock's price will go up (if he bought a call) or down (if he bought a put) by an amount sufficient to provide a profit when he sells the option. If the price is static or moves in the opposite direction, the price paid for the option is lost entirely.

Repurchase Agreement

As authorized in Government Code Section 5360i(1), these investment vehicles are (generally short-term) agreements between the local agency and seller for the purchase of Government securities to be resold at a specific date and for a specific amount.

Reverse Repurchase Agreement

This transaction is the opposite of a repurchase agreement. The dealer buys securities with a contractual agreement to sell them back at a prearranged date. The local agency pays the dealer' interest for the use of the funds. The money "borrowed" on a "reverse repo" can be reinvested in higher yielding instruments.

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 09-2007**

A RESOLUTION APPROVING THE REDEVELOPMENT AGENCY MASTER PLAN

WHEREAS, in November 1991, the Redevelopment Agency of the City of Modesto (the "Agency") adopted the Amended Redevelopment Plan (the "RDA Plan") for a Project Area (the "Project Area") of approximately 2000 acres, and

WHEREAS, said Project Area encompasses the Downtown, a portion of the West side along Carpenter Rd and Paradise Rd, as well as a smaller property at Scenic Dr and Oakdale Rd, and

WHEREAS, as part of said RDA Plan adoption, an Environmental Impact Report (the "1991 EIR") was approved in 1991 in accordance with State law, and

WHEREAS, in 1994, a Redevelopment Agency Master Plan (the "1994 Master Plan") was also adopted to set forth the goals and objectives of the RDA Plan and to provide a policy guideline document to identify specific types of land uses and developments that the Agency should encourage and promote within the entire Project Area, and

WHEREAS, since 1991, much of said Project Area has been substantially transformed and the future of the Project Area remains a critical issue for Modesto, and

WHEREAS, various projects are beginning construction within said Project Area including affordable and market-rate housing, mixed-use and business park developments, and

WHEREAS, as a continuing part of this long-term redevelopment strategy, on July 6, 2004, the Agency Board approved a contract with EDAW, Inc. (the "Consultant") to produce an update to said 1994 Master Plan and review the CEQA requirements, which updated Master Plan is referenced in this resolution as the "2007 Master Plan", and

WHEREAS, the Consultant successfully completed the 2007 Master Plan, and

WHEREAS, at their meeting on September 26, 2007, the Citizens Redevelopment Advisory Commission considered said 2007 Master Plan and recommended its approval to the Agency Board,

NOW, THEREFORE, BE IT RESOLVED that the Redevelopment Agency of the City of Modesto hereby approves the 2007 Modesto Redevelopment Master Plan

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto, held on the 9th day of October, 2007, by Agencymember Marsh, who moved its adoption, which motion being duly seconded by Agencymember Keating, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agencymembers: Dunbar, Hawn, Keating, Marsh, O'Bryant, Chairman Ridenour

NOES: Agencymembers: None

ABSENT: Agencymembers: Olsen

ATTEST Jean Morris
Jean Morris, Secretary

APPROVED AS TO FORM:

By 

Susana Alcalá Wood, General Counsel

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 10-2007**

A RESOLUTION MAKING CERTAIN FINDINGS CONCERNING MITIGATION MEASURES, ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM, MAKING FINDINGS CONCERNING ALTERNATIVES, MAKING STATEMENTS OF OVERRIDING CONSIDERATIONS AND CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE MODESTO REDEVELOPMENT MASTER PLAN (STATE CLEARINGHOUSE NUMBER 2006071118)

WHEREAS, in November 1991, the Redevelopment Agency of the City of Modesto (the "Agency") adopted the Amended Redevelopment Plan (the "RDA Plan") for a Project Area (the "Project Area") of approximately 2000 acres, and

WHEREAS, said Project Area encompasses the Downtown, a portion of the West side along Carpenter Rd and Paradise Rd, as well as a smaller property at Scenic Dr and Oakdale Rd, and

WHEREAS, as part of said RDA Plan adoption, an Environmental Impact Report (the "1991 EIR") was approved in 1991 in accordance with State law, and

WHEREAS, in 1994, a Redevelopment Agency Master Plan (the "1994 Master Plan") was also adopted to set forth the goals and objectives of the RDA Plan and to provide a policy guideline document to identify specific types of land uses and developments that the Agency should encourage and promote within the entire Project Area, and

WHEREAS, since 1991, much of said Project Area has been substantially transformed and the future of the Project Area remains a critical issue for Modesto, and

WHEREAS, various projects are beginning construction within the Project Area including affordable and market-rate housing, mixed-use and business park developments, and

WHEREAS, as a continuing part of this long-term redevelopment strategy, on July 6, 2004, the Agency Board approved a contract with EDAW, Inc. (the "Consultant") to produce an update to said 1994 Master Plan and review the CEQA requirements, which updated Master Plan is referenced in this resolution as the "2007 Master Plan", and

WHEREAS, the Consultant successfully completed the 2007 Master Plan, and

WHEREAS, the Agency, on July 26, 2006, published an Initial Study and a Notice of Preparation for the 2007 Master Plan, which identified potentially significant

environmental impacts attributable to the 2007 Master Plan on which basis the Agency determined that an Environmental Impact Report (the “2007 EIR”) was required for the Project, and

WHEREAS, the Notice of Preparation provided notice of the Agency’s determination, and solicited public input on the proposed scope and content of the 2007 EIR for the Project, and

WHEREAS, the Agency and EDAW staffs have worked closely with the members of the Citizens Redevelopment Advisory Commission, the Agencymembers and the public to establish a new vision for the Project Area which has been incorporated into the 2007 Master Plan and the 2007 EIR, including: Land Use policy direction; Circulation, including pedestrian connections; Building massing for key sites; Streetscape character and urban design and Focal points and gateways, and

WHEREAS, in addition to these physical improvement strategies, the Consultant created an action matrix identifying key improvement actions, timeframe, responsible agencies, and potential funding sources, and

WHEREAS, the enclosed 2007 EIR was produced for the 2007 Master Plan, and

WHEREAS, the Agency published and distributed a Draft EIR (the “2007 DEIR”) for the Modesto Redevelopment Area Master Plan (State Clearinghouse Number 2006071118) for public comment on June 26, 2007, in accordance with Section 21091 of the California Environmental Quality Act (“CEQA”), and

WHEREAS, the 2007 DEIR was available for public comment for a period of 45 days as required by Section 21091 of CEQA, the close of the public comment period being August 10, 2007, and

WHEREAS, during the 45-day public comment period the Agency received seven letters commenting on the 2007 DEIR, and

WHEREAS, the Agency prepared written responses to all written comments received on the 2007 DEIR, said responses being contained in the Final EIR

(the "2007 FEIR") for the Modesto Redevelopment Area Master Plan (State Clearinghouse Number 2006071118) prepared pursuant to Section 15089 of the CEQA Guidelines, and

WHEREAS, the 2007 FEIR was published and distributed on September 10, 2007, and consists of the 2007 DEIR, a list of commentors, copies of all written comments received, responses to those comments that raise environmental issues, and any revisions to the text of the 2007 DEIR made in response to the comments, as required by Section 15132 of the CEQA Guidelines, and

WHEREAS, in related actions to the approval of the 2007 FEIR, the Agency will also consider approval of the Modesto Redevelopment Area Master Plan and the Modesto City Council will consider an Amendment to the Modesto Urban Area General Plan, and

WHEREAS, CEQA requires that, in connection with the approval of a project for which an EIR has been prepared which identifies one or more significant environmental effects, the decision-making agency make certain findings regarding those effects, and

WHEREAS, a joint meeting on said 2007 Master Plan, said 2007 FEIR and said General Plan Amendment was held by the Citizens Redevelopment Advisory Commission and the Modesto Planning Commission on September 26, 2007, in Room 2001, Tenth Street Place, 1010 Tenth Street, Modesto, California, which Planning Commission meeting was noticed as a public hearing at which hearing evidence both oral and documentary was received and considered, and

WHEREAS, after said meeting and said public hearing, the following recommendations were made:

1. Citizens Redevelopment Advisory Commission: Adopted a motion recommending to the Agency Board adoption of :
 - a. Modesto Redevelopment Area Master Plan
 - b. Certain findings and certification of the Redevelopment Agency 2007 FEIR

2. Planning Commission: Adopted a resolution recommending to the City Council adoption of a General Plan Amendment, and

WHEREAS, said matter was set for a joint public hearing of the Agency and the City Council to be held on October 9, 2007, in the Tenth Street Place Chambers located at 1010 10th Street, Modesto, California, at which date and time said duly noticed public hearing of the Agency evidence both oral and documentary was received and considered, and

WHEREAS, the Redevelopment Agency has received and considered the 2007 FEIR for the Modesto Redevelopment Area Master Plan (SCH No. 2006071118) that analyzed the potential environmental effects of said 2007 Master Plan and said General Plan Amendment.

NOW THEREFORE BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that they hereby find and determine in respect to the 2007 FEIR:

1. That the 2007 FEIR has been completed in compliance with CEQA; that the Agency has reviewed and analyzed the 2007 FEIR and other information in the record and has considered the information contained therein, including the written and oral comments received at the public hearing on the 2007 FEIR and the 2007 Master Plan, prior to acting upon

or approving the 2007 Master Plan; and that the 2007 FEIR represents the independent judgment of the Agency; and

2. That the Findings and Recommendations set forth in **Exhibit "A"**, which is attached hereto and made a part hereof by reference, be made by the Agency as the Agency's findings under the California Environmental Quality Act ("CEQA") (Pub. Resources Code § 21000 et seq.) and the CEQA Guidelines (Cal. Code Regs., Title 14, §15000 et seq.) relating to the 2007 Master Plan. The Findings provide the written analysis and conclusions of the Agency regarding the 2007 Master Plan's environmental impacts, mitigation measures and alternatives to the 2007 Master Plan.
3. That pursuant to Public Resources Code Section 21081 and CEQA Guidelines Sections 15091 et seq., the Redevelopment Agency of the City of Modesto adopts and makes the following statement of overriding considerations regarding the remaining unavoidable impacts of the 2007 Master Plan and the anticipated economic, social and other benefits of the 2007 Master Plan.

a. Significant Unavoidable Impacts

With respect to the foregoing findings, as set forth in said Exhibit A, and in recognition of those facts which are included in the record, the Agency has determined the following:

- Air Quality - Short-Term Construction-Generated Emissions
- Air Quality - Generation of Long-Term Operational (Regional) Emissions ROG, NOX, and PM10
- Noise - Traffic Noise Levels
- Noise - Stationary and Area-Source Noise Levels
- Noise - Land Use Compatibility
- Traffic - Impacts to Study Area Intersections Near Catalyst Site (Existing Plus Project)
 - Carpenter/Briggsmore and Ninth Intersection
 - Carpenter/Briggsmore and Northbound SR 99 Intersection
 - Carpenter/Briggsmore and Southbound SR 99 Intersection
 - Carpenter/Briggsmore and Orangeburg/Sisk Intersection
 - Carpenter and Woodland Intersection
- Traffic -Impacts to Study Area Intersections Near Catalyst Site #1 (Existing Plus Approved Plus Project)

- Carpenter/Briggsmore and Ninth Intersection
- Carpenter/Briggsmore and Northbound SR 99 Intersection
- Carpenter/Briggsmore and Southbound SR 99 Intersection
- Carpenter/Briggsmore and Orangeburg/Sisk Intersection
- Carpenter and Woodland Intersection
-
- Traffic - Cumulative Traffic Impacts to Study Area Intersections Near Catalyst Site #1
- Carpenter/Briggsmore and Ninth Street Intersection
- Carpenter/Briggsmore and Northbound SR 99 Intersection
- Carpenter/Briggsmore and Southbound SR 99 Intersection
- Carpenter/Briggsmore and Orangeburg/Sisk Intersection
- Carpenter and Woodland Intersection
- Traffic - Cumulative Traffic Impacts to Study Area Intersections Near Catalyst Site #3
- Ninth and I Street Intersection
- J/Needham/McHenry Intersection
- Needham and 10th/College Intersection

These impacts cannot be avoided or substantially reduced by feasible changes or alterations to the 2007 Master Plan, other than the changes or alterations already adopted.

b. Overriding Considerations

The Agency specifically adopts and makes this Statement of Overriding Considerations that the 2007 Master Plan includes all feasible measures that would eliminate or substantially lessen the significant impacts of the 2007 Master Plan on the environment, and that the remaining significant, unavoidable impacts of the 2007 Master Plan are acceptable in light of the environmental, economic, social and other considerations set forth herein because the benefits of the 2007 Master Plan outweigh the significant and adverse impacts of the 2007 Master Plan. The Agency finds that each of the overriding considerations set forth below constitutes a separate and independent ground for finding that the benefits of the 2007 Master Plan outweigh its significant adverse environmental impacts and sets forth an overriding consideration warranting approval of the 2007 Master Plan. These matters are supported by evidence in the record.

c. Benefits of Proposed 2007 Master Plan

The Agency has considered the 2007 FEIR, the public record of proceedings on the proposed 2007 Master Plan and other written materials

presented to the Agency as well as oral and written testimony at all public hearings related to the 2007 Master Plan, and does hereby determine that implementation of the 2007 Master Plan as specifically provided in the 2007 Master Plan documents would result in the substantial public benefits set forth below. 2007 Master Plan benefits include the following:

1. Creates a unique and recognizable image for Modesto
 2. Promotes the economic viability of the Redevelopment Area for future business recruitment efforts
 3. Implements higher density, mixed-use development to create a balanced, vibrant downtown and active neighborhood centers.
 4. Updates the City's development standards to support the goals identified in the 2007 Master Plan
 5. Revises the Land Use Designations and development standards to include mixed-use zoning categories, overlay districts, targeted corridors, and design guidelines
 6. Develops a variety of housing types in the Project Area, particularly in the downtown, to act as a catalyst for other types of development
 7. Enhances the visual appeal of Modesto's public spaces by upgrading existing and creating new parks, plazas, and streets that offer public access
 8. Develops historic 10th and I Streets as attractive, pedestrian-oriented streets
 9. Promotes efficient automobile, bicycle, and pedestrian circulation and linkages into and through the Project Area.
 10. Creates the following new land uses and strategies: Downtown Core District; Downtown North Neighborhood District; Downtown East Neighborhood District; Downtown South Neighborhood District; Paradise Road District
 11. Creates three In-Fill Catalyst Sites and three Opportunity Sites to increase jobs, encourage economic growth and promote development of in-fill areas throughout the Project Area.
4. The Agency has weighed the benefits of the proposed 2007 Master Plan against its unavoidable environmental risks and adverse environmental effects identified in the 2007 FEIR and hereby determines that those benefits outweigh the risks and adverse environmental effects and, therefore, further determines that these risks and adverse environmental effects are acceptable.
5. The Mitigation Monitoring and Reporting Program will be prepared in accordance with the Mitigation Measures described in Exhibit A and is incorporated and adopted as part of this resolution herein. The Program identifies impacts of the 2007 Master Plan, corresponding mitigation,

designation of responsibility for mitigation implementation and the agency responsible for the monitoring action.

6. The Agency hereby finds and recognizes that the 2007 FEIR contains additions, clarifications, modifications and other information in its responses to comments on the 2007 DEIR for the 2007 Master Plan and also incorporates information obtained by the Agency since the 2007 DEIR was issued. This Agency hereby finds and determines that such changes and additional information are not significant new information as that term is defined under the provisions of the California Environmental Quality Act, because such changes and additional information do not indicate that any new significant environmental impacts not already evaluated would result from the 2007 Master Plan and do not reflect any substantial increase in the severity of any environmental impact; that no feasible mitigation measures considerably different from those previously analyzed in the 2007 DEIR have been proposed that would lessen significant environmental impacts of the 2007 Master Plan; and that no feasible alternatives considerably different from those analyzed in the 2007 DEIR have been proposed that would lessen significant environmental impacts of the 2007 Master Plan. Accordingly, this Agency hereby finds and determines that recirculation of the 2007 FEIR for further public review and comment is not warranted; and
7. The Agency does hereby designate its Assistant Executive Director, or his/her designee, at his/her office at 1010 Tenth Street, Modesto, California 95354 as the custodian of documents and record of proceedings on which the decision is based; and
8. The Agency does hereby make the foregoing findings with respect to the significant effects on the environment of such 2007 Master Plan, as identified in the 2007 FEIR, with the stipulations that all information in these findings is intended as a summary of the full administrative record supporting the 2007 FEIR, which full administrative record should be consulted for the full details supporting these findings, and that any mitigation measures and/or alternatives that were suggested by commentors to the 2007 DEIR and were not adopted as part of the 2007 FEIR are hereby expressly rejected for the reasons stated in the responses to the comments set forth in the 2007 FEIR and elsewhere in the record.

BE IT FURTHER RESOLVED by the Agency that it hereby certifies the Final Environmental Impact Report for the Modesto Redevelopment Area Master Plan (SCH No. 2006071118), a copy of which is available in the office of the Agency's Secretary.

EXHIBIT A

FINDINGS AND RECOMMENDATION ON THE MODESTO REDEVELOPMENT AREA MASTER PLAN FINAL EIR

AIR QUALITY

Potential Impact: Impact 4.1-1 *Short-Term Construction-Generated Emissions*. Construction-generated emissions of ROG and NO_x would exceed SJVUAPCD's significance threshold of 10 tpy, and because of the project's size and that SJVUAPCD's-required control measures are not currently incorporated into the project description, short-term construction-generated PM₁₀ emissions would result in or substantially contribute to emissions concentrations that exceed the CAAQS. In addition, because Stanislaus County is currently designated as a nonattainment area for ozone, construction-generated ozone precursor emissions could further contribute to pollutant concentrations that exceed the CAAQS. As a result, this impact would be **significant**.

Mitigation:

Mitigation Measure 4.1-1a

- ▶ In addition to the measures required by the ISR rule, each project applicant shall implement the following measures to further reduce construction equipment exhaust emissions:
 - Provide commercial electric power to the project site in adequate capacity to avoid or minimize the use of portable electric generators and the equipment.
 - Where feasible, substitute electric-powered equipment for diesel engine driven equipment.
 - To the extent feasible, use alternate fuels and emission controls to further reduce NO_x and PM₁₀ exhaust emissions above the minimum requirements set for in the ISR rule.
 - When not in use, on-site equipment shall not be left idling.
 - Limit the hours of operation of heavy duty equipment and/or the amount of equipment in use at any one time.
 - Curtail construction during periods of high ambient pollutant concentrations; this may include ceasing of construction activity during the peak-hour of vehicular traffic on adjacent roadways or on Spare the Air Days.
 - Before construction contracts are issued, the project applicants shall perform a review of new technology, as it relates to heavy-duty equipment, to determine what (if any) advances in emissions reductions are available for use and are economically feasible. Construction contract and bid specifications shall require contractors to utilize the available and economically feasible technology on an established percentage of the equipment fleet. It is anticipated that in the near future both NO_x and PM₁₀ control equipment will be available. The SJVUAPCD shall be consulted with on this process.

Mitigation Measure 4.1-1b

- ▶ The following SJVUAPCD-recommended enhanced and additional control measures shall be implemented by each project applicant further reduce fugitive PM₁₀ dust emissions.

- Install sandbags or other erosion control measures to prevent silt runoff to public roadways from adjacent project areas with a slope greater than 1%.
- Suspend excavation and grading activity when winds exceed 20 mph.
- Limit area subject to excavation, grading, and other construction activity at any one time.

Finding: Implementation of Mitigation Measures 4.1-1a and 4.1-1a would help to further reduce construction emissions, beyond what is already required by law. Annual construction emissions of the catalyst sites alone would not exceed the SJVUAPCD's significance threshold. However, due to the very large size of the RDA as a whole, construction would potentially result in or substantially contribute to pollutant concentrations that exceed the California ambient air quality standards (CAAQS), despite implementation of all feasible mitigation measures. As a result, this would be a **significant and unavoidable** impact.

Potential Impact: Impact 4.1-2 *Generation of Long-Term Operational (Regional) Emissions ROG, NO_x, and PM₁₀*. Long-term operation of the proposed project would result in emissions of ROG and NO_x in excess of SJVUAPCD's corresponding thresholds of 10 tpy, and because Stanislaus County is currently designated as a nonattainment area for ozone and PM₁₀, operational ozone precursor and PM₁₀ emissions could further contribute to pollutant concentrations that exceed the CAAQS. Furthermore, operation of the project may conflict with the SJVUAPCD's air quality planning efforts. As a result, this impact would be **significant**.

Mitigation:

Mitigation Measure 4.1-2

- ▶ At the program level, mitigation of potential impacts, especially ozone precursor and PM₁₀ emissions is best achieved in the project design stage, and by setting standards for each of the projects that would be developed over the next 30-years. The following SJVUAPCD-recommended mitigation measures, but not limited to, shall be implemented by each project applicant to further reduce operational emissions.
 - Transit Infrastructure: Provide transit enhancing infrastructure that includes transit shelters, benches, street lighting, route signs and displays, and/or bus turnouts/bulbs.
 - VMT Infrastructure: Provide park-and-ride lots and/or satellite telecommuting centers.
 - Pedestrian Infrastructure: Provide pedestrian enhancing infrastructure that includes sidewalks and pedestrian paths, direct pedestrian connections, street trees to shade sidewalks, pedestrian safety designs/infrastructure, street furniture and artwork, street lighting, and/or pedestrian signalization and signage.
 - Bicycle Infrastructure: Provide bicycle enhancing infrastructure that includes bikeways/paths connecting to a bikeway system, secure bicycle parking, and/or employee lockers and showers.
 - Rideshare Operational: Implement carpool/vanpool program such as carpool ride matching for employees, assistance with vanpool formation, provisions of vanpool vehicles, and others.
 - Services Operational: Provide on-site shops and services for employees such as cafeteria, bank/ATM, dry cleaners, convenience market, etc. Provide on-site childcare, or contribute to off-site child care services within walking distance.
 - Shuttle Operational: Establish mid-day shuttle service from worksite to food service establishments/commercial uses and provide shuttle to transit stations/multimodal centers.

- Parking Operational: Provide preferential parking for carpool and vanpool vehicles, implement parking fees for single occupancy vehicle commuters, implement parking cash-out program for employees.
- Transit Operational: Provide transit incentives (e.g., transit use incentives for employees, transit route maps and schedules posted at worksite, and design and locate buildings to facilitate transit access).
- Other Operational: Implement compressed work schedule and home-based telecommuting program.
- Area Source: Provide electric maintenance equipment, use solar, low-emissions, or central water heaters (residential and commercial), increase wall and attic insulation beyond Title 24 requirements (residential and commercial), and orient buildings to take advantage of solar heating and natural cooling and use passive solar designs (residential, commercial, and industrial), and eliminate or limit the amount of traditional fireplaces installed (e.g., natural gas fireplaces/inserts or at least EPA certified wood stoves or inserts instead of open hearth fireplaces), energy efficient windows (double pane and/or Low-E), highly reflective roofing materials, cool paving, radiant heat barrier, install photovoltaic cells, programmable thermostats for all heating and cooling systems, awnings or other shading mechanisms for windows, porch, patio, and walkway overhangs, ceiling and whole house fans, utilize passive solar cooling and heating designs, utilize day lighting systems such as skylights, light shelves, interior transom windows, and electrical outlets around the exterior of the units to encourage use of electric landscape maintenance equipment.
- Non-residential land uses shall provide bicycle lockers and/or racks for patrons, employees, students in a covered secured area.
- Bicycle storage shall be provided at apartment complexes or condos without garages.
- Commercial and industrial land uses with more than 15 employees shall provide personal showers and lockers for employees.
- Provide for pedestrian facilities and improvements such as overpasses and wider sidewalks (e.g., 5 foot).
- Parking lot design shall include clearly marked and shaded pedestrian pathways between transit facilities and building entrances.
- Exits to adjoining streets shall be designed to reduce time to re-enter traffic from project site.
- The project shall implement measures to reduce the amount of vehicle traffic to and from the project area (e.g., provide information center for residents to coordinate carpooling).
- The project shall include as many clean alternative energy features as possible to promote energy self-sufficiency (e.g., photovoltaic cells, solar thermal electricity systems, small wind turbines).
- The project shall require that all diesel engines be shut off when not in use on the premises to reduce idling emissions.

Finding: Implementation of Mitigation Measure 4.1-2a would further reduce operational emissions of ROG, NO_x, and PM₁₀, beyond what is already required by law. Annual operational emissions would still exceed the SJVUAPCD's significance thresholds despite implementation of all feasible mitigation measures, and thus would potentially result in or substantially contribute to pollutant concentrations that exceed the CAAQS. As a result, this would be a **significant and unavoidable** impact.

Potential Impact: 4.1-3 *Generation of Local Mobile-Source CO Emissions.* Based on SJVUAPCD's screening criteria, project-generated long-term operational local mobile-source emissions of CO would not result in or

substantially contribute to emissions concentrations that exceed the 1-hour ambient air quality standard of 20 ppm or the 8-hour standard of 9 ppm, respectively. As a result, this impact would be **less than significant**.

Mitigation: No mitigation required.

Finding: According to the traffic analysis prepared for this project, all affected intersections would either operate at LOS D or better or would not deteriorate from acceptable LOS (D or better) to unacceptable (LOS E or F) under existing plus project and cumulative plus project (2025) conditions for both AM and PM peak hours (Dowling & Associates 2006). Thus, based on the screening criteria above, project-generated long-term operational local mobile-source emissions of CO would not result in or substantially contribute to emissions concentrations that exceed the 1-hour ambient air quality standard of 20 ppm or the 8-hour standard of 9 ppm, respectively. Further, proposed mitigation for traffic-related impacts as a result of the project would also alleviate congestion at affected intersections. As a result, this impact would be **less than significant**.

Potential Impact: 4.1-4 *Exposure of Sensitive Receptors to Toxic Air Contaminant Emissions.* Because the nature of the proposed land uses in the RDA would not contain any major sources or non-permitted sources of TAC emissions, nor would the proposed project result in the siting of new sensitive receptors near a known major TAC emission source, project implementation would not result in the exposure of sensitive receptors to TAC emissions that exceed SJVUAPCD's applicable threshold. As a result, this impact would be **less than significant**.

Mitigation: No mitigation required.

Finding: There are no sources of toxic air contaminants within proximity of the project area that would result in a significant impact.

Potential Impact: 4.1.5 *Exposure to Odor Emissions.* Operation of the proposed project could result in the frequent exposure of on-site receptors to substantial objectionable odor emissions. As a result, this impact would be **potentially significant**.

Mitigation:

Mitigation Measure 4.1-5

The following mitigation measures shall be implemented by the applicant:

- ▶ The deeds to all properties located within one mile of the existing food processing facilities shall include a clause, prepared by an attorney with expertise in the field, disclosing to owners and tenants of potential adverse odor impacts from the facilities.
- ▶ Odor control devices shall be installed to reduce the exposure of receptors to objectionable odorous emissions if an odor-emitting facility is to occupy space in a proposed commercial land use area.
- ▶ The odor-producing potential of land uses shall be considered when the exact type of facility that would occupy commercial areas is determined.
- ▶ Commercial/convenience land uses that have the potential to emit objectionable odorous emissions shall be located or oriented as far away as feasible from existing and proposed sensitive receptors.

Finding: Implementation of Mitigation Measure 4.1-5, taken in combination with the fact that potential odor sources would be subject to the SJVUAPCD's nuisance rule (Rule 205), would reduce the exposure of sensitive receptors to odor emissions to a **less-than-significant** level.

Potential Impact: 4.1-6 *Increases in Greenhouse Gas Emissions.* It is unknown at this time whether or not implementation of the Modesto Redevelopment Plan would result in a net increase or decrease in greenhouse gas emissions. Thus, no impact conclusion can be drawn.

Mitigation: No mitigation measure is required.

Finding: Section 15145 of the State CEQA Guidelines provides that, if after a thorough investigation a lead agency finds that a particular impact is too speculative for evaluation, the agency should note its conclusion and terminate discussion of the impacts. This is the case here. No impact conclusion related to GHG emissions can be made based on research of this issue.

BIOLOGICAL RESOURCES

Potential Impact: 4.2-1 *Effects on Protected Habitats.* Implementation of the proposed plan could result in alteration of canals that qualify as federally-protected waters of the United States. However, these canals do not support sensitive habitats and potential adverse effects would not be substantial. No disturbance or loss of protected habitats associated with creek and river corridors would occur. This impact would be less than significant.

Mitigation: No mitigation measure is required.

Finding: No alteration of areas supporting federally protected waters of the United States and associated sensitive habitats are anticipated to occur as a result of plan implementation. Improvements to the Tuolumne River corridor and adjacent portion of the Dry Creek corridor are addressed in the TRRP MEIR, which identifies potentially significant impacts and mitigation measures to reduce such impacts to less-than-significant levels. Implementation of the Master Plan would not result in substantial adverse effects.

Potential Impact: 4.2-2 *Effects on Special-Status Wildlife and Wildlife Movement Corridors.* Implementation of the proposed plan could result in disturbance and loss of active nests of Swainson's hawks and other raptors. No adverse to other special-status wildlife or to wildlife movement corridors are anticipated to occur. This impact would be potentially significant.

Mitigation:

Mitigation Measure 4.2-2

The following measures would reduce impacts to Swainson's hawk and other protected raptors to a less than significant level:

- ▶ Impacts to nesting Swainson's hawks and other raptors shall be avoided by not conducting project activity in the TRRP Overlook area during the raptor nesting season (March 1 to September 15).
- ▶ If avoidance of project activity in this area during the breeding season is not feasible, pre-construction surveys shall be conducted by a qualified biologist to identify active raptor nests in the vicinity of the Overlook area that could be disturbed by project activities.
- ▶ If active nests are found, impacts shall be avoided by establishment of appropriate buffers, the size of which will be determined by a qualified biologist. No project activity shall commence within the buffer area until a qualified biologist confirms that the nest is no longer active.

Implementing this mitigation measure would reduce potential impacts to nesting Swainson's hawks and common raptors to a less-than-significant level.

Finding: Implementing Mitigation Measure 4.2-2 would reduce potential impacts to nesting Swainson's hawks and common raptors to a **less-than-significant** level.

CULTURAL RESOURCES

Potential Impact: 4.3-1 *Effects on Documented and Undocumented Cultural Resources.* Implementation of the proposed plan in Area 1, Area 2, and Area 3 could result in damage to or destruction of significant and potentially significant prehistoric and historic-era sites, features, artifacts, buildings and structures. This would be a potentially significant impact.

Mitigation:

Mitigation Measure 4.3-1

Areas 1, 2

The City shall implement the following measures prior to and during the implementation of all discretionary projects within Area 1 and Area 2:

- ▶ If an inadvertent discovery of cultural materials (e.g., unusual amounts of shell, animal bone, bottle glass, ceramics, structure/building remains, etc.) is made during project-related construction activities, ground disturbances in the area of the find will be halted and a qualified professional archaeologist will be notified regarding the discovery. The archaeologist shall determine whether the resource is potentially significant as per the CRHR and develop appropriate mitigation.
- ▶ In accordance with the California Health and Safety Code, if human remains are uncovered during ground-disturbing activities, the contractor and/or the project proponent shall immediately halt potentially damaging excavation in the area of the burial and notify the County Coroner and a professional archaeologist to determine the nature of the remains. The coroner is required to examine all discoveries of human remains within 48 hours of receiving notice of a discovery on private or state lands (Health and Safety Code Section 7050.5[b]). If the coroner determines that the remains are those of a Native American, he or she must contact the Native American Heritage Commission (NAHC) by phone within 24 hours of making that determination (Health and Safety Code Section 7050[c]). Following the coroner's findings, the property owner, contractor or project proponent, an archaeologist, and the NAHC-designated Most Likely Descendent (MLD) shall determine the ultimate treatment and disposition of the remains and take appropriate steps to ensure that additional human interments are not disturbed. The responsibilities for acting upon notification of a discovery of Native American human remains are identified in California Public Resources Code Section (PRC) 5097.9.
- ▶ Upon the discovery of Native American remains, the landowner shall ensure that the immediate vicinity (according to generally accepted cultural or archaeological standards and practices) is not damaged or disturbed by further development activity until consultation with the MLD has taken place. The MLD shall have 48 hours to complete a site inspection and make recommendations after being granted access to the site. A range of possible treatments for the remains, including nondestructive removal and analysis, preservation in place, relinquishment of the remains and associated items to the descendents, or other culturally appropriate treatment may be discussed. PRC 5097.9 suggests that the concerned parties may extend discussions beyond the initial 48 hours to allow for the discovery of additional remains. The following is a list of site protection measures that the landowner shall employ:
 - (1) Record the site with the NAHC or the appropriate Information Center
 - (2) Utilize an open-space or conservation zoning designation or easement

(3) Record a document with the county in which the property is located

- ▶ The landowner or their authorized representative shall rebury the Native American human remains and associated grave goods with appropriate dignity on the property in a location not subject to further subsurface disturbance if the NAHC is unable to identify a MLD or the MLD fails to make a recommendation within 48 hours after being granted access to the site. The landowner or their authorized representative may also re-inter the remains in a location not subject to further disturbance if they reject the recommendation of the MLD, and mediation by the NAHC fails to provide measures acceptable to the landowner.

Adherence to these procedures and other provisions of the California Health and Safety Code will reduce potential impacts to human remains to a less-than-significant level.

Area 3

Area 3 contains the highest concentration of documented cultural resources within the City. In addition, due to the presence of natural waterways, archaeologically sensitive landforms, and the 1870s Central Pacific Railroad grade, it is likely to contain presently un-documented prehistoric and historic-era sites, features, and artifacts. Consequently, the policies and mitigation measures outlined in the City of Modesto Urban General Plan should be implemented as applicable within Area 3. The City also shall implement the following specific measures prior to and during the implementation of all discretionary projects within Area 3:

- ▶ Three portions of Area 3 are the most sensitive for cultural resources within the City. These include:
 - Downtown Core
 - previously designated Downtown East Preservation District, and
 - areas in the vicinity of the Tuolumne River and Dry Creek.
- ▶ As no comprehensive inventory of historic-era buildings and structures has been conducted within Area 3 and the Downtown Core includes much of the area included in the original 1870 Central Pacific survey that essentially founded the City, this area is considered to be highly sensitive for containing potentially significant historic-era resources. In order to reduce the potential for the alteration to or destruction of presently undocumented historic buildings and sites, the City of Modesto Historic Preservation Commission shall conduct or oversee the conduct of a comprehensive historic resources inventory. This inventory can be utilized to guide future Downtown Core redevelopment and assist in preservation planning to maintain the historic character of visually and historically significant buildings and concentrations of buildings with historic associations or unique or distinctive architectural qualities.
- ▶ The Downtown East Preservation District has been surveyed under the auspices of the Historic Preservation Commission and numerous historic-era buildings have been documented. Due to the concentration of early Modesto residences and commercial buildings, the district retains significant historic character. To ensure the preservation of the unique historic character of the district, the City shall adopt a set of design guidelines that will specify measures for the preservation of historic residences and other buildings and determine appropriate adaptive re-uses of homes and buildings with potential historic significance.
- ▶ Areas in the immediate vicinity of the Tuolumne River and Dry Creek are the most sensitive in the City for containing traces of early Native American habitation and most importantly, human interments. While determining exactly what the most sensitive portions of these areas are is difficult, the placement of City streets in relation to these waterways suggests that areas to the south of B Street and Yosemite Boulevard within Area 3 and to the south of Scenic Drive and east of the Scenic Healthcare Facility and Moose Park are the closest to the Tuolumne River and Dry Creek and are the most sensitive. In order to reduce the potential for impacts to significant Native American archaeological remains and human interments, the City shall require archaeological monitoring for all redevelopment-related ground-disturbing activities (e.g. grading, trenching, excavating) within these portions of Area 3.

- ▶ If an inadvertent discovery of cultural materials (e.g., unusual amounts of shell, animal bone, bottle glass, ceramics, structure/building remains, etc.) is made during project-related construction activities, ground disturbances in the area of the find will be halted and a qualified professional archaeologist will be notified regarding the discovery. The archaeologist shall determine whether the resource is potentially significant as per the CRHR and develop appropriate mitigation.
- ▶ In accordance with the California Health and Safety Code, if human remains are uncovered during ground-disturbing activities, the contractor and/or the project proponent shall immediately halt potentially damaging excavation in the area of the burial and notify the County Coroner and a professional archaeologist to determine the nature of the remains. The coroner is required to examine all discoveries of human remains within 48 hours of receiving notice of a discovery on private or state lands (Health and Safety Code Section 7050.5[b]). If the coroner determines that the remains are those of a Native American, he or she must contact the Native American Heritage Commission (NAHC) by phone within 24 hours of making that determination (Health and Safety Code Section 7050[c]). Following the coroner's findings, the property owner, contractor or project proponent, an archaeologist, and the NAHC-designated Most Likely Descendent (MLD) shall determine the ultimate treatment and disposition of the remains and take appropriate steps to ensure that additional human interments are not disturbed. The responsibilities for acting upon notification of a discovery of Native American human remains are identified in California Public Resources Code Section (PRC) 5097.9.
- ▶ Upon the discovery of Native American remains, the landowner shall ensure that the immediate vicinity (according to generally accepted cultural or archaeological standards and practices) is not damaged or disturbed by further development activity until consultation with the MLD has taken place. The MLD shall have 48 hours to complete a site inspection and make recommendations after being granted access to the site. A range of possible treatments for the remains, including nondestructive removal and analysis, preservation in place, relinquishment of the remains and associated items to the descendants, or other culturally appropriate treatment may be discussed. PRC 5097.9 suggests that the concerned parties may extend discussions beyond the initial 48 hours to allow for the discovery of additional remains. The following is a list of site protection measures that the landowner shall employ:
 - (1) Record the site with the NAHC or the appropriate Information Center
 - (2) Utilize an open-space or conservation zoning designation or easement
 - (3) Record a document with the county in which the property is located
- ▶ The landowner or their authorized representative shall rebury the Native American human remains and associated grave goods with appropriate dignity on the property in a location not subject to further subsurface disturbance if the NAHC is unable to identify a MLD or the MLD fails to make a recommendation within 48 hours after being granted access to the site. The landowner or their authorized representative may also re-inter the remains in a location not subject to further disturbance if they reject the recommendation of the MLD, and mediation by the NAHC fails to provide measures acceptable to the landowner.

Finding: Implementation of above Mitigation Measure 4.3-1 for Area 1, Area 2, and Area 3 would result in avoidance of damage to or destruction of significant prehistoric and historic-era cultural resources and impacts to undocumented human interments. This mitigation would result in impacts being reduced to *less-than-significant* levels.

HAZARDS AND HAZARDOUS MATERIALS

Potential Impact: 4.4-1 *Impacts Associated with Transport of Hazardous Materials.* Activities associated with anticipated industrial development of the proposed Project could involve the routine transport, use, and disposal

of hazardous materials. With implementation of policies in place under the existing regulatory framework no health risks would occur. This impact would be less than significant.

Mitigation: No mitigation measure is required.

Finding: Although the Master Plan recommends redevelopment of existing and development of new industrial and commercial businesses in the RDA, all use, transportation, storage, and disposal of hazardous materials during construction activities would be performed in accordance with existing local, state, and federal regulations including Stanislaus County hazardous materials programs and Modesto Urban Area General Plan policies. Compliance with federal, state, and local regulations and policies would insure that the potential for health risk from activities involving the use, transportation, storage, and disposal of hazardous wastes would be reduced to a **less than significant** level.

Potential Impact: 4.4-2 *Conflicts with Airport Operations.* The proposed Project has the potential for impacts to airport operation, or safety hazards for airport employees or customers of the Airport through possible land use conflicts. This impact would be significant.

Mitigation:

Mitigation Measure 4.4-2

Because the draft Master Plan is a blueprint for development within the Project Area, this provides flexibility for coordination efforts with the Stanislaus County Airport Land Use Commission (ALUC), which has jurisdiction over the Modesto City-County Airport. This and other ALUCs in the state are governed by Article 3.5, Chapter 4 of the State Aeronautics Act Sections, 21670 through 21676 of the Public Utilities Code.

The specific duties and powers of the ALUC are strictly advisory, and include the following (ALUC 2004):

1. Study and make recommendations concerning the need for height restrictions on buildings and structures near airports.
2. Make recommendations for the use of land surrounding airports to assure the long-term safety of air navigation and the promotion of air commerce.
3. Hold hearings and make findings of fact which would only be advisory to an involved jurisdiction.
4. Establish procedures for the fair and orderly conduct of such hearings.
5. Achieve, by zoning, compatible land uses in the vicinity of all new airports and in the vicinity of existing airports.

When planning specific projects within the areas of the proposed Project that overlap with the Modesto City-County Airport planning area, the RDA shall comply with the ALUC to identify existing and potential land use conflicts within the established planning area boundaries, and compatible land uses.

Finding: Mitigation Measure 4.2.-2, which requires that the RDA comply with ALUC requirements, will reduce the potential conflict of eventual development in the eastern portions of the proposed Project with airport operations to a **less-than-significant** level.

Potential Impact: 4.4-3 *Hazards Associated with Old Building Materials.* Numerous older structures contained within the proposed Project area create the potential for release of or exposure to hazardous materials. With implementation of policies in place under the existing regulatory framework no health risks would occur.

However, the extent of hazardous materials potentially located at specific properties in the RDA is unknown and could create a significant hazard during redevelopment activities. This impact would be significant.

Mitigation:

Mitigation Measure 4.4-3

- a. Prior to activities involving soil disturbance for redevelopment projects, the City shall use reasonable means to determine the presence of soil contamination and legacy contaminants. Those reasonable means may consist of soil surveys, soil sampling, and/or a Phase I Environmental Site Assessment conducted by a qualified professional (e.g., California-registered environmental assessor, Professional Geologist, Professional Engineer). Any Phase I environmental site assessment shall be performed in conformance with the most recent standard adopted by ASTM International for Phase I site assessments and shall present recommendations for further investigation of the site, if necessary.
- b. If investigation activities conducted as part of Mitigation Measure 4.4-3(a) indicated that a release of hazardous materials could have affected the location(s) where soil disturbance would occur, prior to soil disturbance activities a Soil Investigation shall be conducted by a qualified environmental professional (e.g., California-registered environmental assessor, Professional Geologist, Professional Engineer) to assess the presence and extent of contamination at the site and the potential risk to human health and public safety from the contamination, if any. The Soil Investigation shall be conducted in accordance with state and local guidelines and regulations, and the most recent standard adopted by ASTM International for Phase II environmental site assessments, with oversight from a regulatory agency (e.g., Stanislaus County Environmental Resources Department). The findings of the investigation shall be documented in a written report and submitted to the regulatory agency and the City.
- c. If the results of the soil investigation conducted as part of Mitigation Measure 4.4-3(b) indicated the presence of hazardous materials, the Stanislaus County Department of Environmental Resources shall be notified, and site remediation may be required by applicable state or regulatory agency or the County Department of Environmental Resources Site Mitigation Unit. Specific remedies would depend on the extent and magnitude of contamination and the requirements of the regulatory agencies. Under the direction of the regulatory agencies and the City, a Site Remediation Plan shall be prepared, as required, by the contractor(s). The Plan shall: 1) specify measures to be taken to protect workers and the public from exposure to the potential site hazards, and 2) certify that the proposed remediation measures would cleanup the waste, dispose the wastes, and protect public health in accordance with federal, state, and local requirements.
- d. Where any activity would be performed at a contaminated site or where hazardous materials are suspected, a project-specific Health and Safety Plan shall be prepared prior to any site work. The Health and Safety Plan shall be prepared by the contractor(s) and filed with the City and regulatory agencies, as required. The Plan shall include required worker health and safety provisions for all workers potentially exposed to contaminated materials at the site, identification of hazardous materials present, monitoring to be performed during site activities, required training for workers, identification of appropriate personal protective equipment and emergency response procedures, and designation of personnel responsible for Plan implementation.
- e. The contractor(s) shall prepare a Waste Disposal and Hazardous Materials Transportation Plan prior to construction activities where hazardous wastes or materials requiring off-site disposal would be generated. The Plan shall include a description of analytical methods for characterizing wastes and handling methods required to minimize the potential for exposure and shall establish procedures for the safe storage of contaminated materials and stockpiling of soils, as required. The required disposal method for contaminated materials (e.g., lead-based paint, asbestos, other hazardous materials requiring disposal) and the approved disposal site shall be indicated in the Plan. The Plan shall also identify specific routes to be used for transport of hazardous materials and waste to and from the project site, or specific routes to be avoided during

transport. Routes shall be selected to minimize proximity to sensitive receptors to the greatest practical degree. Elements of the Plan regarding transportation of hazardous materials and wastes shall be reviewed and approved by the City Fire Department.

- f. In the event that previously unidentified contamination is encountered (e.g., identified by odor or visual staining) during soil disturbing activities, or any underground storage tanks, abandoned drums, or other hazardous materials or wastes are encountered during construction, the contractor(s) shall immediately notify the City, and the City shall then notify the County. The contractor(s) shall have prepared a Contingency Plan for Sampling and Analysis of potentially hazardous substances and coordination with appropriate regulatory agencies. The Plan shall be submitted to the City prior to soil disturbing activities. Any site investigations or remedial activities shall be performed in accordance with applicable laws under the direction of a regulatory agency and the City, in accordance with Mitigation Measures 4.4-3(c) through 4.4-3(e).
- g. As a condition of approval for any demolition permit for a structure or facility potentially containing lead or asbestos, a lead-based paint and asbestos-containing survey shall be performed at the structure or facility by a qualified environmental professional. Also, any major modification to structures constructed prior to 1980 shall require a similar lead and asbestos survey for those portions of the structure to be modified. Based on the findings of the survey, all loose and peeling lead-based paint and identified asbestos hazards shall be abated by a certified contractor in accordance with local, state, and federal requirements. The findings of the survey shall be submitted to the City.

Other hazardous materials and wastes generated during demolition or renovation activities (e.g., fluorescent light bulbs, mercury switches) shall be managed and disposed of in accordance with applicable universal and hazardous waste regulations. Federal and state construction worker health and safety regulations shall apply to demolition activities and any required worker health and safety procedures shall be incorporated into the contractor's specifications for the project.

Finding: Mitigation Measure 4.4-3 will reduce impacts related to exposing construction workers and/or the general public to hazardous materials to a **less-than-significant** level.

NOISE

Potential Impact: 4.5-1 *Short-term Construction Noise Levels*. Short-term project-generated construction source noise levels could exceed the applicable City or County standards at nearby noise-sensitive receptors. In addition, if construction activities were to occur during more noise-sensitive hours, construction source noise levels could also result in annoyance and/or sleep disruption to occupants of the on-site (e.g., existing and proposed) noise-sensitive land uses and create a substantial temporary increase in ambient noise levels. As a result, this impact would be significant.

Mitigation:

Mitigation Measure 4.5-1

- ▶ All construction activities shall be limited to the hours from 7:00 a.m. to 9:00 p.m. Monday through Friday, and 9:00 a.m. to 6:00 p.m. on Saturday and Sunday.
- ▶ All construction equipment shall be properly maintained and equipped with noise control, such as mufflers, in accordance with manufacturers' specifications.

Finding: Implementation of Mitigation Measure 4.5-1 would reduce project-generated construction source noise levels by approximately 5 dBA, limit construction activities to the hours during which noise levels are exempt from the provisions of the applicable standards, and would ensure construction activities would not result in a noticeable increase in ambient noise levels at noise-sensitive receptors during the more noise-sensitive hours of the day. As a result, this impact would be reduced to a **less-than-significant** level.

Potential Impact: 4.5-2 *Traffic Noise Levels.* Long-term project-generated traffic source noise levels associated with project implementation would contribute to an exceedance of the applicable standards or create a substantial permanent increase in ambient noise levels at off-site existing noise-sensitive receptors. As a result, this impact would be significant.

Mitigation:

Mitigation Measure 4.5-2

A site-specific acoustical analysis shall be conducted to determine predicted noise impacts attributable to the proposed project taking into account site-specific conditions (e.g., site design, location of structures, building characteristics). The acoustical analysis shall evaluate stationary and mobile source noise attributable to the proposed uses and impacts to nearby noise-sensitive land uses, in accordance with adopted City of Modesto and Stanislaus County noise standards. Feasible measures shall be identified to reduce project-related noise impacts. Mitigation measures may include, but are not limited to, the following:

- ▶ Noise attenuating barriers such as vegetative buffer or a noise barrier along around affected roadway segments, as to attenuate noise from increased roadway traffic shall be installed. The noise barriers shall blend in with the natural environment, and be consistent with the appearance of the surrounding buildings. The noise barriers shall be made from masonry block, pre-cast concrete, or earthen berm.

Finding: Implementation of Mitigation Measure 4.5-2 would reduce the effects of project-generated roadway traffic noise levels at off-site sensitive receptors. However, due to the incremental increase in noise levels associated with the buildout of the entire plan area along roadways already in nonattainment with applicable noise standards, this impact would remain **significant and unavoidable**.

Potential Impact: 4.5-3 *Stationary- and Area-Source Noise Levels.* Long-term project-generated stationary- and area- source noise levels could exceed applicable standards or create a substantial permanent increase in ambient noise levels at any off-site existing noise-sensitive receptors. As a result, this impact would be potentially significant.

Mitigation:

Mitigation Measure 4.5-3

- ▶ The proposed land uses shall be designed so that onsite mechanical equipment (e.g., HVAC units, compressors, generators, etc) and area source operations (e.g., loading docks, parking lots, and recreational use areas) are located at the furthest distance from and/or shielded from nearby noise-sensitive land uses.
- ▶ Residential use of air conditioning units shall be located a minimum of 10 feet from adjacent residential dwellings, including outdoor entertainment and relaxation areas, or shielded to reduce operational noise levels at adjacent dwellings. Shielding may include the use of fences or partial equipment enclosures. To be effective, fences or barriers need to be continuous or solid, with very few gaps, and must block line-of-sight to windows of neighboring dwellings. Achieved noise reductions from fences or barriers can vary, but typically range from approximately 5 to 10 dBA, depending on construction characteristics, height, and location.

- ▶ To the extent feasible, residential land uses located within 2,500 feet and direct line-of-sight of major noise-generating commercial and industrial land uses (e.g., loading docks, manufacturing facilities, equipment/vehicle storage and repair facilities, and material processing areas such as concrete batch plants) shall be shielded from line-of-sight of these facilities by construction of a sound barrier. To be effective, fences or sound barriers need to be continuous or solid, with very few gaps, and must block line-of-sight to windows of neighboring dwellings. Achieved noise reductions from fences or barriers can vary, but typically range from approximately 5 to 10 dBA, depending on construction characteristics, height, and location. The developer shall obtain services of a professional acoustician to determine the design and location of noise barriers to be constructed.
- ▶ Projects proposed for development within the plan area shall be analyzed, in accordance with the California Environmental Quality Act, to determine whether outdoor and indoor levels at noise-sensitive land uses (e.g., residential dwellings and schools) would comply with applicable noise standards. To the extent feasible, mitigation measures, such as dual-pane windows, use of mechanical air systems, exterior wall insulation, and sound barriers, shall be required to reduce interior and exterior noise exposure at noise-sensitive receptors to acceptable levels.

Finding: Implementation of any additional mitigation measures other than Mitigation Measure 4.5-3 for the control of stationary source noise, such as those identified above (based on future project-level analysis, in compliance with CEQA), would reduce stationary source noise impacts, but not necessarily to a less-than-significant level, due to the large amount of development expected in the coming years associated with the redevelopment plan. As a result, this impact would remain **significant and unavoidable**.

Potential Impact: 4.5-4 *Land Use Compatibility*. Future traffic, stationary, and area source noise levels could exceed applicable land use compatibility standards (Table 4.5-1, -2, and -3) at on-site (e.g., existing and proposed) noise-sensitive receptors. As a result, this impact would be significant.

Mitigation:

Mitigation Measure 4.5-4

- ▶ Prior to approval of Implementation Plans and subsequent projects, the City shall require the applicant to design the project site so that City and County noise standards are achieved for all proposed land uses. Traffic noise impacts shall be reduced by either construction of noise barriers (i.e., noise walls and berms) where noise-sensitive receptors are within the 65 dB L_{dn}/CNEL contour, or by setbacks beyond the 65 dB L_{dn}/CNEL contour.
- ▶ Prior to approval of Implementation Plans and subsequent projects, the City shall require the applicant to conduct site-specific acoustical analyses when a roadway design and tentative site maps are proposed, grading is established, and traffic noise is reduced to acceptable levels using other measures (e.g., berms, site design, location of structures, noise walls). The acoustical analysis shall address appropriate mitigation to achieve City of Modesto and Stanislaus County exterior and interior noise standards (e.g., additional berms, sound walls, sound-rated windows, or structural modifications).
- ▶ Prior to approval of Implementation Plans and subsequent projects, the County shall require the applicant to comply with all applicable City and County noise standards. As a condition of approval, an acoustical analysis of commercial and light industrial uses shall be conducted to verify the effectiveness of measures proposed to comply with the noise standards.
- ▶ As buildout of the plan area occurs and subsequent development projects are approved, noise analyses shall be conducted in the consequent environmental documents to determine land use compatibility impacts and mitigate significant impacts.

Finding: Implementation of Mitigation Measure 4.5-4 would reduce the potential for adverse land use compatibility impacts at proposed sensitive receptors, and would ensure that interior noise levels are below the 45 dBA standard. However, traffic source noise levels could still create a substantial permanent increase in ambient noise levels at the proposed on-site noise-sensitive receptors. In addition, given the uncertainty associated with on-site stationary and area source, project-generated noise levels could still exceed applicable noise standards at proposed on-site noise sensitive receptors, and still create a substantial increase in noise levels. Thus, this impact would remain **significant and unavoidable**. However, it should be noted that to be consistent with the desire for a vibrant downtown environment, in some cases, urban noise levels are greater than applicable standards, especially during the evening hours when standards are more conservative.

Potential Impact: 4.5-5 *Vibration Levels*. Short-term project-generated construction source vibration levels could exceed Caltrans' recommended standard of 0.2 in/sec peak particle velocity (PPV) with respect to the prevention of structural damage for normal buildings and the FTA maximum acceptable vibration standard of 80 velocity decibels (VdB) with respect to human response for residential uses (i.e., annoyance) at vibration-sensitive land uses. As a result, this impact would be significant.

Mitigation:

Mitigation Measure 4.5-5

- ▶ Use of sonic pile drivers or drilled caissons shall be used in place of impact pile drivers where feasible, and shall not be operated within 445 feet of any sensitive receptors during noise sensitive hours (9:00 p.m. to 7:00 a.m. on weekdays or 9:00 p.m. to 9:00 a.m. on weekends) or within 60 feet of any uninhabited structures. If impact pile driving is necessary, piles shall not be driven within 1,000 feet of sensitive receptors during noise sensitive hours or within 100 feet of any uninhabited structures.

Other heavy-duty construction equipment (e.g., bulldozer, trucks) shall not be operated within 60 feet of an inhabited residence or within 15 feet of uninhabited structures.

Finding: Mitigation Measure 4.5-5 is considered feasible because the order in which facilities are constructed and/or inhabited on the project site could be arranged such that operation of heavy construction equipment does not occur within the setbacks recommended above. For instance, activities that require heavy construction equipment such as grubbing, grading, dozing, and excavation, could be performed before any nearby structures are erected and/or inhabited. Thus, implementation of Mitigation Measure 4.5-5 would ensure that project-generated vibration levels would be consistent with the recommended standards with respect to the prevention of structural damage for normal buildings and human response for residential uses. As a result, this impact would be reduced to a **less-than-significant** level.

PALEONTOLOGICAL RESOURCES

Potential Impact: 4.6-1 *Disturbance of Unknown Paleontological Resources during Earth-Moving Activities*. Unknown paleontological resources could occur in sediments of the Modesto Formation that underlie the proposed project site. Construction activities in this rock formation could disturb unknown subsurface paleontological resources. Disturbance of significant paleontological resources would be a potentially significant impact.

Mitigation:

Mitigation Measure 4.6-1

To minimize potential adverse impacts to unique, scientifically-important paleontological resources, the project applicant(s) shall do the following:

- ▶ Before the start of grading or excavation activities in locations where there has not been previous development or where construction would occur at depths below existing foundations, roads, or trenches, construction personnel involved with earth-moving activities shall be informed of the possibility of encountering fossils, the appearance and types of fossils likely to be seen during construction activities, and proper notification procedures should fossils be encountered. This worker training shall be prepared and presented by a qualified paleontologist or, alternatively, may be presented by a qualified archaeologist at the same time as any recommended cultural resources awareness training.
- ▶ If paleontological resources are discovered during earth-moving activities, the construction crew shall immediately cease work in the vicinity of the find, and the City planning department shall be notified. A qualified paleontologist shall evaluate the resource and prepare a proposed mitigation plan in accordance with SVP guidelines (1996). The proposed mitigation plan may include a field survey of additional construction areas, sampling and data recovery procedures, museum storage coordination for any specimen recovered, and a report of findings. Recommendations determined by the lead agency to be necessary and feasible shall be implemented before construction activities can resume at the site where the paleontological resources were discovered.

Finding: Implementation of Mitigation Measure 4.6.1 would result in avoidance of damage to, and further study of, any paleontological resources that were encountered by project-related activities, and would therefore reduce potentially significant impacts of the proposed project to a **less-than-significant** level.

POPULATION AND HOUSING

Potential Impact: *4.7-1 Increased Population Growth.* The proposed Master Plan would promote the development of higher density, mixed use development within the RDA that would be focused in the downtown area. This new development would result in a direct increase in population in the downtown area. The population within the RDA is estimated at 4,423 based on U.S. Census Bureau data for an area that generally overlays the RDA (Kelly, pers. comm., 2007). New development related to implementation of the Master Plan could add approximately 1,450–2,175 residents to the RDA. Based on DOF estimates, the population in Modesto is approximately 208,107 (DOF 2006a). Although population projections for Modesto vary somewhat, population in Modesto is generally estimated to reach 400,000 in 2025 (City of Modesto 2004 and 2003b). The population growth that is anticipated in the RDA is part of the growth that the City is continuing to plan for. Also, implementation of the Master Plan would involve infill development in an existing urban area. The growth that would occur within the RDA represents a portion of the growth that is planned to occur within developed areas of the City, as addressed in the City of Modesto Urban Area General Plan (City of Modesto 2003a) and related environmental documents that the City has adopted; therefore, this impact is considered less than significant.

Mitigation: No mitigation measure is required.

Finding: Population growth within the RDA would occur within an established urban area in the central part of Modesto. Successful implementation of the City's Master Plan would include redevelopment and revitalization of the existing downtown area. The population growth planned for the downtown area represents a small fraction of the long-term growth that is forecast and discussed in the City's Urban Area General Plan. Furthermore, the *City*

of Modesto Final Master Environmental Impact Report for the Urban Area General Plan and Related Amendments to the Urban Area General Plan (City of Modesto 2003b) assesses impacts that are anticipated to occur as a result of the projected growth. Implementation of the Master Plan would not result in unplanned development in Modesto. This impact is considered **less than significant**.

Potential Impact: 4.7-2 *Potential Displacement of Substantial Numbers of Existing Homes or People*. Of the total housing units in Modesto, an estimated 2,105 housing units are located within the RDA (City of Modesto 2004). The draft market evaluation prepared for the Modesto Redevelopment Agency proposes a residential base of approximately 500–750 new dwelling units in the downtown area. The City’s Master Plan does not propose removal of the existing housing stock from the RDA. However, some projects under consideration by the Modesto Redevelopment Agency could result in removal of a few residential buildings, including one that is located on 11th Street within Catalyst Site 3. If removal of existing housing were to occur, the Modesto Redevelopment Agency would be required to comply with all applicable State laws and regulations that address replacement of existing housing. Implementation of the proposed Master Plan would not result in the removal of substantial numbers of existing homes or people, nor would it result in a net loss of housing. Therefore, this impact is considered less than significant.

Mitigation: No mitigation measure is required.

Finding: The proposed Master Plan does not propose removal of the existing housing stock from the RDA, nor would it result in the displacement of a substantial number of homes or people. Development of a variety of housing types in the RDA is among the goals contained in the Modesto Redevelopment Agency’s five-year implementation plan for 2005–2009 (Modesto Redevelopment Agency 2005). Based on the draft market evaluation that discusses development potentials within the RDA, a working hypothesis has been developed that proposes a residential base of approximately 500–750 new dwelling units in the downtown area. Also, projects implemented by the Modesto Redevelopment Agency within the RDA would be in compliance with the requirements of Section 33413(a) of the California Health and Safety Code and other applicable State laws and regulations that address displacement of existing housing and provision of low- and moderate-income housing. Therefore, the impact of the proposed Master Plan with regard to displacement of homes or people is considered **less than significant**.

Potential Impact: 4.7-3 *Consistency with Applicable Plans, Goals, and Policies*. The City’s General Plan housing element and the Modesto Redevelopment Agency’s five-year implementation plan for 2005–2009 identify various goals and policies related to the provision of housing in the community, including affordable housing, and the enhancement and protection of quality of life standards and goals with the purpose of creating a livable and appealing community (City of Modesto 2004, Modesto Redevelopment Agency 2005). The proposed Master Plan includes goals that promote creation of a variety of housing types and mixed-use developments to attract new residents and business developments. The proposed Master Plan is consistent with applicable goals and policies contained in key local adopted planning documents. Therefore, no impact would occur.

Mitigation: No mitigation measure is required.

Finding: The City’s proposed Master Plan is intended to provide a mechanism for the revitalization of the central part of Modesto, and it is consistent with other applicable local plans and policies that include similar goals and policies. Therefore, no impact would occur.

PUBLIC UTILITIES

Potential Impact: 4.8-1 *Effects on Water, Wastewater, and Storm Sewer Facilities Beyond Available Service or Permit Capacity*. Implementation of the proposed plan would result in an increase in demand on the existing

infrastructure facilities; including, water, wastewater and storm sewer above what the City has currently projected. This impact would be potentially significant on wastewater services

Mitigation:

Mitigation Measure 4.8-1

A separate capacity study for wastewater and sewer, which needs funding, is required to identify any upsizing needs due to the RDA-specific growth projections.

Finding: The City has undertaken three infrastructure master plan updates concurrently with the Redevelopment Master Plan, including a Water Master Plan, by West Yost, Inc., a Storm Drainage Master Plan, by Stantec, Inc., and a Wastewater Master Plan, by Carollo Engineers. Future citywide infrastructure needs and improvements within the Redevelopment Area are not identified in the current master plan updates. As required by Mitigation Measure 4.8-1, additional wastewater and sewer capacity studies related specifically to redevelopment improvements would determine the required system capacities and improvements necessary to service the Redevelopment Area based on land use proposals in the Redevelopment Master Plan. Therefore, with implementation of Mitigation Measure 4.8-1 the project would have a **less-than-significant** impact on water, wastewater, and storm water.

Potential Impact: 4.8-2 *Effects on Demand for Electrical or Natural Gas Services and Communications Systems.* Implementation of the proposed plan would result in an increase in demand on the existing electrical, natural gas, and communication services; therefore, the projects impact would be potentially significant.

Mitigation:

Mitigation Measure 4.8-2a

In conjunction with related improvement requirements, existing overhead and underground electric facilities within or adjacent to any proposed development shall be protected, relocated or removed as required by the Districts Electric Engineering Department.

Mitigation Measure 4.8-2b

Costs for relocation and/or undergrounding the Districts facilities at the request of others will be borne by the requesting party. Estimates for relocating or undergrounding existing facilities will be supplied upon request.

Finding: Implementation of Mitigation Measure 4.8-2a and 4.8-2b would ensure that the project will have a **less-than-significant** impact on the service providers ability to serve or meet future demand requirements.

TRANSPORTATION AND CIRCULATION

Potential Impact: 4.9-1 *Impacts to Study Area Intersections near Catalyst Site #1.* Traffic volumes associated with the project would cause six study area intersections (i.e., Woodland and Graphics, Carpenter/Briggsmore and Ninth, Carpenter/Briggsmore and northbound SR 99, Carpenter/Briggsmore and southbound SR 99, Carpenter/Briggsmore and Orangeburg/Sisk, and Carpenter and Woodland) to operate unacceptably and exceed City thresholds of significance for intersection operations. Because study area intersections would operate unacceptably as a result of the project, this would be a significant impact.

Mitigation:

Mitigation Measure 4.9-1a: Woodland and Graphics Intersection

Project applicants shall coordinate with the City to determine the timing for installation of a traffic signal at the intersection of Woodland and Graphics is implemented as part of the Kansas Woodland Business Park project.

With implementation of this mitigation measure, the operation of this intersection would improve to LOS C or better under Existing Plus Project conditions, which is acceptable based on City standards. Therefore, impacts to this intersection would be reduced to a **less-than-significant** level.

Mitigation Measure 4.9-1b: Carpenter/Briggsmore and Ninth Intersection

The unacceptable operating conditions at the Carpenter/Briggsmore and Ninth intersection are consistent with the City Modesto's adopted statement of overriding considerations regarding future significant and unavoidable impacts of the Modesto Urban Area General Plan on Carpenter Road. No mitigation is required and this impact would remain **significant and unavoidable**.

Mitigation Measure 4.9-1c: Carpenter/Briggsmore and Northbound SR 99 Intersection

The unacceptable operating conditions at the Carpenter/Briggsmore and Northbound SR 99 intersection are consistent with the City Modesto's adopted statement of overriding considerations regarding future significant and unavoidable impacts of the Modesto Urban Area General Plan on Carpenter Road. No mitigation is required and this impact would remain **significant and unavoidable**.

Mitigation Measure 4.9-1d: Carpenter/Briggsmore and Southbound SR 99 Intersection

The unacceptable operating conditions at the Carpenter/Briggsmore and Southbound SR 99 intersection are consistent with the City Modesto's adopted statement of overriding considerations regarding future significant and unavoidable impacts of the Modesto Urban Area General Plan on Carpenter Road. No mitigation is required and this impact would remain **significant and unavoidable**.

Mitigation Measure 4.9-1e: Carpenter/Briggsmore and Orangenurg/Sisk Intersection

The unacceptable operating conditions at the Carpenter/Briggsmore and Orangeburg/Sisk intersection are consistent with the City Modesto's adopted statement of overriding considerations regarding future significant and unavoidable impacts of the Modesto Urban Area General Plan on Carpenter Road. No mitigation is required and this impact would remain **significant and unavoidable**.

Mitigation Measure 4.9-1f: Carpenter and Woodland Intersection

The unacceptable operating conditions at the Carpenter and Woodland intersection are consistent with the City Modesto's adopted statement of overriding considerations regarding future significant and unavoidable impacts of the Modesto Urban Area General Plan on Carpenter Road. No mitigation is required and this impact would remain **significant and unavoidable**.

Finding: With implementation of Mitigation Measure 4.9-1a, operation of the Woodland and Graphics intersection would improve to LOS C or better under the Existing Plus Project scenario, which is acceptable based on City standards. Therefore, impacts to this intersection would be reduced to a **less-than-significant** level.

The five remaining intersections (i.e., Carpenter/Briggsmore and Ninth, Carpenter/Briggsmore and northbound SR 99, Carpenter/Briggsmore and southbound SR 99, Carpenter/Briggsmore and Orangeburg/Sisk, and Carpenter and Woodland) would continue to operate at unacceptable LOS under the Existing Plus Project scenario.

However, the unacceptable operating conditions at these five intersections are consistent with City Modesto's adopted statement of overriding considerations regarding future significant and unavoidable impacts of the Modesto Urban Area General Plan on Carpenter Road. Therefore, impacts to these intersections would remain **significant and unavoidable**.

Potential Impact: 4.9-2 *Impacts to Study Area Intersections near Catalyst Site #3*. Traffic volumes associated with the project would not cause any study area intersections to operate unacceptably or exceed City thresholds of significance for intersection operations. Because study area intersections would continue to operate acceptably as a result of the project, this would be a less-than-significant impact.

Mitigation: No mitigation measure is required.

Finding: All intersections in the study area and located near Catalyst Site #3 operate at acceptable levels of service under existing conditions and would continue to operate acceptably with implementation of the project. Because redevelopment of Catalyst Site #3 would not cause operations at study area intersections to operate at unacceptable levels of service under Existing Conditions, the project would result in a **less-than-significant** impact to study area intersections located near Catalyst Site #3

Potential Impact: 4.9-3 *Impacts to Study Area Intersections near Catalyst Site #1*. Traffic volumes associated with the project would cause seven study area intersections (i.e., Woodland and Graphics, Carpenter/Briggsmore and Ninth, Carpenter/Briggsmore and northbound SR 99, Carpenter/Briggsmore and southbound SR 99, Carpenter/Briggsmore and Orangeburg/Sisk, Carpenter and Woodland, and Woodland/Coldwell and Ninth) to operate unacceptably and exceed City thresholds of significance for intersection operations. Because study area intersections would operate unacceptably as a result of the project, this would be a significant impact.

Mitigation:

Mitigation Measure 4.9-3a: Woodland and Graphics Intersection

Project applicants shall implement Mitigation Measure 4.9-1a. With implementation of this mitigation measure, the operation of this intersection would improve to LOS C or better under Existing Plus Project conditions, which is acceptable based on City standards. Therefore, impacts to this intersection would be reduced to a **less-than-significant** level.

Mitigation Measure 4.9-3b: Carpenter/Briggsmore and Ninth Intersection

The unacceptable operating conditions at the Carpenter/Briggsmore and Ninth intersection are consistent with the City's adopted statement of overriding considerations regarding future significant and unavoidable impacts of the Modesto Urban Area General Plan on Carpenter Road. No mitigation is required and this impact would remain **significant and unavoidable**.

Mitigation Measure 4.9-3c: Carpenter/Briggsmore and Northbound SR 99 Intersection

The unacceptable operating conditions at the Carpenter/Briggsmore and Northbound SR 99 intersection are consistent with the City's adopted statement of overriding considerations regarding future significant and unavoidable impacts of the Modesto Urban Area General Plan on Carpenter Road. No mitigation is required and this impact would remain **significant and unavoidable**.

Mitigation Measure 4.9-3d: Carpenter/Briggsmore and Southbound SR 99 Intersection

The unacceptable operating conditions at the Carpenter/Briggsmore and Southbound SR 99 intersection are consistent with the City's adopted statement of overriding considerations regarding future significant and

unavoidable impacts of the Modesto Urban Area General Plan on Carpenter Road. No mitigation is required and this impact would remain **significant and unavoidable**.

Mitigation Measure 4.9-3e: Carpenter/Briggsmore and Orangenurg/Sisk Intersection

The unacceptable operating conditions at the Carpenter/Briggsmore and Orangeburg/Sisk intersection are consistent with the City's adopted statement of overriding considerations regarding future significant and unavoidable impacts of the Modesto Urban Area General Plan on Carpenter Road. No mitigation is required and this impact would remain **significant and unavoidable**.

Mitigation Measure 4.9-3f: Carpenter and Woodland Intersection

The unacceptable operating conditions at the Carpenter and Woodland intersection are consistent with the City's adopted statement of overriding considerations regarding future significant and unavoidable impacts of the Modesto Urban Area General Plan on Carpenter Road. No mitigation is required and this impact would remain **significant and unavoidable**.

Mitigation Measure 4.9-3g: Woodland/Coldwell and Ninth Intersection

Project applicants shall construct a separate left-turn lane to eastbound approach and construct a protected left-turn phasing for the east-west left-turn movement as directed by the City of Modesto. With implementation of this mitigation measure, the operation of this intersection would improve to LOS C or better under Existing Plus Approved Plus Project conditions, which is acceptable based on City standards. Therefore, impacts to this intersection would be reduced to a **less-than-significant** level.

Finding: With implementation of Mitigation Measure 4.9-3a, operation of the Woodland and Graphics intersection would improve to LOS C or better under the Existing Plus Approved Plus Project scenario, which is acceptable based on City standards. Therefore, impacts to this intersection would be reduced to a **less-than-significant** level.

With implementation of Mitigation Measure 4.9-3g, operation of the Woodland/Coldwell and Ninth intersection would improve to LOS C or better under the Existing Plus Approved Plus Project scenario, which is acceptable based on City standards. Therefore, impacts to this intersection would be reduced to a **less-than-significant** level.

The five remaining intersections (i.e., Carpenter/Briggsmore and Ninth, Carpenter/Briggsmore and northbound SR 99, Carpenter/Briggsmore and southbound SR 99, Carpenter/Briggsmore and Orangeburg/Sisk, and Carpenter and Woodland) would continue to operate at unacceptable LOS under the Existing Plus Approved Plus Project scenario. However, the unacceptable operating conditions at these five intersections are consistent with City Modesto's adopted statement of overriding considerations regarding future significant and unavoidable impacts of the Modesto Urban Area General Plan on Carpenter Road. Therefore, impacts to these intersections would remain **significant and unavoidable**.

Potential Impact: 4.9-4 *Impacts to Study Area Intersections Near Catalyst Site #3.* Traffic volumes associated with the project would not cause any study area intersections to operate unacceptably or exceed City of Modesto thresholds of significance for intersection operations. Because study area intersections would continue to operate acceptably as a result of the project, this would be a less-than-significant impact.

Mitigation: No mitigation measure is required.

Finding: All intersections in the study area and located near Catalyst Site #3 operate at acceptable LOS under existing conditions and would continue to operate acceptably with implementation of the project. Because redevelopment of Catalyst Site #3 would not cause operations at study area intersections to operate at

unacceptable levels of service under Existing Plus Approved Plus Project Conditions, the project would result in a **less-than-significant** impact to study area intersections located near Catalyst Site #3.

Potential Impact: 4.9-5 *Cumulative Traffic Impacts to Study Area Intersections Near Catalyst Site #1.* Traffic volumes associated with the project in combination with other reasonably foreseeable cumulative projects would cause seven study area intersections (i.e., Woodland and Graphics, Carpenter/Briggsmore and Ninth, Carpenter/Briggsmore and northbound SR 99, Carpenter/Briggsmore and southbound SR 99, Carpenter/Briggsmore and Orangeburg/Sisk, Carpenter and Woodland, Woodland/Coldwell and Ninth) to operate unacceptably and exceed City of Modesto thresholds of significance for intersection operations. This would be a significant cumulative impact.

Mitigation:

Mitigation Measure 4.9-5a: Carpenter/Briggsmore and Ninth Street Intersection

The unacceptable operating conditions at the Carpenter/Briggsmore and Ninth Street intersection are consistent with the City of Modesto's adopted statement of overriding considerations regarding future significant and unavoidable impacts of the Modesto Urban Area General Plan on Carpenter Road. No mitigation is required and this cumulative impact would remain **significant and unavoidable**.

Mitigation Measure 4.9-5b: Carpenter/Briggsmore and Northbound SR 99 Intersection

The unacceptable operating conditions at the Carpenter/Briggsmore and Northbound SR 99 intersection are consistent with the City of Modesto's adopted statement of overriding considerations regarding future significant and unavoidable impacts of the Modesto Urban Area General Plan on Carpenter Road. No mitigation is required and this cumulative impact would remain **significant and unavoidable**.

Mitigation Measure 4.9-5c: Carpenter/Briggsmore and Southbound SR 99 Intersection

The unacceptable operating conditions at the Carpenter/Briggsmore and Southbound SR 99 intersection are consistent with the City of Modesto's adopted statement of overriding considerations regarding future significant and unavoidable impacts of the Modesto Urban Area General Plan on Carpenter Road. No mitigation is required and this cumulative impact would remain **significant and unavoidable**.

Mitigation Measure 4.9-5d: Carpenter/Briggsmore and Orangenurg/Sisk Intersection

The unacceptable operating conditions at the Carpenter/Briggsmore and Orangeburg/Sisk intersection are consistent with the City of Modesto's adopted statement of overriding considerations regarding future significant and unavoidable impacts of the Modesto Urban Area General Plan on Carpenter Road. No mitigation is required and this cumulative impact would remain **significant and unavoidable**.

Mitigation Measure 4.9-5e: Carpenter and Woodland Intersection

The unacceptable operating conditions at the Carpenter and Woodland intersection are consistent with the City of Modesto's adopted statement of overriding considerations regarding future significant and unavoidable impacts of the Modesto Urban Area General Plan on Carpenter Road. No mitigation is required and this cumulative impact would remain **significant and unavoidable**.

Mitigation Measure 4.9-5f: Woodland and Graphics Intersection

Project applicants shall construct a right-turn lane to the northbound Graphics Drive approach as directed by the City of Modesto. With implementation of this mitigation measure, the operation of this intersection would improve to

LOS D or better under Cumulative 2025 Plus Project conditions, which is acceptable based on City of Modesto standards. Therefore, cumulative impacts to this intersection would be reduced to a **less-than-significant** level.

Finding: With implementation of Mitigation Measure 4.9-5f, operation of the Woodland and Graphics intersection would improve to LOS D or better under the Cumulative 2025 Plus Project scenario, which is acceptable based on City of Modesto standards. Therefore, impacts to this intersection would be reduced to a **less-than-significant** level.

The five remaining intersections (i.e., Carpenter/Briggsmore and Ninth, Carpenter/Briggsmore and northbound SR 99, Carpenter/Briggsmore and southbound SR 99, Carpenter/Briggsmore and Orangeburg/Sisk, and Carpenter and Woodland) would continue to operate at unacceptable LOS under the Existing Plus Approved Plus Project scenario. However, the unacceptable operating conditions at these five intersections are consistent with City Modesto's adopted statement of overriding considerations regarding future significant and unavoidable impacts of the Modesto Urban Area General Plan on Carpenter Road. Therefore, impacts to these intersections would remain **significant and unavoidable**.

Potential Impact: 4.9-6 *Cumulative Traffic Impacts to Study Area Intersections Near Catalyst Site #3.* Traffic volumes associated with the project in combination with other reasonably foreseeable cumulative projects would cause four study area intersections (i.e., Ninth and L Street, Ninth and I Street, J/Needham/McHenry, and Needham and 10th/College) to operate unacceptably and exceed City of Modesto thresholds of significance for intersection operations. This would be a significant cumulative impact.

Mitigation:

Mitigation Measure 4.9-6a: Ninth and L Street Intersection

Project applicants shall remove parking on the southbound approach and construct a southbound right-turn only lane at the Ninth and L Street intersection as directed by the City of Modesto. With implementation of this mitigation measure, the operation of this intersection would improve to LOS D or better under Cumulative 2025 Plus Project conditions, which is acceptable based on City of Modesto standards. Therefore, cumulative impacts to this intersection would be reduced to a **less-than-significant** level.

Mitigation Measure 4.9-6b: Ninth and I Street Intersection

Project applicants shall remove parking on the southbound approach, construct a southbound right-turn only lane, and add separate left-turn phasing for all approaches at the Ninth and I Street intersection as directed by the City of Modesto. Implementation of this mitigation measure would only improve the operation of this intersection to LOS E under Cumulative 2025 Plus Project conditions, which is not considered acceptable based on City of Modesto standards.

The unacceptable operating conditions at the Ninth and I Street intersection are consistent with the City of Modesto's adopted statement of overriding considerations regarding future significant and unavoidable impacts of the Modesto Urban Area General Plan on Carpenter Road. No mitigation is required and this cumulative impact would remain **significant and unavoidable**.

Mitigation Measure 4.9-6c: J/Needham/McHenry Intersection

The unacceptable operating conditions at the J/Needham/McHenry intersection are consistent with the City of Modesto's adopted statement of overriding considerations regarding future significant and unavoidable impacts of the Modesto Urban Area General Plan on Carpenter Road. No mitigation is required and this cumulative impact would remain **significant and unavoidable**.

Mitigation Measure 4.9-6d: Needham and 10th/College Intersection

The unacceptable operating conditions at the Needham and 10th/College intersection are consistent with the City of Modesto's adopted statement of overriding considerations regarding future significant and unavoidable impacts of the Modesto Urban Area General Plan on Carpenter Road. No mitigation is required and this cumulative impact would remain **significant and unavoidable**.

Finding: With implementation of Mitigation Measure 4.9-6a, operation of the Ninth and L Street intersection would improve to LOS D or better under the Cumulative 2025 Plus Project scenario, which is acceptable based on City of Modesto standards. Therefore, cumulative impacts to this intersection would be reduced to a **less-than-significant** level.

The three remaining intersections (i.e., Ninth and I Street, J/Needham/McHenry, and Needham and 10th/College) would continue to operate at unacceptable LOS under the Cumulative 2025 Plus Project scenario. However, the unacceptable operating conditions at these three intersections are consistent with City Modesto's adopted statement of overriding considerations regarding future significant and unavoidable impacts of the Modesto Urban Area General Plan on Carpenter Road. Therefore, cumulative impacts to these intersections would remain **significant and unavoidable**.

Potential Impact: 4.9-7 Pedestrian and Bicycle Circulation Impacts. Although the project would add pedestrian demands within the project site and to and from proposed commercial, retail, and residential land uses, the project would provide bicycle and pedestrian facilities consistent with City plans for such facilities. Because bicycle and pedestrian facilities would be provided on-site consistent with City standards and plans, this would be a less-than-significant bicycle and pedestrian circulation impact.

Mitigation: No mitigation measure is required.

Finding: With implementation of the project and policies of the Master Plan, subsequent redevelopment projects would be required to provide pedestrian and bicycle circulation facilities as described in the *City of Modesto General Plan* and *Non-Motorized Transportation Master Plan* and to the standards provided in the City's Municipal Code. These pedestrian and bicycle facilities would adequately serve future redevelopment projects in the project area. Therefore, this would be a **less-than-significant** impact.

Potential Impact: 4.9-8 Demand for Alternative and Public Transportation. Public transit is currently available in the project area. Land uses proposed to be redeveloped in the project area would increase demand for alternative and public transit facilities. Because alternative and public transit services and facilities are readily available in the project area, the project would result in a less-than-significant public transportation impact.

Mitigation: No mitigation measure is required.

Finding: The City currently operates the Modesto Area Express (MAX) fixed-route bus service throughout the Modesto area. The project would increase demands for alternative and public transportation services with redevelopment of project sites in the project area. Currently, public transit service (e.g., fixed-route bus service) is provided throughout the RDA. Because alternative and public transportation is readily available to serve future residents living in the RDA, the project would result in a **less-than-significant** impact to alternative and public transportation.

Potential Impact: 4.9-9 Construction-Related Impacts. Construction activities associated with redevelopment projects in the Master Plan Area would generate one-way truck trips associated with construction activities and one-way vehicle trips (i.e., construction workers on-site) associated with construction personnel. Because construction trips would be temporary, construction activities and trips associated with redevelopment projects are anticipated to not substantially increase local roadway volumes and interfere with the safe and efficient operation of these roadways. This would be a less-than-significant impact.

Mitigation: No mitigation measure is required.

Finding: In additions, construction vehicle and truck trips would slightly increase local roadway volumes along roadways in the RDA. Construction activities could result in the temporary disruption of the transportation system in and around each project site, including temporary street closures, which could result in increased roadway congestion and interference with safe and efficient operation of the local roadway system. Although construction-related activities are not anticipated to create substantial increases in local roadway volumes or disruptions in the operation of the local roadway network, this would be a **less-than-significant** impact.

Potential Impact: 4.9-10 *Conformity with City of Modesto Parking Requirements*. Individual redevelopment projects would create a demand for off-street parking; however, specific details of each redevelopment project are not known at this time. The Master Plan includes policies that require new developments to provide sufficient parking on-site. In addition, the City's Municipal Code includes requirements for the provision of minimum off-street parking. With implementation of policies in the Master Plan and meeting the requirements of the City's Municipal Code, sufficient parking would provided. This would be a less-than-significant parking impact.

Mitigation: No mitigation measure is required.

Finding: With enforcement of City parking requirements and implementation of policies in the Master Plan, sufficient parking would be provided to serve the needs of redevelopment projects that occur in the RDA. Therefore, the project would result in a **less-than-significant** parking impact.

Potential Impact: 4.9-11 *Impacts to Emergency Vehicle Access*. The project would provide adequate emergency access through the RDA. Construction activities would not obstruct local roadways which could impair the ability of local agencies to respond to an emergency in the RDA because all construction activities associated with redevelopment projects would occur on-site. This would be a less-than-significant impact.

Mitigation: No mitigation measure is required.

Finding: With implementation of the Master Plan, emergency access through the RDA would continue to be provided by local roadways. Construction activities associated with individual redevelopment project that would occur in the RDA would be limited to project sites. Because construction activities would be limited to on-site, adjacent roadways used by emergency vehicles would not be blocked or obstructed. Emergency vehicles would have the same access routes and response times with implementation of the Master Plan compared to current conditions. Therefore, this would be a **less-than-significant** impact.

PUBLIC SERVICES

Potential Impact: *Effects on Demand for Service Facilities (e.g., Fire, Police, Schools, Parks)*. Implementation of the proposed plan would result in an increase in demand on the existing service facilities; however, by complying with the City's development code and planning documents the projects impact would be less than significant.

Mitigation: No mitigation measure is required.

Finding: Existing development fees are considered sufficient to mitigate any potential impacts of development within the RDA.

FINDINGS CONCERNING PROJECT ALTERNATIVES

An EIR must describe a range of reasonable alternatives to the project, or the location of the project, which would feasibly achieve most of the basic objectives of the project, but would avoid or substantially less any of the significant environmental effects of the project, and evaluate the comparative merits of the alternatives. Even if a project alternative will avoid or substantially lessen any of the significant environmental effects of the project, the decision maker may reject the alternative if it determines that specific considerations make the alternative infeasible. The findings with respect to alternatives identified in the Final EIR are described below.

I. No Project Alternative

Description of Alternative: The No Project Alternative assumes that the City of Modesto Redevelopment Master Plan would not be implemented. This alternative assumes existing land uses would remain and no new development or redevelopment activities would occur in the project area.

Finding: The No Project alternative is environmentally inferior to the proposed project because it would result in greater impacts associated with transportation and circulation and hazards and hazardous materials. This alternative would not reduce any significant impacts associated with implementation of the Master Plan.

II. Low-Density Alternative

Description of Alternative: The Low-Density Alternative considers the environmental impacts associated with development of less dense and less intense land uses within the RDA.

Finding: The Low Density Alternative is environmentally superior to the proposed project because it would result in less environmental impacts associated with public services, utilities and service systems, air quality, and transportation and circulation. However, this alternative would not reduce any significant impacts associated with implementation of the Master Plan and would result in greater impacts related to population and housing.

III. General Plan Buildout Alternative

Description of Alternative: The General Plan Buildout Alternative considers the environmental impacts associated with development of land uses envisioned in the City of Modesto General Plan. This alternative anticipates new development would occur in the project area, but not as envisioned by the RDA.

Finding: This alternative is environmentally inferior to the proposed project because it would result in greater impacts associated with transportation and circulation, population and housing, and air quality. In addition, this alternative would not reduce any significant impacts associated with implementation of the Master Plan.

IV. Conclusion

CEQA requires that an “environmentally superior” alternative among the alternatives considered be selected and the reasons for such selection disclosed. In general, the environmentally superior alternative is the alternative that would generate the fewest or least severe adverse impacts. In the case of the project, the Low-Density Alternative is environmentally superior because it would reduce four project-specific adverse environmental impacts, but would create one greater project-specific adverse environmental impact.

The Low-Density Alternative would be superior to the proposed project because it would reduce potential project-related impacts to air quality, public services, transportation and circulation, and utilities and service systems. Further, this alternative would meet many of the project objectives. However, implementing this alternative would reduce the amount of residential land uses redeveloped as part of the Master Plan, thereby not providing as much replacement housing as the proposed project. However, all related improvements, such as pedestrian and bicycle circulation improvements, identified in the Master Plan would be implemented under the Low-Density Alternative.

The Low-Density Alternative would not meet one objective of the proposed project related to implementing higher density, mixed-use development. However, this alternative would continue to meet the Master Plan's objectives related to developing a variety of housing types in the RDA, enhancing the visual appeal of Modesto's public spaces by upgrading existing parks, plazas, and streets, and by creating new parks and plazas that offer public access; developing historic 10th and I Streets as attractive, pedestrian-oriented streets, and create a clear sense of arrival at Modesto's downtown by enhancing the Sixth and I Street Gateway and the intersection of 10th and I Streets; and promoting efficient automobile, bicycle, and pedestrian circulation and linkages into and through the RDA.

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 11-2007**

A RESOLUTION CONSOLIDATING THE ADMINISTRATION OF AFFORDABLE HOUSING FUNDS, ASSIGNING ADMINISTRATION OF THESE FUNDS TO THE PARKS, RECREATION AND NEIGHBORHOOD DEPARTMENT HUD UNIT, ASSIGNING ADVISORY OVERSIGHT OF FUNDING AND PROJECTS TO THE CITIZEN'S HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE (CH&CDC), AND RECOMMENDING THAT THE CITY COUNCIL AMEND THE CH&CDC BYLAWS TO ADD THREE (3) ADDITIONAL SEATS TO PROVIDE REPRESENTATION FROM THE CITIZENS REDEVELOPMENT ADVISORY COMMISSION.

WHEREAS, the City of Modesto and the Modesto Redevelopment Agency (RDA) currently benefit from two funding streams dedicated to the development, acquisition, rehabilitation and preservation of affordable housing, and related services, and

WHEREAS, the federal Housing and Urban Development Department (HUD) awards grants to entitlement community grantees to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services, and

WHEREAS, the City of Modesto currently has \$2,508,537 in Affordable Housing Funds available in HOME funds and \$715,000 in CDBG Property Acquisition, and

WHEREAS, redevelopment agencies are required to set aside at least 20% of their redevelopment tax increment funds for low and moderate income housing, and the current RDA Housing Set-Aside funds available are \$7,078,851, and

WHEREAS, the City and the RDA currently administer the HUD and RDA funding separately, with HUD funds administered by the Parks, Recreation and Neighborhoods Department (PRND) HUD Unit and RDA funds administered through the

RDA, which is staffed by the City's Community and Economic Development Department (CEDD), and

WHEREAS, two separate Citizens Advisory Committees provide oversight for the funding stream as well, with the Citizens Housing and Community Development Committee providing oversight for the HUD funded programs and the Citizen's Redevelopment Advisory Commission providing oversight for the Agency Housing Set-Aside funding, and

WHEREAS, as the potential housing projects become more and more complex and housing funds consist of many different funds sources, the need for a seamless approach to affordable housing developments is critical, and

WHEREAS, the consolidation of affordable housing funds will allow focused activities to occur in one working unit that could incorporate housing and services for low-moderate income residents, ensure thorough and complete enforcement of regulations and requirements for all funding sources, promote more efficient fund layering for each housing project, promote administrative efficiency, and consolidate services into a work unit focused on affordable housing development, affordable housing rehabilitation and rental assistance programs funded through both RDA and HUD funds, and

WHEREAS, staff is recommending that the City's affordable housing programs be consolidated and assigned to staff in the HUD Unit of the Parks, Recreation and Neighborhoods Department, and

WHEREAS, on October 22, 2007, the Finance Committee met and supported staff's recommendations to consolidate the administration of affordable housing funds, assign administration of these funds to the Parks, Recreation and Neighborhoods Department HUD

Unit, assign advisory oversight of funding and projects to the Citizen's Housing and Community Development Committee (CH&CDC), and to amend the CH&CDC bylaws to add three (3) additional seats to provide representation from the Citizens Redevelopment Advisory Commission, and

WHEREAS, on October 26, 2007, the Citizens Housing and Community Development Committee met and supported staff's recommendations to consolidate the administration of affordable housing funds, assign administration of these funds to the Parks, Recreation and Neighborhoods Department HUD Unit, assign advisory oversight of funding and projects to CH&CDC, and to amend the CH&CDC bylaws to add three (3) additional seats to provide representation from the Citizens Redevelopment Advisory Commission, and

WHEREAS, on November 7, 2007, at the Citizens Redevelopment Advisory Commission meeting, the Commission considered transition of RDA funds and administration to PR&N and including members to the CH&CDC; the Commission considered several motions, but all motions failed to pass with the required number of votes, and

WHEREAS, the Economic Development Committee met on November 14, 2007, and supported staff's recommendations to consolidate the administration of affordable housing funds, assign administration of these funds to the Parks, Recreation and Neighborhoods Department HUD Unit, assign advisory oversight of funding and projects to the CH&CDC, and to amend the CH&CDC bylaws to add three (3) additional seats to provide representation from the Citizens Redevelopment Advisory Commission,

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the RDA hereby approves consolidating the administration of affordable housing funds.

BE IT FURTHER RESOLVED that the RDA hereby approves assigning administration of these funds to the Parks, Recreation and Neighborhoods Department HUD Unit.

BE IT FURTHER RESOLVED that the RDA approves assigning advisory oversight of funding and projects to the Citizen's Housing and Community Development Committee (CH&CDC).

BE IT FURTHER RESOLVED that the RDA hereby recommends that the City Council of the City of Modesto amend the CH&CDC bylaws to add three (3) additional seats to provide representation from the Citizens Redevelopment Advisory Commission.

The foregoing resolution was introduced at a regular meeting of the Modesto Redevelopment Agency held on the 27th day of November, 2007, by Agency Member Dunbar, who moved its adoption, which motion being duly seconded by Agency Member Marsh was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Dunbar, Keating, Marsh, O'Bryant, Olsen,
Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: Hawn

Attest: Jean Morris
JEAN MORRIS, Secretary

APPROVED AS TO FORM:

By: Susana Alcala Wood
SUSANA ALCALA WOOD, General Counsel

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 12-2007**

**A RESOLUTION APPROVING ASSIGNMENT OF ADMINISTRATION OF THE
MOBILE HOME RENTAL ASSISTANCE PROGRAM TO STAFF FROM THE
HUD PROGRAM UNIT OF THE PARKS, RECREATION AND
NEIGHBORHOODS DEPARTMENT**

WHEREAS, over the past several months, the Finance Committee and the Modesto City Council have been studying issues regarding rent stabilization as it applies to the mobile home parks located in Modesto, and

WHEREAS, on August 14, 2007, by motion, the Modesto City Council took action to accept the market study report on mobile home parks in Modesto, and

WHEREAS, on August 14, 2007, by motion, the City Council introduced a Mobile Home Rent Stabilization Ordinance, including a draft Memorandum of Understanding (MOU) proposed by a group of stakeholders, which included owners of local mobile home parks, and

WHEREAS, in the proposed MOU, mobile home park owners have agreed to provide funding, up to \$20 per space, per year, for a rental assistance program, if the City will provide matching funds, and

WHEREAS, on September 25, 2007, by motion, the City Council approved the MOU and accompanying forms for several mobile home parks within the City of Modesto who would like to enter into a MOU with the City of Modesto, as a positive alternative to the Mobile Home ordinance, and

WHEREAS, on September 25, 2007, by motion, the City Council recommended that the Parks, Recreation and Neighborhoods Department (PRND) implement a Mobile Home Rental Assistance Program, and

WHEREAS, the City Council also recommended the option to utilize up to \$28,000 from Redevelopment Agency (RDA) Housing Side-Aside Funds to fund a Mobile Home Rental Assistance Program, and up to \$16,800 to offset staffing costs related to this program, and

WHEREAS, PRND staff reported that in order to allocate the RDA funds to this program, future actions by the RDA would be necessary, and

WHEREAS, PRND staff are familiar with the issues of the Mobile Home Rental Assistance Program and are qualified to administer the program, and

WHEREAS, on October 26, 2007, the Citizens Housing and Community Development Committee met and supported assignment of administration of the Mobile Home Rental Assistance Program to staff from the HUD Program Unit of the PRND, and

WHEREAS, on November 7, 2007, the Citizens Redevelopment Advisory Commission met and supported assignment of administration of the Mobile Home Rental Assistance Program to staff from the HUD Program Unit of the PRND, and,

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the Agency hereby approves assignment of administration of the Mobile Home Rental Assistance Program to staff from the HUD Program Unit of the Parks, Recreation and Neighborhoods Department.

The foregoing resolution was introduced at a regular meeting of the Modesto Redevelopment Agency held on the 27th day of November, 2007 by Agency Member Dunbar, who moved its adoption, which motion being duly seconded by Agency Member Marsh was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Dunbar, Keating, Marsh, O'Bryant, Olsen,
Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: Hawn

Attest: Jean Morris
JEAN MORRIS, Secretary

APPROVED AS TO FORM:

By: Susana Alcala Wood
SUSANA ALCALA WOOD, General Counsel

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 13-2007**

A RESOLUTION ADOPTING LEGAL FINDINGS FOR THE ALLOCATION OF UP TO \$44,800 FROM THE REDEVELOPMENT AGENCY AFFORDABLE HOUSING CAPITAL IMPROVEMENTS FUND TO FUND A MOBILE HOME RENTAL ASSISTANCE PROGRAM

WHEREAS, over the past several months, the Modesto City Council Finance Committee and the Modesto City Council have been studying issues regarding rent stabilization as it applies to the mobile home parks located in Modesto, and

WHEREAS, on August 14, 2007, by motion, the Modesto City Council took action to accept the market study report on mobile home parks in Modesto, and

WHEREAS, on August 14, 2007, by motion, the City Council introduced a Mobile Home Rent Stabilization Ordinance, including a draft Memorandum of Understanding (MOU) proposed by a group of stakeholders, which included owners of local mobile home parks, and

WHEREAS, on September 25, 2007, by motion, the City Council approved the MOU and accompanying forms for several mobile home parks within the City of Modesto who would like to enter into a MOU with the City of Modesto, as a positive alternative to the Mobile Home ordinance, and

WHEREAS, on September 25, 2007, by motion, the City Council recommended that the Parks, Recreation and Neighborhoods Department (PRND) implement a Mobile Home Rental Assistance Program, and

WHEREAS, PRND staff reported that in order to allocate the Redevelopment Agency (RDA) funds to this program, future actions by the RDA would be necessary, and

WHEREAS, on October 26, 2007, the Citizens Housing and Community Development Committee met and supported adoption of the legal findings, and

WHEREAS, on November 7, 2007, the Citizens Redevelopment Advisory Commission met and supported adoption of the legal findings, and

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the Agency hereby adopts the following legal findings for the allocation of up to \$44,800 from the Redevelopment Agency Capital Improvement Program, Housing Set-aside Funds to fund a Mobile Home Rental Assistance Program:

1. The Redevelopment Agency (RDA) Housing Set-Aside Fund allocation for the Mobile Home Rental Assistance Program will help preserve the community's supply of low and moderate income housing available at affordable housing cost;
2. The RDA Housing Set-Aside Fund is a special revenue fund created pursuant to Health & Safety Code Section 33334.3;
3. The amounts from the Housing Set-Aside Fund expended on this subsidy program will not cause the RDA to assist seniors in an amount that is disproportionate to its expenditures for other low income population during the RDA's current five-year implementation plan; and,
4. There is no other private or commercial financing source that will match the contribution from the Mobile Home Park owners, in order to preserve the same number of mobile home units that is reasonably available to fund the subsidy program.

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 27th day of November, 2007 by Agency Member Dunbar, who moved its adoption, which motion being duly seconded by Agency Member Hawn was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Dunbar, Keating, Marsh, O'Bryant, Olsen,
Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: Hawn

Attest: Jean Morris
JEAN MORRIS, Secretary

APPROVED AS TO FORM:

By: Susana Alcala Wood
SUSANA ALCALA WOOD, General Counsel

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 14-2007**

A RESOLUTION AMENDING THE FY 2007-2008 REDEVELOPMENT AGENCY CAPITAL IMPROVEMENT BUDGET TO APPROPRIATE A TOTAL OF \$42,800 FROM CAPITAL IMPROVEMENT PROJECT 9060-140-Q244-6030, HOUSING CIP, TO 9060-140-1491-0235 (\$28,000) AND TO 9060-140-1491-0255 (\$14,800) FOR THE MOBILE HOME RENTAL ASSISTANCE PROGRAM AND TO OFFSET STAFFING COSTS FOR THIS PROGRAM

WHEREAS, over the past several months, the Modesto City Council Finance Committee and the Modesto City Council have been studying issues regarding rent stabilization as it applies to the mobile home parks located in Modesto, and

WHEREAS, on August 14, 2007, by motion, the Modesto City Council took action to accept the market study report on mobile home parks in Modesto, and

WHEREAS, on August 14, 2007, by motion, the City Council introduced a Mobile Home Rent Stabilization Ordinance, including a draft Memorandum of Understanding (MOU) proposed by a group of stakeholders, which included owners of local mobile home parks, and

WHEREAS, in the proposed MOU, mobile home park owners have agreed to provide funding, up to \$20 per space, per year, for a rental assistance program, if the City will provide matching funds, and

WHEREAS, on September 25, 2007, by motion, the City Council approved the MOU and accompanying forms for several mobile home parks within the City of Modesto who would like to enter into a MOU with the City of Modesto, as a positive alternative to the Mobile Home ordinance, and

WHEREAS, on September 25, 2007, by motion, the City Council recommended that the Parks, Recreation and Neighborhoods Department (PRND) implement a Mobile Home Rental Assistance Program, and

WHEREAS, the City Council also recommended the option to utilize up to \$28,000 from Redevelopment Agency (RDA) Housing Side-Aside Funds to fund a Mobile Home Rental Assistance Program, and up to \$16,800 to offset staffing costs related to this program, and

WHEREAS, PRND staff reported that in order to allocate the RDA funds to this program, future actions by the RDA would be necessary, and

WHEREAS, on October 26, 2007, the Citizens Housing and Community Development Committee met and supported amending the FY 2007-2008 RDA budget to allocate RDA funding for the Mobile Home Rental Assistance Program, and

WHEREAS, on November 7, 2007, the Citizens Redevelopment Advisory Commission met and supported amending the FY 2007-2008 RDA budget to allocate RDA funding for the Mobile Home Rental Assistance Program,

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the RDA hereby approves amending the FY 2007-2008 Redevelopment Agency budget to appropriate a total of \$42,800 from Capital Improvement Project 9060-140-Q244-6030, Housing CIP, to 9060-140-1491-0235 (\$28,000) and to 9060-140-1490-0255 (\$14,800) for the Mobile Home Rental Assistance Program and to offset staffing costs for this Program.

BE IT FURTHER RESOLVED that the Finance Director, or his designee, is hereby authorized to take the necessary steps to implement the provisions of this resolution.

The foregoing resolution was introduced at a regular meeting of the Modesto Redevelopment Agency held on the 27th day of November, 2007 by Agency Member Dunbar, who moved its adoption, which motion being duly seconded by Agency Member Marsh was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Dunbar, Keating, Marsh, O'Bryant, Olsen,
Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: Hawn

Attest: Jean Morris
JEAN MORRIS, Secretary

APPROVED AS TO FORM:

By: Susana Alcala Wood
SUSANA ALCALA WOOD, General Counsel

