JOINT MEETING OF THE MILPITAS CITY COUNCIL, HOUSING AUTHORITY, AND MUNICIPAL FINANCING AUTHORITY

For assistance in the following languages, you may call:
Đối với Việt Nam, gọi 408-586-3122
Para sa Tagalog, tumawag sa 408-586-3051
Para español, llame 408-586-3232

AGENDA

TUESDAY, OCTOBER 15, 2019
COUNCIL CHAMBERS, 455 E. CALAVERAS BLVD., MILPITAS, CA
6:00 PM (CLOSED SESSION)
7:00 PM (PUBLIC BUSINESS)

CALL MEETING TO ORDER by Mayor and ROLL CALL by City Clerk

ADJOURN TO CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
County Sanitation District 2-3, West Valley Sanitation District, Burbank Sanitary District, Cupertino Sanitary District, and City of Milpitas v. City of San Jose, City of Santa Clara
Santa Clara County Superior Court Case No. 18CV325480

CLOSED SESSION ANNOUNCEMENT: Report on action taken in Closed Session, if required per Government Code Section 54957.1, including the vote or abstention of each member present

PLEDGE OF ALLEGIANCE

INVOCATION

PUBLIC FORUM
Those in the audience are invited to address City Council on any subject not on tonight's agenda. Speakers must come to the podium, state their name and city of residence for the Clerk's record, and limit spoken remarks to three minutes. As an item not listed on the agenda, no response is required from City staff or the Council and no action can be taken. Council may instruct the City Manager to place the item on a future meeting agenda.

ANNOUNCEMENTS

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

APPROVAL OF AGENDA

CONSENT CALENDAR

Consent calendar items are considered to be routine and will be considered for adoption by one motion. There will be no separate discussion of these items unless a City Councilmember, member of the audience or staff requests the Council to remove an item from (or be added to) the consent calendar. Any person desiring to speak on any item on the consent calendar should ask to have that item removed from the consent calendar. If removed, this item will be discussed in the order in which it appears on the agenda.

C1. Receive City Council Calendars of Meetings for October and November 2019 (Staff Contact: Mary Lavelle 408-586-3001)

C2. Approve City Council Meeting Minutes of September 24, October 1 and October 4, 2019 (Staff Contact: Mary Lavelle, 408-586-3001)

Recommendation: Approve City Council meeting minutes for special meetings on September 24 and October 4, and a regular meeting on October 1, 2019.

C3. Approve Findings of Exception to the Requirements of the Affordable Housing Ordinance to allow Payment of Fees In Lieu of reserving six affordable units on the project site to be included in the previously adopted Resolution approving a Site Development Permit, Conditional Use Permit, Vesting Tentative Map, and Environmental Assessment to develop a 40-unit residential condominium building, up to 49 feet in height (4 stories) at 2001 Tarob Court (Staff Contact: Ned Thomas, Planning Director, 408-586-3073)

Recommendation: Approve Findings of Exception to the requirements of the Affordable Housing Ordinance to allow payment of fees in lieu of reserving six affordable units on the project site to be included in the previously adopted Resolution approving Site Development Permit (SD18-0014), Conditional Use Permit (UP19-0009), Vesting Tentative Map (MT18-0004), and Environmental Assessment (EA19-0002) to allow development of a 40-unit residential condominium building, up to 49 feet in height (four stories), with parking for up to 74 vehicles, on a 1.22-acre site at 2001 Tarob Court.

C4. Adopt a Resolution Granting Acceptance of Americans with Disabilities Act (ADA) Curb Ramp Transition Projects No. 4283 and No. 4287, and Grant Authorization to Director of Engineering/ City Engineer to file a Notice of Completion (Staff Contact: Steve Erickson, 408-586-3301)

Recommendation: Adopt a Resolution Granting acceptance of the Americans with Disabilities Act (ADA) Curb Ramp Transition Projects No. 4283 and No. 4287 and grant authorization to Director of Engineering/City Engineer to file a Notice of Completion.

C5. Approve and Authorize the City Manager to Execute a Measure B Funding Agreement between the City and Santa Clara Valley Transportation Authority for 2016 Measure B State Route 237 Near Term Improvements Project (Staff Contact: Steve Erickson, 408-586-3301)

Recommendation: Approve and authorize the City Manager to execute a funding agreement between the City of Milpitas and Santa Clara Valley Transportation Authority (VTA) for 2016 Measure B State Route 237 Near Term Improvements Project.

C6. Approve Revision to the City's Travel and Expense Reimbursement Policy Standard Operating Procedure (SOP) No. 6-1 (Staff Contact: Walter C. Rossmann, 408-586-3111)

Recommendation: Approve the revision of the travel policy (SOP No. 06-01) regarding reimbursement of expenses for elected officials to be consistent with Article 2.3 Section 53232.2 of the California Government Code.

C7. **Authorize the City Manager to Execute the Agreement with OpenGov, Inc. for a Five-Year Contact Amount Not to Exceed $410,450 for the Purchase of Budget Performance Software (Staff Contact: Walter C. Rossmann, 408-586-3111)**

Recommendation: Authorize the City Manager to execute the agreement with OpenGov, Inc. for a Five-Year contract amount not to exceed $410,450 for the purchase of budget performance software and consolidation of "Management Reporting" and "Open Town Hall" Software already owned by the City.

C8. **Approve the Milpitas Arts Commission Work Plan for Fiscal Year 2019-20 (Staff Contact: Tegan McLane, 408-586-3212)**

Recommendation: Approve the proposed Arts Commission Fiscal Year 2019-20 Work Plan.

C9. **Approve the Library and Education Advisory Commission Work Plan for Fiscal Year 2019-20 (Staff Contact: John Macon, 408-586-3226)**

Recommendation: Approve the proposed Library and Education Advisory Commission Fiscal Year 2019-20 Work Plan.

C10. **Approve the Senior Advisory Commission Work Plan for Fiscal Year 2019-20 (Staff Contact: John Macon, 408-586-3226)**

Recommendation: Approve the proposed Senior Advisory Commission Fiscal Year 2019-20 Work Plan.

C11. **Consider Mayor's Recommendation for Appointment of Casey McNeil as the Technology and Trade Representative to the Economic Development and Trade Commission (Contact: Mayor Tran, 408-586-3029)**

Recommendation: Receive Mayor Tran's recommendation and move to newly appoint Casey McNeil as the Technology and Trade Representative to the Economic Development and Trade Commission to a currently vacant term that expires in April 2020.

PUBLIC HEARINGS

12. **Conduct a Public Hearing and Adopt Resolution Approving an Amendment to Planned Unit Development No. 45 (Spinnaker Pointe Apartments) to amend the Conditions of Approval Allowing a Change in Roof Materials for All Building, including Carports, on 9.24 acre site at 231 Dixon Landing Road (Staff Contact: Avery Stark, 408-586-3288)**

Recommendations:

1. Open the public hearing and receive public comment.
2. Move to close the public hearing.
3. Adopt a Resolution approving an amendment (PA19-0001) to Planned Unit Development No. 45 (Spinnaker Pointe Apartments) to amend the conditions of approval allowing a change in roof materials for all buildings, including carports, on a 9.24-acre site at 231 Dixon Landing Road.

13. **Conduct a Public Hearing and Introduce Ordinance No. 38.837 Amending Milpitas Municipal Code Title XI, Chapter 10, Sections 2, 4, 5, 7, and 56 Relating to Assembly and other Non-industrial Uses in the M2 Heavy Industrial Zoning District (Staff Contact: Rozalynne Thompson, Senior Planner, 408-586-3278)**

Recommendations:

1. Conduct a public hearing and move to close the hearing following comments.
2. City Attorney shall read aloud title of Ordinance No. 38.837.
3. Move to waive the first reading beyond the title and introduce Ordinance No. 38.837 Amending Milpitas Municipal Code Section 2 ("Definitions"), Subsection 4.02 ("Residential Use Regulations), Subsection 5.02 ("Commercial Use Regulations), Subsection 7.02 ("Industrial Use Regulations"), Subsection 7.04 ("Industrial Zone Special Development and Performance Standards"), and Subsection 56.04 ("Nonconforming Use of Land").

14. Conduct a Public Hearing, Consider Adopting an Urgency Ordinance, or Consider Introducing Amended Ordinance No. 302 relating to a Rent Review Program and Tenant Protections (Staff Contact: Sharon Goei, 408-586-3260)

Recommendations:

1. Open the public hearing; hear testimony, then move to close the public hearing.

2. Adopt Urgency Ordinance enacted pursuant to California Government Code Section 36937 to add Chapters 2 and 3 to Title XII of the Milpitas Municipal Code relating to the adoption of a rent review program and tenant protections;

   or,

3. Following the City Attorney's reading of the title, move to waive the first reading beyond the title and introduce amended Ordinance No. 302 to add Chapters 2 and 3 to Title XII of the Milpitas Municipal Code relating to the adoption of a rent review program and tenant protections.

15. Conduct a Public Hearing, Consider Adopting Urgency Ordinance No. 303, or Consider Introducing an Ordinance relating to Just Cause Eviction Protection for Tenants (Staff Contact: Sharon Goei, 408-586-3260)

Recommendations:

1. Open the public hearing; hear testimony, then move to close the public hearing.
2. Adopt Urgency Ordinance No. 303 enacted pursuant to California Government Code Section 36937 to add Chapter 4 to Title XII of the Milpitas Municipal Code relating to just cause eviction protection for tenants;

   or,

3. Following the City Attorney's reading of the title, move to waive the first reading beyond the title and introduce a regular Ordinance to add Chapter 4 to Title XII of the Milpitas Municipal Code relating to just cause eviction protection for tenants.

LEADERSHIP AND SUPPORT SERVICES Items related to Milpitas Municipal Financing Authority

16. Adopt a Resolution of the Board of the Milpitas Municipal Financing Authority Approving a Debt Management Policy (Staff Contact: Walter C. Rossmann, 408-586-3111)

Recommendation: Adopt a Resolution of the Board of the Milpitas Municipal Financing Authority approving a Debt Management Policy, consistent with the policy previously approved by the City and its related entities.

17. **Adopt Resolutions Authorizing the Sale and Issuance of tax-exempt Wastewater Revenue Bonds and Authorize Interim City Manager to Execute Contract with Jones Hall, A Professional Law Corporation (Staff Contact: Walter C. Rossmann, 408-586-3111)**

Recommendations:

1. Adopt resolutions of the City Council of the City of Milpitas and the Milpitas Municipal Financing Authority authorizing and directing the City Manager, Assistant City Manager or Director of Finance to execute the sale and issuance of 2019 Wastewater Revenue Bonds with an estimated aggregate principal amount of not-to-exceed $36 million to finance the acquisition, construction and/or improvement of capital improvements to the Wastewater System.
2. Authorize the Interim City Manager to execute a contract with Jones Hall, A Professional Law Corporation, for Bond Counsel Services.

18. **Adopt Resolutions Authorizing the Sale and Issuance of tax-exempt Water Revenue Bonds and Authorize the Interim City Manager to Execute a Contract with Jones Hall, A Professional Law Corporation (Staff Contact: Walter C. Rossmann, 408-586-3111)**

Recommendations**:**

1. Adopt resolutions of the City Council and the Milpitas Municipal Financing Authority authorizing and directing the City Manager, Assistant City Manager or Director of Finance to execute the sale and issuance of 2019 Water Revenue Bonds with an estimated aggregate principal amount not to exceed $21.0 million to finance the acquisition, construction and/or improvement of capital improvements to the Water System.
2. Authorize the Interim City Manager to execute a contract with Jones Hall, A Professional Law Corporation, for Bond Counsel Services.

COMMUNITY DEVELOPMENT

19. **Adopt a Resolution authorizing the creation of a Pilot Rent Relief Program, Approve Related Budget Amendment, and prepare and execute a Professional Services Agreement with Silicon Valley Independent Living Center (Staff Contact: Sharon Goei, 408-586-3260)**

Recommendations:

1. Adopt a Resolution authorizing the creation of a Pilot Rent Relief Program.
2. Approve a Budget Amendment to appropriate $100,000 from the Affordable Housing Fund to the FY 2019-20 Housing Operating Budget for Silicon Valley Independent Living Center (SVILC) to implement the Pilot Rent Relief Program.
3. Authorize the City Manager to prepare and execute a one-year Professional Services Agreement with Silicon Valley Independent Living Center to manage the Milpitas Pilot Rent Relief Program.

20. **Consider Adoption of a Housing Authority Resolution Approving and Adopting Bylaws of the City of Milpitas Housing Authority, and Consider Election of Officers for the City of Milpitas Housing Authority (Contacts: Councilmembers Nuñez and Montano, 408-586-3000)**

Recommendations:

1. Adopt a Housing Authority Resolution approving and adopting the Bylaws for the City of Milpitas Housing Authority.
2. Following adoption of the Bylaws, elect a Chairperson, Vice Chairperson and Secretary of the Housing Authority by a vote of the Housing Authority Board of Commissioners.

NEXT AGENDA PREVIEW

21. **Receive Preview Agenda List for the Next Regular City Council Meeting Scheduled for November 5, 2019 (Staff Contact: Mary Lavelle, 408-586-3001)**

ADJOURNMENT

NEXT REGULAR CITY COUNCIL MEETING
Tuesday, November 5, 2019

KNOW YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and the City operations are open to the people's review.
For more information on your rights under the Open Government Ordinance or to report a violation, contact the City Attorney's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035
e-mail: cdiaz@ci.milpitas.ca.gov / Phone: 408-586-3040

The Open Government Ordinance is codified in the Milpitas Municipal Code as Title I Chapter 310 and is available online at the City's website www.ci.milpitas.ca.gov by selecting the Milpitas Municipal Code link.

Materials related to an item on this agenda submitted to the City Council after initial distribution of the agenda packet are available for public inspection at the City Clerk's office at Milpitas City Hall, 3rd floor 455 E. Calaveras Blvd., Milpitas and on City website. City Council agendas and related materials can be viewed online: www.ci.milpitas.ca.gov/government/council/agenda_minutes.asp (select meeting date)

APPLY TO SERVE ON A CITY COMMISSION

Commission application forms are available online at www.ci.milpitas.ca.gov or at Milpitas City Hall. Contact the City Clerk's office at 408-586-3003 for more information.

If you need assistance, per the Americans with Disabilities Act, for any City of Milpitas public meeting, please call the City Clerk at 408-586-3001 or send an e-mail to mlavelle@ci.milpitas.ca.gov prior to the meeting. You may request a larger font agenda or arrange for mobility assistance. For hearing assistance, headsets are available in the City Council Chambers for all meetings.

September 2019

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1	2	3	4	5	6	7
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22	23	24	25	26	27	28
29	30					

Milpitas City Council Calendar
October 2019

November 2019

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1 **12:00 PM**-Mayors' Roundtable – hosted by Biocom (RT) **6:00 PM**-Closed Session **7:00 PM**-City Council	**2** **10:00 AM to 2:00 PM –** National Coffee with a Cop Day (Town Center Starbucks) **1:00 PM**-Santa Clara VTA - Northeast Group (San Jose) (RT) **5:30 PM**-Veterans Commission (RT) **7:00 PM**-Community Advisory Commission (BN)	**3** **5:30 PM**-Milpitas Chamber of Commerce Board (CM) **5:30 PM**-Santa Clara VTA Board of Directors (RT)	**4** **11:00 AM**-Manufacturing Day @ Flex, etc. **10:00 AM**-Special City Council retreat @ Crowne Plaza Hotel	**5**
6	**7** **7:00 PM**-Parks, Recreation & Cultural Resources Commission (AP)	**8** **3:00 PM-**City Council Housing Subcommittee (BN/CM) **5:30 PM-**City Council Study Session @Senior Center	**9** **4:30 PM**-Special Silicon Valley Clean Energy Board of Directors (CM) **6:00 PM**-Special Planning Commission (Committee Room) **7:00 PM**-Silicon Valley Clean Energy Board of Directors (CM) **7:00 PM**-Planning Commission	**10** **4:00 PM**-Treatment Plant Advisory Committee (CM) **4:00 PM**-Santa Clara VTA Policy Advisory Committee (KD) **7:00 PM**-Youth Advisory Commission (AP) **7:00 PM**-Cities Assoc of SCC (CM)	**11** ~~***2:00 PM** City Council Finance Subcommittee (RT/CM)~~ **6:00 PM-**Fall Family Night @ Civic Center Plaza	**12**
13	**14** **9:30 AM**- I-680 Sunol Express Lane JPA (RT) **4:30 PM**-Economic Development & Trade Commission (KD)	**15** **6:00 PM**-Closed Session **7:00 PM**-City Council	**16** **6:00 PM**-Energy and Environmental Sustainability Commission (BN)	**17** **11:30 AM**-South Bay Odor Stakeholders Group	**18** **2:00 PM-**VTA Safety, Security, Transit Plng & Ops Committee (RT)	**19**
			League of California Cities Long Beach, CA (KD, BN, CM, AP)			
20	**21** **7:00 PM**-Science, Technology &Innovation Commission (BN)	**22** **1:30 PM**-Senior Advisory Commission (AP)	**23** **9:30 AM**-Community Development Block Grant Workshop #2 **12:00 PM**-Santa Clara Valley Water Commission (CM) **5:30 PM**-SCC Recycling & Waste Reduction Commission (San Jose) (AP) **7:00 PM**-Planning Commission	**24** **11:30 AM**-Employees' Recognition Luncheon **12:00 PM**-VTA Capital Program Committee Meeting (RT) **1:30 PM-**Santa Clara County Library Joint Powers Authority Board (CM) **4:30 PM**-Chamber of Commerce Board with consultant Strategic Economics **5:30 PM**-Economic Development Strategy Community Outreach wkshp	**25** **?:00-**City Council Rules Subcommittee (RT/KD)	**26** **10:00 AM-**Pumpkins in the Park @ Cardoza Park
27	**28** **7:00 PM-Special** Arts Commission (CM)	**29** **6:00 PM-**Filipino Flag Raising Ceremony @ Cesar Chavez Plaza	**30**	**31** 		

Finance Subcommittee will meet only as needed

Updated 10/10/2019

October 2019

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Milpitas City Council Calendar
November 2019

December 2019

S	M	T	W	T	F	S
1	2	3	4	5	6	7
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29	30	31				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
3	4 **7:00 PM**-Parks, Recreation & Cultural Resources Commission (AP)	5 **3:00 PM-**City Council Housing Subcommittee (BN/CM) **?:00 PM**-Closed Session **7:00 PM**-City Council	6 **1:00 PM**-Santa Clara VTA Monthly Northeast Group (RT) **7:00 PM**-Community Advisory Commission (BN)	7 **5:30 PM**-Santa Clara VTA Board of Directors (RT) **5:30 PM**-Milpitas Chamber of Commerce Board (CM)	8 ***4:30 PM**-City Council Finance Subcommittee (RT/CM)* **?:00-**City Council Rules Subcommittee (RT/KD)	9
10	11 **City Hall Closed in Observance of Veterans Day**	12 ***Tentative*** **?:00 PM-**City Council Study Session	13 **7:00 PM**-Planning Commission **7:00 PM**-Silicon Valley Clean Energy Board of Directors (CM) (Cupertino)	14 **4:00 PM**-Santa Clara VTA Policy Advisory Committee (KD) **4:00 PM**-Treatment Plant Advisory Committee (CM) (San Jose) **7:00 PM**-Cities Assoc of SCC (CM) **7:00 PM**-Youth Advisory Commission (AP)	15 **2:00 PM-**VTA Safety, Security, Transit Plng & Ops Committee (RT)	16 **11:30 AM-**Veterans Appreciation Luncheon (Auditorium)
17	18 **4:30 PM**-Economic Development and Trade Commission (KD) **7:00 PM**-Science, Technology, and Innovation Commission (BN) **7:00 PM**-Library and Education Commission (CM) @Library	19 **3:00 PM-**City Council Housing Subcommittee (BN/CM) **?:00 PM**-Closed Session **7:00 PM**-City Council	20 **6:00 PM**-Energy and Environmental Sustainability Commission (BN)	21 **1:00 PM**-Terrace Gardens Board of Directors (BN) **6:30 PM**-Bay Area Water Supply Conserv Agency (CM) (Oak Room - San Mateo Main Library) **7:00 PM**-Public Safety and Emergency Preparedness Commission (KD)	22 **?:00-**City Council Rules Subcommittee (RT/KD)	23
24	25 **7:00 PM**-Arts Commission (CM)	26	27	28 **City Hall Closed for Thanksgiving Holiday**	29	30

Finance Subcommittee will meet only as needed

Updated 10/10/2019

Draft **MEETING MINUTES**
CITY OF MILPITAS

Minutes of:	**Special Meeting of Milpitas City Council Housing Subcommittee and Milpitas City Council**
Date:	**Tuesday, September 24, 2019**
Time:	**6:00 PM**
Location:	**Barbara Lee Senior Center, Denny Weisgerber Room, 40 N. Milpitas Blvd., Milpitas**

CALL TO ORDER SPECIAL MEETING

Councilmember Nuñez called the special joint meeting to order at 6:00 PM. City Clerk Mary Lavelle called the roll. All present said the pledge of allegiance to the flag.

PRESENT: Mayor Tran, Vice Mayor Dominguez, Councilmembers Montano, Nuñez and Phan

ABSENT: None

Attorney Ethan Walsh from the firm of BB&K was present serving as City Attorney for this meeting.

PUBLIC FORUM

Rob Means, resident, spoke about Personal Rapid Transit and climate emergency.

Voltaire Montemayor, resident, said the City Council was too busy. Maybe they needed two more members of the Council by election. There was a negative impact because members were so busy.

Councilmember Nuñez said the Council could look into that idea.

Allysson McDonald, resident, spoke of a rally she attended in Fremont last week, including the City Council there. That City may require having solar panels in all new construction porjects. Consider banning gas in all new buildings to meet climate challenges in Milpitas.

Councilmember Nuñez asked if staff would come back with a status report on Reach Codes, and items related to what the speaker raised. Building Safety & Housing Director Sharon Goei noted there would be stakehoplder outeach meetings coming up.

ANNOUNCEMENT

City Attorney Ethan Walsh introduced himself and asked if Councilmembers had any conflicts of interest on the agenda items and all replied none.

APPROVAL OF AGENDA

Motion: to approve the meeting agenda, as submitted

Motion/Second: Councilmember Montano/Councilmember Nuñez

Motion carried by a vote of: AYES: 5
NOES: 0

AGENDA ITEM

Ms. Goei addressed the City Council, referring to Assembly Bill 1482 adopted by the California State Assembly, expected to be signed by the Governor. She also noted the Council's introduction of Ordinance No. 302 on September 17, regarding rent review. She displayed the "Approach" overhead slide with a table conveying side by side information comparing those two documents.

Attorney Mr. Walsh stated that if the City Council required substantive changes to the introduced ordinance, they would need to consider another ordinance to be introduced in a future meeting.

Councilmember Nuñez asked if the ordinance could be brought to City Council on October 1. The Attorney replied no due to noticing requirements. He stated that if a newer ordinance based on changes discussed was needed, it would need to go to City Council on October 15.

Housing Administrator Robert Musallam next reviewed with more information in detail the chart on display for the City Council. He highlighted points for discussion with the Council. A third column was available to fill in with comments or direction from the Council.

Councilmember Montano wanted to keep the 7% threshold for maximum rent increases, as proposed in the City rent review ordinance. This was in reference to the highest rent increase to allow landlords to raise on tenants in one year.

Vice Mayor Dominguez thanked the members of the Subcommittee. She wanted to understand further the percentage thresholds (annual rent increase amounts), as that was confusing.

Councilmember Nuñez responded that the numbers that the Housing Subcommittee had were discussed and proposed, prior to adoption of state legislation AB 1482. He commented on the varying CPI number, which changed, as in the state legislation of the rent cap at 5% + CPI (up to 10% maximum). He wanted to adopt locally what was in the state law. Other factors – such as fees – affected what landlords might charge renters, when the rent cap did go into effect.

Councilmember Montano wanted to know what the average CPI was over the past few years. Staff responded that information could be obtained and provided later. She wanted to establish the 7% rent increase as the threshold to allow for rent review.

Vice Mayor Dominguez was considering if perhaps the amount should be 5%, not 7%.

Next discussed was the topic of Just Cause Eviction regulation. Some allowance to regulate it was included in AB1482, while the City could adopt stronger language on this issue. In Milpitas, single family homes were exempt from rent control in AB1482, while they were included in the rent review ordinance proposed for Council action.

Councilmember Phan sought definition of the types of housing that were exempt, including who was the owner (corporation or individual). Staff responded with the definition in the legislation.

Councilmember Montano said to just mirror the state bill, after the discussion above.

Vice Mayor Dominguez did not want the community to be confused on this issue. Clarify what the City would do versus adopted legislation. She was okay with "mirroring" what would be in the local ordinance compared to state law. There was no registry of single family homes, so it would be hard to keep track of those rent increases. Provide the most protection that the Council could.

Councilmember Nuñez asked what was the responsibility of the proposed Rent Review Board. Mr. Musallam explained the last step in the review of proposed rent increase, where tenants would go to Project Sentinel to have a rent review board hearing, after other steps were followed.

Councilmember Phan asked what the criteria was for being on the Rent Review Board. Staff responded that had not yet been discussed in detail. In the ordinance, it states that those applying must have a demonstrated interest in this area, for appointment to the board. Applicants submit to the Housing Subcommittee through to the Mayor for appointment.

Vice Mayor Dominguez inquired regarding the just cause language: in AB1482 there were time requirements for residence minimums, before the tenant had rights under just cause eviction. 12 – 24 months was confirmed by City Attorney.

Ms. Dominguez commented that if someone went to Project Sentinel presently who lived in an apartment, the person could not get any protections since the City did not have a just cause law. She wanted to have local law mirror the new state law on just cause eviction rules. And, she

wanted an urgency ordinance to be adopted on October 15 to be effective right away, ahead of the January 1, 2020 implementation of the new state law.

Councilmember Montano asked about the "Fremont model." Staff responded City of Fremont would limit rent increases to 5% per year, without reference to CPI. On the just cause issue, if mirroring the state law, it would include Just Cause protection.

Councilmember Phan sought consistency throughout regulation, if the City went to mirror locally what was in the state bill. City must clearly define any exceptions in the law, with any exemptions noted specifically. Also, there should be an education component, so people understood what was to be effective right away, not on January 1.

Councilmember Nuñez agreed there needed to be a clear notification program for renters. He asked if the Public Information Officer would conduct a community outreach effort.

Councilmember Montano asked who was overseeing Project Sentinel. Mr. Musallam responded that City Housing staff would do so, as was happening currently.

Mayor Tran welcomed the community at this meeting. He agreed with what he heard so far and inquired about "subsidized housing." He wanted to include residents at rental units in subsidized housing, if possible, in the local law. Mayor asked if there were any scenarios for residents in subsidized housing who were at risk, if not included in the rent review ordinance. Staff responded with information from the report in Fremont and said yes. Mr. Tran wanted to include those residents in the local law.

Councilmember Montano commented that those with Section 8 vouchers were already getting assistance from the federal government. She did not want to include subsidized housing, therefore, in the local protections.

The Vice Mayor – reading from a Harvard study from 2018 - noted that evictions mostly hurt low income, single mothers, who were in Section 8 units. Councilmember Phan agreed with the Mayor and Vice Mayor on including subsidized units.

Councilmember Phan wanted the local law to sunset at the same expiration time as AB1482. City Attorney Mr. Walsh noted that was how he would approach writing the ordinance.

Mayor Tran then called for speakers from the audience, limited to one minute.

Speakers:
Ana Naranjo, spoke in Spanish, stating tenants needed assistance now, not in November or January.

Alejandro Naranjo, spoke in Spanish, asking for help from City Council. Rents kept increasing and residents needed help. Kids were depressed.

William Au from Sunnyhills Apartments Tenants Association need assistance with rent

Sandy Perry referred to a letter sent by the Law Foundation to the City Council, with three things requested, to cover as many people as possible.

Loreto Dimaandal, a retiree in Milpitas, asked if City Council cared, why did it keep putting off the issue. The Council should pass an emergency ordinance right now. She was a volunteer community organizer to help the renters.

Aboubacar Ndiave said he'd sent a letter to City Council noting that majority of multi-family housing was owned by large corporate landlords who don't live in Milpitas.

Allysson McDonald, resident and homeowner, was pleased that Council was considering the ordinances at this meeting. She was glad that Councilmember Montano agreed that lower than 7% should be a threshold.

Veronica Salce, resident, expressed feelings that her family had been through, after an experience of getting evicted. The City needed ordinance now for just cause.

A girl, Diana Pricindo, resident of Milpitas, stated that families had suffered.

Michael Dittmer, resident, spoke of the need for rent control and what had occurred in Mountain View. He urged the City Council not to simply copy/paste what was in AB1842. He quoted from that legislation.

Voltaire Montemayor, resident, said the City would take it. He mentioned 5%–7% and rent review board. He spoke of kind hearts, landlords, home owners, developers and all would help.

Cristina, Sunnyhills Apartments resident spoke in Spanish, had heard from neighbors that they don't ask for help repairing their apartments, so they won't get evicted. If they had to move out, apartment rent would go up higher. They felt harassment.

Matthew Warren, of the Western Center on Law & Poverty, said AB 1482 was very important but that there were huge gaps. He was glad the City Council was considering a just cause ordinance, and to increase amounts provided to tenants.

Rob Means, resident, agreed with the Mayor to include subsidized housing. Also, Council should look at foreign ownership of single family residences. He asked regarding the AB1482 rule on rent increase threshold of 5% + CPI, if it would allow a decrease when CIP goes down if it was negative (rather than increased).

Councilmember Nuñez said it was clear what they were looking for on October 1 including an urgency ordinance only for a short period of time.

City Attorney Walsh mentioned the 10 days requirement for noticing the (public hearing at City Council) meeting for any urgency Ordinance. It would take effect on October 15. Mr. Nuñez responded that he agreed that was what the Subcommittee was asking for. He asked for the Council meeting on October 1: to look at including subsidized housing, to have facts the City of Fremont considered, to match AB1482 in a city ordinance.

Mr. Walsh replied to the City Council that if it was substantially changing the ordinance that was introduced at the last City Council meeting, it would come back on October 15. If substantive changes to any ordinance were made to one that was already introduced, the ordinance would need to be newly introduced and could be adopted two weeks later.

Councilmember Nuñez noticed the bill had lots of dates and some parts were retroactive. He asked if the local law include sections like that. City Attorney replied, possibly. Mr. Nuñez felt they could include other things in the ordinance then if working on it going forward.

Councilmember Nuñez asked the City Attorney to confirm dates for an urgency ordinance and for the regular ordinance(s) for the upcoming regular Council meeting on October 15. Items to look at were: the numbers of who owned rental units, owners who were individuals versus corporations, consideration at applying law retroactively, as state law has done – all of this to provide relief to those who really did need it.

Vice Mayor Dominguez inquired about the loophole in AB1482 that a tenant must be in their home for twelve months minimum to be protected by just cause eviction section. She wanted to know how to address that locally. Staff Robert Musallam responded that if a tenant was covered by a one year lease agreement, the tenant would be covered (with just cause protection) while that was not true for those with month-to-month rentals.

Councilmember Nuñez felt a need for more information to return back to the Housing Subcommittee, with answers to questions raised at this meeting. Maybe find out information from those who testified in Sacramento. Answer as much as possible before the October 15 City Council meeting.

Mayor Tran spoke of family members, extended family, being landlords. It was hard to distinguish corporate ownership and foreign ownership of rental property in Milpitas. That was a big piece of the real estate market in the Bay Area.

Ethan Walsh said that a City urgency ordinance for just cause eviction only would cover from that date (when adopted) to January 1, 2020 and staff could bring that forward on October 15. Then a separate regular ordinance for a rent review program would also be considered. He pointed out that 4/5 vote of the City Council was required to adopt any urgency ordinance.

Vice Mayor Dominguez addressed dates for action by City Council. She asked if she could introduce a memo at the Rules Committee and get it on the October 1 City Council meeting agenda. Mr. Walsh replied no, due to noticing requirement (for a public hearing notice 10 days prior to a meeting).

Councilmember Nuñez would be glad if the urgency ordinance was adopted and effective on October 15, since it would help residents. He was glad that the full City Council was present for this discussion. It was a worthy effort to have a one topic, one focus meeting this evening.

ADJOURNMENT

Councilmember Nuñez adjourned the joint Housing Subcommittee and City Council special meeting at 8:11 pm.

Meeting minutes respectfully drafted and submitted by
Mary Lavelle, City Clerk

Draft **MEETING MINUTES**
CITY OF MILPITAS

Minutes of:	**Regular Meeting of the Milpitas City Council**
Date:	**Tuesday, October 1, 2019**
Time:	**6:00 PM Closed Session** **7:00 PM Open Session**
Location:	**Council Chambers, Milpitas City Hall,** **455 East Calaveras Blvd., Milpitas**

CALL TO ORDER

Mayor Tran called the meeting to order at 6:01 PM. City Clerk Mary Lavelle called the roll.

PRESENT: Mayor Tran, Vice Mayor Dominguez and Councilmembers Nuñez

ABSENT: Councilmember Phan was absent at roll call and arrived at 6:02 PM. Councilmember Montano arrived for the Open Session at 7:00 PM.

CLOSED SESSION

City Council convened in Closed Session to discuss two matters listed on the agenda, b and c. Item (a) on the agenda was not considered.

City Council convened at the dais for the Open Session regular agenda at 7:02 PM.

ANNOUNCEMENT

City Attorney Chris Diaz stated out of Closed Session there was no reportable action.

PLEDGE

Boy Scouts Troop No. 92 presented the flags and led the pledge of allegiance.

INVOCATION

Mayor Tran offered his own prayer to start the meeting.

PRESENTATIONS

Mayor Tran proclaimed the following:

Proclaimed October at *National Hispanic Heritage Month*
Proclaimed October as *National Bullying Prevention Month*
Proclaimed *Fire Prevention Week* for the week of October 6 – 12, 2019

PUBLIC FORUM

Allysson McDonald, resident, noticed that other cities declared climate emergencies. Milpitas' Climate Action Plan was due to be updated so she asked to add the climate emergency onto a City Council agenda.

Rob Means, 1421 Yellowstone resident, wanted speaking time limits of at least two minutes, not one, as changed recently by the Mayor. He mentioned a letter from Advanced Transit Association sent to the Council.

Michelle, a resident, thanked the City Council for the work they do. She thanked members for the improvement on noise behind her house. She wanted a Just Cause Eviction ordinance on October 15 and asked for decisions based on what people were asking for, not on political agendas.

Tom Valore, resident, spoke of Terrace Gardens Apartments. He said those apartments were rented to low income and extremely low income seniors in the community. He was puzzled at the logic that the City Council took to take funds away from that place to give to others (in reference to Community Development Block Grant funds).

Joseph Weinstein, resident, spoke of the new community newspaper owned by local residents. He asked the City Manager to move all advertising to the new paper and website, to support this local homegrown media business.

Voltaire Montemayor, resident, said he spoke Spanish. He offered peace and love to all, with regard to the bullying proclamation.

Jackie Romero, a resident, wore a t-shirt displaying "History Has Eyes on You." She thanked Council for their work and decisions. She asked to move agneda item no. 12 (regarding theater program) up to be heard earlier, since kids were present and had school the next day.

ANNOUNCEMENTS

Mayor Tran said on October 25 all Milpitas High School alumnae would gather for a celebration over 50 years of both high schools.

Councilmember Montano reported out from the first Transportation Subcommittee meeting held the previous week. In January, a new law would require carpool lanes with three people in the car. Bi-monthly Subcommittee meetings would be scheduled. She noted that a hotline for potholes would be established.

Building Safety & Housing Director Sharon Goei provided an update on Sunnyhills Apartments. Ms. Goei read a statement on work done with the owner of the apartments complex, along with County of Santa Clara agencies and an affordable housing developer, following several meetings held over the past year. She listed timelines of recent and anticipated actions on development plans for the site.

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

City Attorney Diaz asked Councilmembers if they had any personal conflicts of interest or reportable campaign contributions. By roll call, none were reported.

APPROVAL OF AGENDA

Motion: to approve the meeting agenda, as submitted, with item no. 10 (public hearing regarding Planning determination) continued

Councilmember Nuñez asked about the location of item No. 12 on the agenda, and staff said it was going to be heard following the scheduled public hearings.

Motion/Second: Councilmember Nuñez/Councilmember Montano

Motion carried by a vote of: AYES: 5
NOES: 0

CONSENT CALENDAR

Motion: to approve the consent calendar including agenda items no. C1 – C9

Councilmember Nuñez inquired regarding item no. C5 (SAFER grant), on the staffing component and funding firefighters up front. He asked if the City would fund those positions after the grant expired. Fire Chief Sherrard replied yes, those positions were included in the budget forecast for future years.

Motion/Second: Councilmember Nuñez/Councilmember Montano

Motion carried by a vote of: AYES: 5
NOES: 0

C1. Council Calendars — Received City Council calendar for October 2019.

C2. Meeting Minutes — Approved City Council meeting minutes of September 17, 2019.

C3. Resolution – office supplies — Adopted Resolution No. 8910 authorizing the City Manager to execute an Agreement with Staples Contract & Commercial LLC for office supplies through a Sourcewell Cooperative Procurement Agreement for a 60-months (5-year) combined maximum amount of $725,000 and authorizing the Purchasing Agent to exercise option years 1 through 4, without further action by City Council, except annual appropriation of funds.

C4. Resolution – SB2 grant	Adopted Resolution No. 8911 authorizing the City Manager to submit an application for $310,000 in non-competitive grant funding, provided under the California Building Homes and Jobs Act (Senate Bill 2), and to execute the grant agreement and all related documents required to secure the grant, subject to approval by the City Attorney.
C5. 2 Resolutions	1) Adopted Resolution No. 8912 accepting the Department of Homeland Security (FEMA) SAFER grant of $2,336,284 awarded to City of Milpitas, and direct staff to proceed with hiring of six new firefighters no later than the start of the period of performance for the grant which is March 11, 2020. 2) Adopted Resolution No. 8913 amending the Classification Plan to authorize adding 6 Full Time Equivalent (FTE) Firefighter Paramedic positions to City's Authorized Positions List. 3) Approved related budget amendment to transfer $161,127 from Non-departmental Operating Budget to the Fire Department Operating Budget to cover the City's cost for FY 2019-20.
C6. Service Agreement	Approved an Agreement with Odyssey Power Corporation for preventive generator maintenance and repair services, for an amount not to exceed $49,350 in the first year and a total amount not to exceed $341,182 over the five-year period, subject to annual appropriation of funds.
C7. Energy and Water savings (ESCO)	1) Received report on Request for Proposal for Energy and Water Savings performance contract to identify, engineer, install, commission, and maintain Energy Conservation Measures on City facilities and land; and 2) Approved and authorize the Interim City Manager to execute a Professional Service Agreement with Engie Services U.S. Inc. for the purpose of conducting an investment grade audit on City facilities and land in the maximum amount of $150,000.
C8. Fee Waiver	Received a Fee Waiver request from Sunnyhills Neighborhood Association and moved to waive fees of $1,112.63 for City of Milpitas costs related to the special neighborhood Halloween event at Augustine Park on October 26, 2019.
C9. Financial Status	Received reports on the City of Milpitas' third and fourth quarter FY 2018-19 financial status.

PUBLIC HEARINGS

10. Public Hearing - appeal	This public hearing was continued, at the request of the property owner. It regarded an appeal of Planning determination of a non-conforming use at1831-1841 Tarob Ct. by GeoMax.
11. TASP TADIF Fees	Planning Director Ned Thomas introduced Kevin Riley, a consultant assisting the planning department with the update of the Transit Area Specific Plan (TASP), including a fee update. He described the background of the adopted plan and types of fees calculated to be paid by developers for projects in the Transit Area. He defined "BIP" as the Basic Infrastructure Program (infrastructure and land). The TADIF (TASP Area Development Impact Fees) Fair Share Cost Allocation was explained, with a listing of the 2014 costs and allocations. Also displayed was the update in 2019 of those same costs, noting the fees were unchanged over the last five years. Next Mayor Tran opened the public hearing. Kyle Zaylor from The Core Companies spoke to the City Council regarding his company's 1400 South Main Street project as noted in a letter sent to Council. His company had just learned of the proposal on fee changes in June, while Core was working toward getting a permit. He was concerned on the substantial fee increase to the developer, based on proposed new fees. Allysson McDonald, resident, inquired about linear parks and trails in the TASP area. She would like to have no fees on those, in order to allow residents to be able to walk and ride to businesses, and to encourage that. She did not understand why no fees would be charged to hotels. Voltaire Montemayor, resident, spoke to the Council.

Rob Means, resident, referred to a flat rate per unit for residential development, and the fact that the same rate was charged regardless of size of unit. That was not reasonable, he felt.

Mayor Tran expressed his support for policy alternative 1, which staff suggested to allow deferral of payment until occupancy of development projects occurred.

Councilmember Nuñez asked about a sliding scale, and asked why it was not recommended. Mr. Thomas said the flat rate was established currently. In the future, with the next update, staff may bring sliding scale fees over the next year. He also inquired about the 12 or so projects in the pipeline (allowing deferral of fee until permitted, for the next 12 months only) and staff responded to this and various questions.

Councilmember Phan asked about the timeline that the fee was assessed, and if it was assessed before or after the entitlement process. Mr. Thomas said it was at the time the building permit was applied for (not issued) which occurred after "entitlement" (following Planning Commission approval). Staff responded to him about when fees were calculated and collected for projects in the TASP area.

Councilmember Montano asked questions about the calculation of specific fees and a sliding scale. Mr. Riley responded with information on the past fees, calculation and timing. She referred to the letter the Council had received, and was concerned for Core and fairness of the City toward the applicant. An increase in costs could impact the quality of the new homes built.

Councilmember Phan shared the same concerns as Ms. Montano. Costs increased but fees charged were not increased over the past five years. He inquired why that occurred.

Councilmember Nuñez recalled a prior fees discussion at the Council meeting. He wondered why this fee was a two-step process. Mr. Riley responded on how the recommendation came to this meeting date. The second part of the process was underway and would come back to City Council next year. Mr. Nuñez did not want to do the fees piecemeal but rather to consider the entire study at once.

Vice Mayor Dominguez had questions about TASP, past history and application of fees on hotels. She asked when new hotels would be included in the new fees, based on CEQA application. Mr. Thomas responded that there would be no hotels entitled in the TASP area at this time. Mr. Riley explained, if raising fees only, there would not be any CEQA action.

Councilmember Phan asked why this was sensitive on this date. Mr. Thomas replied that it was actually "catch up" on fees at this time. This action was to bring the TASP up to where it should be, if fees had been updated annually since 2014.

Mayor Tran said he was in favor of the staff recommendation.

Mr. Thomas pointed to one page in the technical memorandum from the consultant regarding amount of fees that would have been collected (loss) if fees had been adjusted annually in the TASP.

Councilmember Nuñez agreed with the Mayor, and being guided by staff, remarked on the fact that prior City staff did not bring these fee increases to the Council in the past several years. He did not agree that it would take one year for the next part of the study to return to City Council.

Motion: to close the public hearing following four speakers

Motion/Second: Councilmember Nuñez/Vice Mayor Dominguez

Motion carried by a vote of: AYES: 5
NOES: 0

City Manager McHarris commented on the shorter update of one set of fees now, and then later consider changes to the plan and update fees then, as a two step process.

Mr. Riley responded that staff could bring back additional information to City Council in order to make a decision. Staff had tried a simple process with this evening's action. They would come back with criteria and information on hotels, to help with crafting the 2020 update. Consider an approach and bring that back to Council.

City Council agreed with what Mr. Riley offered and wanted figures to know the maximum revenue from TASP fees for 2020.

City Attorney Diaz said with supplemental information at the next meeting, with essentially the same action recommended as this evening, it would be okay to continue item. It required the City Council to re-open the hearing and continue it for two weeks or further.

Motion: to re-open the public hearing, to move to continue it to a future City Council meeting, seeking more information from staff on the TASP fee increase, and with no action taken at this meeting on the staff recommended resolution

Motion/Second: Councilmember Nuñez/Councilmember Montano

Motion carried by a vote of: AYES: 5
NOES: 0

No vote was taken on the recommendation to adopt a resolution authorizing the City Manager to update the Transit Area Development Impact Fees (TADIF) based on current cost estimates for infrastructure items listed in the TASP Basic Infrastructure Program (BIP) and to allow deferral of TADIF payment until approval of occupancy for those projects listed in Exhibit B to the Resolution, with the deferred payment provision to expire 12 months after the effective date of the fee increase.

COMMUNITY SERVICES

12. Community Theater Program

Recreation Director Renee Lorentzen presented a report on a study regarding the youth theater contract program and the use of the Community Center Auditorium. She described the scope of the comprehensive study completed along with history on the former Rainbow Theater (city operated program) and Center Stage Performing Arts (contract program). She detailed a cost analysis, listing proposed structural changes, which followed a survey and outreach efforts conducted in the community.

Next, Mayor Tran next invited public comments, limited to one minute each.

A woman thanked the Council and the hard work of City staff, working collaboratively with the theater parents, leaders and children. She was very happy with the proposed program to continue theater arts program in the City.

Voltaire Montemayor, a resident, mentioned eminent domain, a bigger place, having a great program for the whole region.

Jackie Romero asked Council to notice all the audience members wearing white in solidarity with the theater group supporters. It was important to listen to stakeholders and work collaboratively, which happened in this case. She mentioned over 1,000 signatures on a petition that was signed online.

Allysson McDonald, resident, was pleased with the result of this study and effort, especially with the City recovering more of the costs. She urged the City Council to prioritize public use of the auditorium over private rentals.

A young woman thanked the Council for its support of the theater. Recently, try outs in the auditorium yielded 60 kids for the new show. She was concerned about having only one weekend for performances of shows.

A young woman asked how the Council would choose the Director by contract: would it be based on prior qualifications or other factors, and she admired the current director.

A woman spoke of good turnout for the recent audition. She was concerned about one small room allocated for practicing the shows, with kids of all varying ages.

A young man referred to a committee voting on what show the theater group was doing for the season. He asked if it would be a set committee for one season or something else.

Evelyn Chua, resident, thanked the Mayor and Councilmembers for finding a solution to this issue, along with the City Manager and Recreation Director along with the parents of the theater youth. She liked the solution proposed.

A young man followed up on his sister's comments about how hard it would be to do five shows over one weekend. That was a lot, along with other responsibilities.

A man was concerned about the number of participants in each show and the smaller number of performances for each show (if only six).

A woman was very happy that the City and theater group worked together to make it happen. Lots of history of the program and it needed to continue. She thanked City Council.

Lisa Baker, resident, thanked the City Council. Residents paid their taxes and the theater was supported by the people who lived here. A community theater group should be kept for the community, not for private rentals.

A young woman felt that on shortening the time frame, that it was barely enough for a quality production.

Ms. Lorentzen came to the podium to respond to many of the questions by speakers.

Mayor Tran commented first. He liked the study, having become more informed about programs at the Community Center. He referred to the Milpitas Library which had a great stage and auditorium room, as a potential location to explore for performance and rehearsal. He was fine with the one-weekend, five performances proposed and supported the proposal.

Vice Mayor Dominguez knew performing arts were important to all of the City Council and the community. She thanked staff for prioritizing this topic and the time commitment to the outreach process done.

Councilmember Nuñez asked about the Arts Commission (not Parks and Recreation) for the show selection committee. Staff responded on the usual role of Arts Commissioners, while it did not preclude having a Parks, Recreation and Cultural Resources Commissioner on the committee. He inquired about the School District and if it would be involved. Staff replied MUSD could be involved in a potential joint use area, and perhaps on the selection committee. Mr. Nuñez asked if there were groups waiting to sign up to use the auditorium for the 156 dates once the theater show dates were reduced.

Councilmember Phan was impressed with several of the student theater participants, and hoped their concerns were answered. Ms. Lorentzen responded to various financial questions he had. He fully supported the idea of remaining flexible to allow a show to be performed over two weekends (not just one) if space was available.

Mayor Tran asked if the City staff support amount of $72,560 could be shifted to the contractor (on the cost analysis slide). Recreation Director responded that it partly depended on the

revenue of the shows performed, while the City did propose to do the marketing and branding of the theater program.

Councilmember Montano thanked city staff and Mayor Tran for their efforts, and she appreciated the Mayor's passion for this program. She agreed with staff recommendations.

Motion:

1. To approve restructuring of the youth theatre contract program and performing arts class opportunities resulting in: (a) increased availability for residents' use of the Community Center Auditorium; (b) creation of Performing Arts Brand and Marketing; and (c) expansion of performing arts opportunities including shorter, less expensive programs for children with subsidy through the Milpitas Assistance Program; and greater variety, including cultural music and dance; and, (d) a contract structure for the program's Director to go to a flat rate for each production, including a percentage of ticket sales revenue, and
2. To direct staff to develop additional recommendations for City Council consideration during the FY 2020-21 budget process for additional opportunities based on community feedback/ interest.

Motion/Second: Councilmember Montano/Vice Mayor Dominguez

Motion carried by a vote of: AYES: 5
NOES: 0

PUBLIC SAFETY

13. Unmanned Aircraft System (UAS)

Milpitas Police Captain Jared Hernandez presented information about the Unmanned Aircraft System (UAS or "drone") policy, the Federal Aviation Authority, oversight authority, laws and policy, and the fiscal impact of such a program. He displayed visuals, with an example video obtained from an aircraft over the hills in Milpitas. This technology would be useful to other city departments: Fire, Public Works, Engineering and Building. Captain Hernandez described elements of the proposed policy along with costs of approximately. $55,000 - $65,000 in total. Following the next steps for this program, including outreach, the Milpitas Police hoped to implement it in January of 2020.

Mayor Tran stated he was fully in favor of this technology, for many beneficial uses once deployed, similar to neighboring cities that use drones presently. He inquired about insurance and appreciated various uses. It could also be used by the PIO to showcase the City.

Councilmember Montano was glad that technology would be in use for first responders. She asked what the distance would be that a drone could view. Staff replied it depended on the vendor's product, and there were two primary companies for law enforcement drones.

Councilmember Nuñez asked, regarding costs, if the those noted covered the costs of buying the units and training of the (8) operators. He was fully supportive and wanted to make sure that the Fire Department could take advantage of the technology, and to consider buying eight total devices with some designated for Fire, distinct from Police use.

Councilmember Phan asked if costs were mostly for training and certifications, or was the bulk for the equipment. Staff replied equipment. He sought more details on the specifications of the drones, different from commercial products at the mall. Mr. Phan asked for how long the recordings were maintained (based on records retention) and about the purpose of UAS. He expressed concern for the community's privacy rights.

Councilmember Montano referred to comments from Mr. Nuñez about buying eight units, while she noted that technology changed rapidly. She suggesting purchasing four units and then see how it goes before purchasing more.

Mayor Tran asked for public comments and Voltaire Montemayor addressed the Council.

Police staff received the comments and input from the Mayor and City Council, and no vote was taken on this item.

LEADERSHIP

14. Clarification on Rules Subcommittee

Mayor Tran announced this would be the last item discussed at this meeting, at 11:26 PM.

City Manager Steve McHarris and Assistant City Manager Ashwini Kantak introduced this topic. She provided background information and then listed six questions to Council about Agenda Item Request Forms.

Mayor Tran responded briefly to Ms. Kantak that most of the questions did need further discussion and input to staff on those 1 – 6. He noted some items could wait until the CIP was formed next year, and others perhaps wait for the budget. If three members during a meeting ask for an item to go on the next Council agenda, he felt that was ok to bypass the Rules Committee. Time management was key. He would limit the total number of these request items to five on any City Council agenda.

Councilmember Nuñez felt these questions were administration questions, not Council questions. He liked that it was a pilot program and wanted to keep the process to make it better. Consistency would make the Council better at this. He wanted to talk about his proposed items, before it got onto a City Council agenda. Maybe cue up the items, as the Mayor suggested. Mr. Nunez wanted to allow those who submitted forms to be able to speak on the item described.

Vice Mayor Dominguez went through the listed questions and responded to those. She agreed with controlling the items for the next agenda, but not control the topics. This would get a pipeline of ideas going (list of the ideas submitted).

Mayor Tran felt there needed to be more parameters. Limit the number of requests to be submitted at a time. He suggested to wait until Rules meets to review.

Councilmember Nuñez and Vice Mayor Dominguez commented further on the questions posed by staff. Then the Vice Mayor Dominguez suggested the group might discuss this at the retreat.

City Attorney Diaz replied that perhaps the entire Council could attend the Rules Subcommittee meeting scheduled on Friday, October 4, to get these items addressed and respond to staff questions No. 1 – 6. The meeting could include the full City Council if noticed properly.

Vice Mayor Dominguez wanted to follow what the City Attorney described. Mr. Diaz then confirmed all five Councilmember could be invited to the Rules Subcommittee meeting and it would be listed on the agenda as a special Council meeting. All could participate then.

15. Facility Use Manual

This item was not heard.

16. Direction on Policy for Training and Events

This item was not heard.

REPORTS

None of the Agenda Item Request Forms were discussed, in agenda items no. 17 – 25.

NEXT AGENDA

26. Preview next agenda

Noted receipt of list of agenda items for October 15, 2019 City Council meeting agenda.

ADJOURNMENT

Mayor Tran adjourned the joint meeting at 12:09 AM on Wednesday, October 2. In memory of Sandeep Dhaliwal, Harris County, TX Sheriff's Deputy who was killed the previous weekend.

Meeting minutes respectfully drafted and submitted by
Mary Lavelle, City Clerk

***Draft* MEETING MINUTES**
CITY OF MILPITAS

Minutes of:	**Special Meeting of Milpitas City Council**
Date:	**Friday, October 4, 2019**
Time:	**10:00 AM**
Location:	**Crowne Plaza Hotel, Krystall B room** **777 Bellew Road, Milpitas CA**

CALL TO ORDER Vice Mayor called the special meeting to order at 10:10 AM.

PRESENT: Vice Mayor Dominguez, Councilmembers Montano, Nuñez and Phan

ABSENT: Mayor Tran

Staff present: Interim City Manager Steve McHarris and City Attorney Chris Diaz

From the consulting firm Management Partners, Rod Gould and Christine Butterfield were also in attendance.

PUBLIC FORUM None

RETREAT Councilmembers met together with the staff and consultant to discuss working relationships, meeting management and City Council goals.

At the end, City Council directed staff to cancel the subsequent Rules Subcommittee meeting jointly with City Council scheduled for 3:00 PM this same date (due to Mayor's absence). The group also directed that items on the last City Council meeting from Rules would be removed for October 15 until they had a chance to discuss Rules procedures on October 25, the next scheduled Rules meeting.

ADJOURNMENT The Special Meeting was adjourned at 1:45 PM.

Meeting minutes respectfully submitted by
Mary Lavelle, City Clerk

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Approve Findings of Exception to the requirements of the Affordable Housing Ordinance to allow payment of fees in lieu of reserving six affordable units on the project site to be included in the previously adopted Resolution approving a Site Development Permit, Conditional Use Permit, Vesting Tentative Map, and Environmental Assessment to develop a 40-unit residential condominium building, up to 49 feet in height (four stories), with parking for up to 74 vehicles, on a 1.22 acre site located at 2001 Tarob Court**
Category:	Consent Calendar-Community Development
Meeting Date:	10/1/2019
Staff Contact:	Ned Thomas, Planning Director, 408-586-3073
Recommendation:	Approve Findings of Exception to the requirements of the Affordable Housing Ordinance to allow payment of fees in lieu of reserving six affordable units on the project site to be included in the previously adopted Resolution approving Site Development Permit (SD18-0014), Conditional Use Permit (UP19-0009), Vesting Tentative Map (MT18-0004), and Environmental Assessment (EA19-0002) to allow development of a 40-unit residential condominium building, up to 49 feet in height (four stories), with parking for up to 74 vehicles, on a 1.22-acre site at 2001 Tarob Court

Background:
On August 20, 2019, the City Council held a public hearing on the proposed development. The City Council voted 4-0 (Mayor Tran absent) to adopt the resolution to tentatively approve the proposed project subject to Council review and approval of the required findings, provided in writing by the City Attorney, for an exception to the requirements of the Affordable Housing Ordinance to allow payment of fees in lieu of reserving six affordable units on the project site. The City Council directed the City Attorney and staff to prepare findings to support the fee-in-lieu exception to the Affordable Housing Ordinance and to place the final resolution on the consent agenda for Council review at their next meeting to approve the findings of exception.

Timeline of Project Application:

The following timeline clarifies the timing of the application for this project in relation to adoption of the City's Affordable Housing Ordinance on June 12, 2018 and the in-lieu fee in March 5, 2019. The applicant submitted project plans on November 2, 2018. At that time, the applicant acknowledged an awareness of the City's affordable housing requirements and stated an intent to provide six affordable units on the project site. The applicant later requested an exemption after the City adopted an in-lieu fee of $33/sf for residential projects.

DATE	ACTION
October 3, 2017	Council amends General Plan and TASP to allow residential development on four former industrial parcels (551 Lundy Place, 1992 and 2001 Tarob Court, and 675 Trade Zone).
October 17, 2017	Council rezones four former industrial parcels (8.7 acres) from Industrial Park to Multi-family High Density with Transit-Oriented Development Overlay (R3-TOD)

June 12, 2018	Council adopts Affordable Housing Ordinance. Effective date is July 20, 2018.
November 2, 2018	True Life Cos. submits application for 40-unit condo project at 2001 Tarob Court.
March 5, 2019	Council adopts Affordable Housing In-lieu fee of $33/sf for residential project.
May 8, 2019	True Life Cos. submits letter requesting an exception to the Affordable Housing Ordinance to pay the in-lieu fee rather than build six affordable units on the project site.
July 31, 2019	Planning Commission recommends approval of the proposed project.
August 20, 2019	Staff presented draft Resolution to approve project with on-site affordable units and deny applicant's request for an exception to the Affordable Housing Ordinance. Council adopts the resolution tentatively approving the project contingent on staff preparing legal findings and Council review and approval of the required findings for approval of a fee-in-lieu exception to the Affordable Housing Ordinance.
Sept. 17, 2019	Staff will return to Council with draft findings to support the fee-in-lieu exception to the Affordable Housing Ordinance in order to allow the Council to approve the findings.

Analysis:

The proposed project is consistent with the development standards and goals of the Transit Area Specific Plan and the Multifamily High Density (R3) Zoning District with Transit-Oriented Development (TOD) Overlay. The project includes a mix of two and three bedroom units and is within the allowable density range for the R3-TOD designation (21-40 units per acre). The project also complies with the setbacks, maximum height limitations, and parking requirements. All of the current findings for approval of the Site Development Permit, Conditional Use Permit, and Vesting Tentative Map can be made for the proposed project.

Affordable Housing Ordinance Requirements – Section XII-3.00 of the Milpitas Municipal Code (MMC) requires all new residential development projects of ten units or more designed and intended for permanent occupancy to designate 15% of the total number of dwelling units within the development as affordable units. The cover letter that accompanied the applicant's original submittal of plans on November 2, 2018 states the developer's intent to build six (6) affordable units on the project site rather than pay the in-lieu fees (See Attachment E). The application form that accompanied the applicant's original submittal of plans also indicates the developers' intent to provide six new affordable units on the project site (See Attachment F, Section 5).

MMC Section XII-1-4.00 provides an exception to the 15 percent affordable requirement subject to approval by the City Council. In a written response to the second round of staff review comments dated May 8, 2019, the applicant states a desire to pay the new in-lieu fee rather than reserve six affordable units on the project site. The applicant also acknowledges an awareness of recent Council action in establishing the in-lieu fee of $33/sf for residential projects (See attachment G). All exceptions to the requirements of the Affordable Housing Ordinance must be approved by the City Council based on specific findings related to community benefits and project location. With an average unit size of 1,420 square feet, the minimum affordable housing in-lieu fee for this project will be approximately $1.875 million. The final fee amount will be determined once the City has reviewed the building permit application for the final square footage. The applicant has also offered to pay additional funds into the Affordable Housing Fund, the Public Art Fund, and other community benefit projects.

Prior to City Council approval to the requested exception, affirmative findings to the following must be mad

1. *The exception requested exceeds the minimum affordable requirements; and*

   Based on the current in-lieu housing fee of $33 per square foot for residential projects, the applicant shall pay approximately $1.875 million to the City's affordable housing fund to meet the minimum affordable requirements for the proposed project. In addition, the applicant shall pay an additional $200,000 to the affordable housing fund to meet the required finding for approval of the exception. Pursuant to Resolution no. 8852, the affordable housing fee is based on the building permit application date. The residential affordable housing fee is $33 per square foot until June 30, 2020, and the fee will be adjusted by the Rate Index for the next fiscal year after June 30, 2020.

2. *The community benefits exceed the project benefits.*

   Pursuant to MMC Section XI-10-14, private residential development of 20 or more dwelling units shall devote an amount not less than one-half of one percent of Building Development Costs for acquisition and installation of Publicly Accessible Art on the project site or contribute the value into the Public Art Fund for acquisition and placement of Public Art throughout the City. The applicant has agreed to double the required contribution to the City's Public Art fund to provide a community benefit. The applicant shall pay no less than one percent of building development costs, with the actual fee amount determined at the time of building permit issuance.

   As an additional community benefit, the applicant shall also pay $100,000 toward the cost of aesthetic enhancements to the planned vehicle/pedestrian bridge that will extend South Milpitas Boulevard over Penetencia Creek and into the Tarob Court neighborhood. With the payment of additional funds to the design of the South Milpitas Boulevard bridge, the community benefits will exceed the project benefits.

Based on the record as a whole, staff recommends that the fee exception request by the applicant meets the findings pursuant to MMC Section XII-1-4.00. Staff recommends that the City Council approve the exception to the requirements of the Affordable Housing Ordinance and allow the payment of fees in lieu of reserving six affordable units on the project site.

Policy Alternatives:
Alternative 1: Not approve the findings granting an exception to the requirements of the Affordable Housing Ordinance.

Pros: The City will add six Below Market Rate (BMR) units to its housing stock, benefiting the community and Milpitas residents. This is the first project requesting a fee exception under the new Affordable Housing Ordinance, and a decision to grant the exception could set a precedent for other projects to fee-out.

Cons: The applicant may abandon the project and the project site may remain an industrial office. The City would lose the opportunity to further implement the TASP in this area. The City would also lose the additional monetary contributions towards the Public Art fund, Affordable Housing Fund, and the aesthetic enhancement of the South Milpitas Boulevard culvert bridge.

Reasons not recommended: With commitments to pay addition funds to the Affordable Housing fund, Public Art fund, and other community benefits, the applicant has demonstrated that the Project qualifies for an exception to the requirements of the Affordable Housing Ordinance. Staff is able make the findings to support of the affordable housing exception request.

Fiscal Impact:
The project will pay an additional $200,000 to the Affordable Housing Fund, increasing the contribution from approximately $1.875 million to $2.075 million. The final fee amount will be determined once the City has reviewed the building permit application for the final square footage. In addition, the application will pay double the required contribution to the Public Art Fund from 0.5% to 1% of building valuation and contribute $100,000 toward the cost of aesthetic enhancements to the planned South Milpitas Boulevard culvert bridge.

California Environmental Quality Act:
The Planning Division conducted an initial environmental assessment (P-EA19-0002) of the project in accordance with the California Environmental Quality Act (CEQA). The assessment concluded that none of the circumstances necessitating preparation of a subsequent or supplemental EIR are associated with the Project. The assessment also concluded that an Addendum to the TASP EIR is the appropriate document to address these modifications rather than a subsequent EIR. The Addendum fully addressed all potential impacts associated with this project, and no material changes have been made to the project that would alter the conclusions of the Addendum.

As separate and independent bases, the project is exempt from further CEQA review pursuant to CEQA Guidelines Sections 15182 (Project Consistent with a Specific Plan), 15183 (Project Consistent with the General Plan), and 15168 (Projects Consistent with a Program EIR).

Recommendation:

Approve Findings of Exception to the requirements of the Affordable Housing Ordinance to allow payment of fees in lieu of reserving six affordable units on the project site to be included in the previously adopted Resolution approving Site Development Permit (SD18-0014), Conditional Use Permit (UP19-0009), Vesting Tentative Map (MT18-0004), and Environmental Assessment (EA19-0002) to allow development of a 40-unit residential condominium building, up to 49 feet in height (four stories), with parking for up to 74 vehicles, on a 1.22-acre site located at 2001 Tarob Court

Attachments:

Attachment A:

- Previously Adopted Resolution Approving Site Development Permit, Conditional Use Permit, Vesting Tentative Map, and Environmental Assessment, now including required findings of exception.
- Exhibit A (CEQA Addendum) to Resolution for Council Approval

Attachment B: Planning Commission Staff Report (dated July 31, 2019)

Attachment C: Signed Planning Commission Resolution no. 19-022

Attachment D: Project Plans

Attachment E: Applicant's Cover letter Submitted with Application dated November 2, 2018

Attachment F: Original Application Form dated Sept. 26, 2018

Attachment G: Applicant's Letter requesting Affordable Housing Exception dated May 8, 2019

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS APPROVING SITE DEVELOPMENT PERMIT NO. SD18-0014, CONDITIONAL USE PERMIT NO. UP19-0009, VESTING TENTATIVE MAP NO. MT18-0004, AND ENVIRONMENTAL ASSESSMENT NO. EA19-0002 TO ALLOW A 40-UNIT RESIDENTIAL CONDOMINIUM BUILDING, UP TO 49 FEET IN HEIGHT (FOUR STORIES), WITH PARKING FOR UP TO 74 VEHICLES, ON A 1.22 ACRE SITE LOCATED IN THE MULTI-FAMILY HIGH DENSITY RESIDENTIAL (R3) ZONING DISTRICT AT 2001 TAROB COURT, AND MAKING FINDINGS PURSUANT TO SECTION XII-1.00, *et seq.* OF THE MILPITAS MUNICIPAL CODE AND CEQA FINDINGS PURSUANT TO CEQA GUIDELINES SECTIONS 15162, 15163, 15164, 15168, 15182, AND 15183

WHEREAS, pursuant to the California Environmental Quality Act (Public Resources Code, § 21000 et seq.), the State CEQA Guidelines (California Code of Regulations, title 14, § 15000 et seq.) (collectively, "CEQA"), the City of Milpitas is the lead agency for the proposed project described below; and

WHEREAS, on June 3, 2008, the City Council of the City of Milpitas certified an Environmental Impact Report ("EIR") prepared to analyze the environmental impacts associated with the proposed Transit Area Specific Plan (the "TASP EIR," State Clearinghouse No. 2006032091), and subsequently adopted the Transit Area Specific Plan (the "TASP"); and

WHEREAS, the TASP EIR reviewed the potential environmental impacts associated with the implementation of the TASP, which envisioned the development of 7,109 dwelling units, 287,075 square feet of retail space, 993,843 square feet of office and industrial park space, and 350 hotel rooms; and

WHEREAS, 2001 Tarob Court is located within the TASP planning area; specifically, within the Trade Zone/Montague subdistrict of the TASP; and

WHEREAS, pursuant to CEQA, when taking subsequent discretionary actions in furtherance of a project for which an EIR has been certified has been adopted, the lead agency is required to review any changed circumstances to determine whether any of the circumstances under Public Resources Code § 21166 and State CEQA Guidelines § 15162 require additional environmental review; and

WHEREAS, on November 2, 2018, The True Life Companies (the "Applicant") submitted an application to the City of Milpitas for the approvals necessary to develop a 40-unit condominium residential project at 2001 Tarob Court. The project (the "Project") thus consists of and requires:

a. Site Development Permit (SD18-0014) to allow the development of four-story building with up to forty residential units on a 1.22 acre site; and

b. Conditional Use Permit (UP19-0009) to allow the condominium use; and

c. Vesting Tentative Map (MT18-0004) to establish forty residential condominium spaces and related common areas and to record site easements; and

d. Environmental Assessment (EA19-0002) to review and assess all requested entitlements for consistency with the 2008 Transit Area Specific Plan EIR.

WHEREAS, the Planning Division completed an environmental assessment No. EA19-0002 for the Project in accordance with CEQA, and the Planning Commission recommended that the City Council determine this Project is covered under the program of activities identified in the Transit Area Specific Plan EIR, SCH#2006032091, certified by the City Council on June 3, 2008, based on the CEQA finding included in this

resolution (the "Addendum," a true and correct copy of which is attached hereto and incorporated herein as **Exhibit 2 to Exhibit A**); and

WHEREAS, per 14 C.C.R (CEQA Guidelines) Section 15164(b), the Addendum demonstrates and concludes that none of circumstances necessitating preparation of a supplemental or subsequent EIR, as specified in CEQA Guidelines Sections 15162 or 15163 are present in that there are (a) no substantial changes are proposed in the Project which will require major revisions of the TASP EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (b) no substantial changes have occurred with respect to the circumstances under which the Project is being undertaken which will require major revisions in the TASP EIR due to new or substantially more severe significant effects; and (c) no new information of substantial importance, as defined in CEQA Guidelines Section 15162, which was not known and could not have been known at the time the TASP EIR was certified has become available; and

WHEREAS, the City Council hereby adopts the Addendum makes and accepts as its own the findings set forth in **Exhibit A** attached hereto; and

WHEREAS, as separate and independent bases, the City Council hereby finds and determines that the Project is exempt from further CEQA review pursuant to (1) CEQA Guidelines Section 15183 (projects consistent with a Community Plan, General Plan or Zoning; (2) CEQA Guidelines Section 15182 (residential projects consistent with a specific plan); and (3) CEQA Guidelines Section 15168 (projects within the scope of a program EIR); and

WHEREAS, the Planning Commission is an advisory body to the City Council pursuant to Milpitas Municipal Code Section XI-10-64.03 (Consideration of Concurrent Applications), where, as here, due to the application for density bonus pursuant to Milpitas Municipal Code Section XI-10-54.15, the City Council is the highest review authority for the Project, and, accordingly, all review by other bodies with approval authority over the application shall be in the form of a recommendation to the City Council; and

WHEREAS, on July 31, 2019, the Planning Commission held a duly-noticed public hearing, during which meeting the Planning Commission considered the Addendum EA19-0002, as well as the requested Site Development Permit SD18-0014, Conditional Use Permit UP19-0009, and Vesting Tentative Map MT18-0002 for 2001 Tarob Court, heard a presentation from staff, and had the opportunity hear from members of the public; and

WHEREAS, by adoption of Resolution No. 19-022, the Planning Commission recommended the City Council approve Site Development Permit No. SD18-0014, Conditional Use Permit No. UP19-0009, Vesting Tentative Map No. MT18-0002, and Environmental Assessment No. EA19-0002 for 2001 Tarob Court; and

WHEREAS, the documents and other materials which constitute the record of proceedings upon which the City Council bases the findings contained within this Resolution are available and may be reviewed at Milpitas City Hall, located at 455 E. Calaveras Boulevard, Milpitas, California 95035; and

WHEREAS, on August 20, 2019, the City Council held a duly-noticed public hearing, during which meeting the City Council considered the Environmental Assessment No. EA19-0002, as well as the requested Site Development Permit No. SD18-0014, Conditional Use Permit No. UP19-0009, and Vesting Tentative Map No. MT18-0002 for 2001 Tarob Court, heard a presentation from staff, and had the opportunity hear from members of the public; and

WHEREAS, the findings and conclusions made by the City Council pursuant to this Resolution are based upon the oral and written evidence before it as a whole; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

SECTION 1. Recitals

The City Council has considered the full record before it, which may include, but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and incorporated herein by reference.

SECTION 2. California Environmental Quality Act Findings

The proposed Project is covered under the scope of activities approved under the TASP EIR, SCH#2006032091, which was certified by the Milpitas City Council on June 3, 2008. The EIR included a program of activities including construction of up to 7,109 residential units within the TASP area. The proposed 40 residential units fall within this scope of development activity contemplated in the TASP EIR. LSA Associates completed an environmental assessment of the proposed Project to confirm the proposed Project is within the scope of the TASP EIR. The analysis found that the Project is consistent with the TASP EIR and confirmed that the Project is within the scope of development density considered under the TASP EIR. No new impacts were identified and no new mitigation measures are required. Policies and/or mitigation measures required of projects covered under the TASP EIR are included as Conditions of Approval. Pursuant to Public Resources Code Section 21166 and CEQA Guidelines Section 15168(c)(2), the Project is except from further review under CEQA.

SECTION 3. Vesting Tentative Map Findings (Section XI-1-20.01)

The City Council makes the following findings based on the evidence in the administrative record in support of Vesting Tentative Map No. MT18-0004:

A. The tentative subdivision map is consistent with the General Plan.

The Project site has a General Plan land use designation of High Density, Transit Oriented Residential (HD-TOR). The intent of this designation is to provide high-density housing at a density range of 21-40 dwelling units/acre. As this Project proposes 32.8 dwelling units/acre, it is consistent with both the intended land use of the General Plan and the relevant density requirement.

Further, the Project is consistent with the following General Plan Guiding Principle and Implementing Policies:

1. *2.a 1-31 Develop the Transit area, as shown on the Transit Area Plan, as attractive, high density, urban neighborhoods with a mix of land uses around the light rail stations and the future BART station. Create pedestrian connections so that residents, visitors, and workers will walk, bike, and take transit. Design streets and public spaces to create a lively and attractive street character, and a distinctive identity for each sub-district.*

The Project is consistent with this policy as it includes attractive four-story residential buildings in close proximity to the future Milpitas BART Station. The Project also includes significant streetscape improvements enabling and encouraging pedestrian and bicycle movement throughout the Trade Zone/Montague Subdistrict, with connections to the BART and Light Rail transportation hubs.

2. *2.a 1-32 Require development in the Transit area to conform to the adopted design guidelines/requirements contained in the Transit Area Plan.*

The Project is consistent with this policy as it has been designed per the adopted design requirements contained in the Transit Area Plan. As demonstrated in Section B(2) below, the project meets the applicable requirements of the Transit Area Plan, including building setbacks and height, density, parking, open space, landscaping, access and circulation.

B. None of the conditions identified in California Government Code Section 66474 exist, to wit:

1. *That the proposed map is not consistent with applicable general and specific plans as specified in Government Code Section 65451.*

   As set forth in Section 3(A) above, the map proposes the development of the site into 40 residential condominium units at a density of 32.8 dwelling units/acre. The General Plan and Transit Area Specific Plan land use designation applicable to the site (High Density, Transit Oriented Residential – (HD-TOR) permits residential development at densities of 21 to 40 dwelling units/acre. The map is thus consistent with the General Plan and Transit Area Specific Plan.

2. *That the design or improvement of the proposed subdivision is not consistent with applicable general and specific plans.*

   The design and improvement of the subdivision is consistent with the density range of 21-40 dwelling units per acre as permitted by the General Plan and Transit Area Specific Plan. The proposed density is 32.8 dwelling units per acre. The proposed project is also consistent with the Transit Area Specific Plan development standards, including height (maximum of 49' proposed, where 75' is maximum allowed), number of vehicular parking spaces (74 vehicular spaces proposed, where a minimum of 74 is allowed), bicycle parking (14 spaces proposed, where 14 are required), building orientation (proposed buildings will face streets, where requirement provides building must face streets).

3. *That the site is not physically suitable for the type of development.*

   The site is surrounded by property designated for high density, transit-oriented residential development under the City's General Plan and zoned for this type of development under the Transit Area Specific Plan. In addition, the developer has determined this site to be suitable for the higher density development based on the location, physical attributes, and proposed infrastructure improvements.

4. *That the site is not physically suitable for the proposed density of development.*

   The City Council, through adoption of Resolution No. 8702, has determined that the site is physically suitable for development at the proposed density of 32.8 dwelling units per acre, insomuch as it has amended the applicable general plan land use designation to High Density, Transit Oriented Residential (HD-TOR), which allows densities of 21-40 dwelling units per acre. The site is also flat and has direct access to adjacent streets (Tarob Court and Lundy Place) to accommodate the proposed density of the development.

5. *That the design of the subdivision or the proposed improvements are likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.*

   The Project, including the subdivision and its associated improvements, has been subjected to environmental review under CEQA through the preparation of an Environmental Assessment/Categorical Exemption Memo (Exhibit 2 to Exhibit A of Attachment A). The memo

did not find that the project would be likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat. The Project is also located in an urbanized area and previously developed as an industrial building, and therefore, will not cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.

6. *That the design of the subdivision or type of improvements is likely to cause serious public health problems.*

   The Project, including the subdivision and its associated improvements, has been subjected to environmental review under CEQA through the preparation of an Environmental Assessment/Categorical Exemption Memo (Exhibit 2 to Exhibit A). The memo did not find that the design of the subdivision or type of improvements is likely to cause serious public health problems.

7. *That the design of the subdivision or the type of improvements will conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision.*

   Upon review of the subdivision map, it has been determined that the design of the subdivision or the type of improvements will not conflict with any easements acquired by the public at large, for access through or use of, property within the proposed subdivision. The subdivision does not involve the vacation of easements, however, the existing right-of-way will be abandoned and portions of the area will be retained for a Public Services Utility Easement (PSUE).

SECTION 4. Site Development Permit Findings (Section XI-10-57.03(F)(1))

The City Council makes the following findings based on the evidence in the public record in support of Site Development Permit No. SD18-0014:

A. *The layout of the site and design of the proposed buildings, structures and landscaping are compatible and aesthetically harmonious with adjacent and surrounding development.*

   The Project's site design is consistent with the TASP development standards for the Trade Zone/Montague Subdistrict. The Project consists of 40 condominium units and associated site amenities on a 1.22-acre site. The building's contemporary architectural design features varied materials and complements previously-approved and adjacent projects within the subdistrict. The Project has a strong sense of identity, achieving compatibility and aesthetic harmony with surrounding developments.

B. *The Project is consistent with the Milpitas Zoning Ordinance.*

   The Project site is zoned R3 (Multiple-Family, High Density Residential with a Transit Oriented Development (-TOD) Overlay). Residential uses are permitted in the zoning district. The proposed residential uses are permitted in the zoning district. As demonstrated in the Table 1, the Project conforms to the zoning district and meets the intent for this type of project envisioned in this area.

Table 1:
Summary of TASP R3-TOD Development Standards

Standard (R3-TOD)	Requirement	Proposed	Compliance (Y/N)
Height	Up to 75 feet	49 feet	Y
Setbacks	Front Yard: 8 foot-15 foot maximum; Side and Rear Yards: 15 foot minimum,	10 foot front yard setback; 8 foot to overhead projection; 40 foot side and 21 foot rear yard setback	Y
Projections	Up to 6 feet	2 feet	Y
Building Orientation	Buildings must face street	Buildings face street	Y
Density	21-40 du/ac	32.8 du/ac	Y
Parking (Resident)	2-3 bedroom – 1.6 – 2 covered per unit Between 64 (min) - 80 (max) spaces	64 spaces	Y
Parking (Guest)	15 percent of required = 10 spaces	10 spaces	Y
Parking (Bicycle)	1 space per 4 housing units, exempting units with private garages = 10 spaces; on-street guest racks equivalent to 5 percent of parking requirement = 4 spaces	10 secure, long term spaces 4 exterior guest spaces	Y
Usable Open Space	Minimum 25 percent of the total site shall be usable open space or recreational facilities = 0.31 acres required;	0.44 acres	Y
Private Open Space	An average of two hundred square feet of usable open space shall be provided for each dwelling unit. "Usable open space" shall mean any open space, the smallest dimension of which is at least 4 ½ feet and which is not used as storage or for movement of motor vehicles: except that yards abutting a public street, which are not	Private recreational area = 0.28 acres 60 SF balconies provided per unit. 60 x 40 = 2,400 SF or 0.06 acres. 0.06/0.18 = 30% of the required contiguous open space Total private open space = 0.31 acres = 337.6 SF/unit	Y

	adequately screened for privacy, in the opinion of the Planning Commission, shall not qualify as usable open space. Balconies, porches, or roof decks may be considered usable open space when properly developed for work, play or outdoor living areas. At least thirty (30) percent of required open space shall be contiguous to and provide for private usable open space of the individual dwelling unit. 200 x 40 = 8,000 SF or 0.18 acres		

C. The Project is consistent with the Milpitas General Plan.

The Project site has a General Plan land use designation of High Density, Transit Oriented Residential (HD-TOR). The intent of this designation is to provide high-density housing at a density range of 21-40 dwelling units/acre. As this Project proposes 32.8 dwelling units/acre, it is consistent with both the intended land use of the general plan and the relevant density requirement.

Further, the Project is consistent with the following General Plan Guiding Principle and Implementing Policies:

a. 2.a 1-31 Develop the Transit area, as shown on the Transit Area Plan, as attractive, high density, urban neighborhoods with a mix of land uses around the light rail stations and the future BART station. Create pedestrian connections so that residents, visitors, and workers will walk, bike, and take transit. Design streets and public spaces to create a lively and attractive street character, and a distinctive identity for each sub-district.

The Project is consistent with this policy as it includes attractive four-story residential buildings in close proximity to the future Milpitas BART Station. The Project also includes significant streetscape improvements enabling and encouraging pedestrian and bicycle movement throughout the Trade Zone/Montague Subdistrict, with connections to the BART and Light Rail transportation hubs.

b. 2.a 1-32 Require development in the Transit area to conform to the adopted design guidelines/requirements contained in the Transit Area Plan.

The Project is consistent with this policy as it has been designed per the adopted design requirements contained in the Transit Area Plan. As demonstrated in subsection D, the Project meets the applicable requirements of the Transit Area Plan, including building setbacks and height, density, parking, open space, landscaping, access and circulation.

D. The Project is consistent with the Specific Plan.

The Project proposes the development of the site in to one four-story building consisting of 40 residential condominium units at a density of 32.8 dwelling units/acre. The Transit Area Specific Plan land use designation applicable to the site (High Density, Transit-Oriented Residential (HD-TOR)) permits

residential development at densities of 21 to 40 dwelling units/acre. The Project is thus consistent with the Transit Area Specific Plan use and density requirements. As demonstrated in Table 1, the project also complies with TASP development standards. Landscaping along the streets and greenspace with the development is provided as envisioned by the TASP.

SECTION 5. Conditional Use Permit Findings (Section XI-10-57.04(F))

The City Council makes the following findings based on the evidence in the public record in support of Conditional Use Permit No. UP19-0009:

A. The proposed use, at the proposed location, will not be detrimental or injurious to property or improvements in the vicinity nor to the public health, safety and general welfare.

The Project will not be detrimental or injurious to property or improvements in the vicinity, nor to the health, safety or general welfare. The project is consistent with other high density residential projects within the TASP. The condominium project creates housing opportunities and increases the diversity of housing types in the TASP area.

B. The Project is consistent with the Milpitas Zoning Ordinance.

The Project is consistent with the Zoning Ordinance, as the condominium use is conditionally permitted per MMC Table XI-10-4.02-1. The project conforms to all of the development standards set forth by the Zoning Ordinance, as discussed in the Zoning Ordinance consistency discussion set out in support of issuing a Site Development Permit.

C. The Project is consistent with the Milpitas General Plan.

As stated in the Site Development Permit discussion above, the Project implements the range of uses and the density of development set forth in the Milpitas General Plan.

D. The Project is consistent with the Transit Area Specific Plan.

As stated in the Site Development Permit discussion above, the Project implements the range of uses, the density of development and the development standards as set forth in the TASP.

SECTION 6. Affordable Housing Ordinance (Section XII-1-4.00)

The City Council approves the Applicant's request for an exception from the requirement to construct affordable housing units as part of the Project as required by the Milpitas Municipal Code Section XII-1-00, *et seq.* The Applicant has demonstrated that the Project qualifies for such an exception based upon the following findings based on the evidence in the public record for the affordable housing exception request:

A. The exception requested exceeds the minimum affordable requirements; and

Based on the current in-lieu housing fee of $33 per square foot for residential projects, the applicant shall pay approximately $1.8 million to the City's affordable housing fund to meet the minimum affordable requirements for the proposed project. Pursuant to Resolution no. 8852, the affordable housing fee is based on the building permit application date. The residential affordable housing fee is $33 per square foot until June 30, 2020, and the fee will be adjusted by the Rate Index for the next fiscal year after June 30, 2020. In addition to the minimum affordable requirements, the applicant shall pay an additional $200,000 to the affordable housing fund to meet the required finding for approval of the exception.

B. The community benefits exceed the project benefits.

Pursuant to MMC Section XI-10-14, private residential development of 20 or more dwelling units shall devote an amount not less than one-half of one percent of Building Development Costs for acquisition and installation of Publicly Accessible Art on the project site or contribute the value into the Public Art Fund for acquisition and placement of Public Art throughout the City. The applicant has agreed to double the required contribution to the City's Public Art fund to provide a community benefit. The applicant shall pay no less than one percent of building development costs, with the actual fee amount determined at the time of building permit issuance.

As an additional community benefit, the applicant shall also pay $100,000 toward the cost of aesthetic enhancements to the planned vehicle/pedestrian bridge that will extend South Milpitas Boulevard over Penetencia Creek and into the Tarob Court neighborhood. With the payment of additional funds to the design of the South Milpitas Boulevard bridge, the community benefits will exceed the project benefits to meet the required finding.

SECTION 7. Severability

If any section, subsection, sentence, clause, phrase, or portion of this Resolution is for any reason held incorrect, invalid, illegal, or unenforceable, such decision shall not affect the validity of the remaining portions of this Resolution. The City Council hereby declares that it would have passed each section, subsection, phrase, or clause thereof irrespective of the fact that any one or more sections, subsections, phrases or clauses be declared incorrect, invalid, illegal, or unenforceable.

SECTION 8. City Council Approval

The City Council hereby approves Site Development Permit No. SD18-0014, Conditional Use Permit No. UP19-0009, Vesting Tentative Map No. MT18-0004, and Environmental Assessment No. EA19-0002 (subject to the Conditions of Approval attached hereto and incorporated herein as **Exhibit 1**), based on the above findings.

PASSED AND ADOPTED this ___ day of _____ 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: APPROVED:

_____ _____

Mary Lavelle, City Clerk Rich Tran, Mayor

APPROVED AS TO FORM:

_____

Christopher J. Diaz, City Attorney

EXHIBIT '1'

CONDITIONS OF APPROVAL
2001 TAROB COURT RESIDENTIAL DEVELOPMENT

SITE DEVELOPMENT PERMIT NO. SD18-0014
CONDITIONAL USE PERMIT NO. UP19-0009
VESTING TENTATIVE MAP NO. MT18-0004
ENVIRONMENTAL ASSESSMENT NO. EA19-0001

GENERAL CONDITIONS

1. General Compliance: The Permittee and owner, including all successors in interest (collectively "Permittee") shall comply with each and every condition set forth in this Permit. **SITE DEVELOPMENT PERMIT SD18-0014, CONDITIONAL USE PERMIT UP19-0009, VESTING TENTATIVE MAP MT18-0004, and ENVIRONMENTAL ASSESSMENT EA19-0002** (collectively "Permit") shall have no force or effect and no building permit shall be issued unless and until all things required by the below-enumerated precedent conditions have been performed or caused to be performed. The Permittee shall develop the site in accordance with the approved Attachments and as modified by these Conditions of Approval.

2. Effective Date: Unless there is a timely appeal filed in accordance with the Milpitas Zoning Code, the date of approval of this Permit is the date on which the City Council approved this Permit.

3. Acceptance of Permit: Should Permittee fail to file a timely appeal within twelve (12) calendar days of the date of approval of this Permit, inaction by Permittee shall be deemed to constitute each of the following:
    a. Acceptance of this Permit by Permittee; and
    b. Agreement by the Permittee to be bound by, comply with, and to do all things required of or by Permittee pursuant to all of the terms, obligations, and conditions of this Permit.

4. Permit Expiration: Pursuant to Section XI-10-64-06 of the Milpitas Municipal Code, this Permit shall become null and void if the activity permitted by this Permit is not commenced within two (2) years from the date of approval, or for a project submitted with a tentative map, within the time limits of the approved tentative map. Pursuant to Section XI-10-64.06(B) of the Milpitas Municipal Code, an activity permitted by this Permit shall be deemed to have commenced when the Project:
    a. Completes a foundation associated with the Project; or
    b. Dedicates any land or easement as required from the zoning action; or
    c. Complies with all legal requirements necessary to commence the use, or obtains an occupancy permit, whichever is sooner.

5. Time Extension: Pursuant to Section XI-10-64.07 of the Milpitas Municipal Code, unless otherwise provided by State law, Permittee shall have the right to request a one-time extension of the Permit if the request is made in writing to the Planning Division prior to the expiration date of the approval. **(P)**

6. Project Job Account: If Permittee's project job account is at any time delinquent or below the required deposit amount, City will not continue to review or process the application until Permittee's project job account is paid in full and the required deposit has been made. Additionally, prior to the issuance of any building permit or occupancy permit as applicable, Permittee shall pay in full the Project account balance and establish a remaining balance of at least twenty-five percent (25%) of the required initial deposit. **(P/E)**

7. Notice: Pursuant to California Government Code Section 66020, any protest filed in court relating to the imposition of fees, dedication, reservations, or other exactions to be imposed on the development project shall

be filed within ninety (90) days after the date of the adoption of this Resolution. This provision serves as notice from the local agency to the Permittee that the ninety (90) day period in which the Permittee may file a protest has begun under California Government Code Section 66020(d)(1).

8. Cost and Approval: Permittee shall fully complete and satisfy each and every condition set forth in this Resolution and any other condition applicable to the Project to the sole satisfaction of the City. Additionally, Permittee shall be solely responsible and liable for the cost to satisfy each and every condition. **(ALL)**

9. Conditions: Each and every condition set forth in this Exhibit shall apply to the Project and continue to apply to the Project so long as the Project is operating under the permits and approvals in this Resolution. **(ALL)**

10. Compliance with Laws: The construction, use, and all related activity authorized under this Permit shall comply with all applicable local, state and federal laws, rules, regulations, guidelines, requirements and policies. **(CAO/P/E/B)**

11. Indemnification: To the fullest extent permitted by law, Permittee shall indemnify, defend with counsel of the City's choosing, and hold harmless City, its City Council, its boards and commissions, officials, officers, employees and agents from and against any and all claims, demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including without limitation, attorney's fees, disbursements and court costs) of every kind and nature whatsoever which may arise from or in any manner relate (directly or indirectly) to (i) City's approval of the project, including, but not limited to, the approval of the discretionary permits, maps under the Subdivision Map Act, and/or the City's related determinations or actions under the California Environmental Quality Act, and (ii) Permittee's construction, operation, use or related activity under this Permit. This indemnification shall include, but not be limited to, damages awarded against the City, if any, costs of suit, attorneys' fees, and other expenses incurred in connection with such claim, action, causes of action, suit or proceeding whether incurred by Permittee, City and/or the parties initiating or bringing such proceeding. Permittee shall indemnify the City for all of City's costs, attorneys' fees and damages, which City incurs in enforcing the indemnification provisions set forth in this condition. Permittee shall pay to the City upon demand or, as applicable, to counsel of City's choosing, any amount owed pursuant to the indemnification requirements prescribed in this condition. The above indemnification is intended to be as broad as permitted by applicable law. To the extent the above indemnification is limited by Government Code Section 66474.9, any limitations shall only apply to Vesting Tentative Map No. MT16-0003, and the balance of the Permit shall be unaffected by Government Code Section 66474.9.

12. Certificate of Insurance: Permittee shall provide certificate of insurance and name City as an additional insured in its insurance policies for the Project.

13. Revocation, Suspension, Modification: This Permit may be suspended, revoked or modified in accordance with Section XI-10-63.06 of the Milpitas Municipal Code.

14. Severability: If any term, provision, or condition of this Permit is held to be illegal or unenforceable by the Court, such term, provision or condition shall be severed and shall be inoperative, and the remainder of this Permit shall remain operative, binding and fully enforceable.

15. Response to Conditions of Approval: Permittee shall provide a written response to comments upon submittal for building permit application. The responses should clearly indicate how each condition of approval has been addressed in the plans and shall note the appropriate plan sheet. **(P)**

16. Compliance with Fire Department and California Fire Code: The project shall comply with the requirements of the Milpitas Fire Department and the California Fire Code, as adopted by the City. Changes to the site plan and/or buildings requires review and approval by the Fire Department. **(F)**

17. Development in Conformance with Approved Plans: Permittee shall develop the approved Project in conformance with the plans dated July 10, 2019 and approved by the City Council on September 17, 2019, in accordance with these Conditions of Approval. Any deviation from the approved site plan, elevations, materials, colors, landscape plan or other approved submittal shall require that, prior to the issuance of building permits, the Permittee shall submit modified plans and any other applicable materials as required by the City for review, and obtain the approval of the Planning Director or Designee. If the Planning Director or designee determines that the deviation is significant, the owner or designee shall be required to apply for review and obtain approval of the Planning Commission or City Council, as applicable, in accordance with the Milpitas Zoning Code. **(P)**

PLANNING CONDITIONS

18. Landscape: All approved landscaping shall be permanently maintained and replaced with substantially similar plant material as necessary to provide a permanent, attractive and effective appearance.

19. Architecture: Permittee shall submit updated Project Architecture depicted on the Building Elevations sheets to the Planning Division, and obtain approval from the Planning Director or Designee prior to Building Permit submittal. Any deviations from approved Project Architecture shall be approved at the sole discretion of the Director of Planning or his/her approved designee

20. Street Lights: Permittee shall provide street lighting along all street frontages subject to the review and approval of the Planning Division. Permittee shall likewise install pedestrian scale lights along all public and private street frontages. The Permittee shall submit a photometric plan to determine appropriate light levels with submittal of on-site improvement plans.

21. Parking: Parking shall be provided as depicted on the Site Plan approved by the City Council and shall consist of the following:

    a. RESIDENT: A total of 64 spaces within the parking garage and on the site.
    b. GUEST: A total of 10 guest spaces are to be provided in the internal driveway and in the parking garage.
    c. COMPACT: 29 of the resident and guest parking spaces will be designated as compact spaces. No additional spaces shall be compact without written approval from the Planning Director or his/her designee.

22. Bicycle Racks: A minimum of ten (10) long-term bicycle parking spaces shall be installed on the site. A total of four (4) short-term bicycle parking spaces shall also be installed on the site.

23. Trees: The project will remove 34 trees and replace with 40 trees, in conformance with the plans approved by City Council on September 17, 2019.

24. Public Art Requirement: Permittee shall comply with the City's Public Art Requirements for Private Development, as set forth in Milpitas Municipal Code Section XI-10-14. Fee shall be no less than one-half of one percent of building development costs and shall be payable at time of building permit issuance.

25. Affordable Housing Requirement: Permittee shall comply with the City's Affordable Housing Ordinance, as set forth in Milpitas Municipal Code Section XI-1-3.00 and Resolution no. 8852. The applicable fee levels will be determined by the building permit application date.

a. Fee-In Lieu Exception Request: Prior to Building Permit issuance, the applicant shall pay the in-lieu fees pursuant to Resolution no. 8852, as well as an additional $200,000 to the Affordable Housing Ordinance Fund.
b. Fee-In Lieu Exception Request: Prior to Building Permit issuance, the applicant shall pay an additional one-half of one percent of building development costs towards the City's Public Art Fund.
c. Fee-In Lieu Exception Request: Prior to Building Permit insurance, the applicant shall pay $100,000 to benefit the aesthetic enhancement of the South Milpitas Boulevard culvert bridge.

PLANNING & BUILDING PROJECT-RELATED TASP MITIGATION MEASURES & REQUIRED PROJECT DESIGN FEATURES

Biological Resources (TASP Policy 5.26)

26. Nesting Birds: To mitigate impacts on non-listed special-status nesting raptors and other nesting birds, a qualified biologist will survey the site for nesting raptors and other nesting birds within 14 days prior to any ground disturbing activity or vegetation removal. Results of the surveys will be forwarded to the U.S. Fish and Wildlife Services (USFWS) and CDFG (as appropriate) and, on a case-by-case basis, avoidance procedures adopted. These can include construction buffer areas (several hundred feet in the case of raptors) or seasonal avoidance. However, if construction activities occur only during the non-breeding season between August 31 and February 1, no surveys will be required. **(P)**

Noise (TASP Policy 5.10))

27. Noise Insulation: Prior to issuance of any building permit, Permittee shall demonstrate that the Project will meet the required 45 dBA maximum interior noise standard.

Air Quality (TASP Policy 5.16)

28. Dust Control Emissions: During the construction of the Project, Permittee shall comply with all of the following:
    a. All exposed surfaces (e.g. parking areas, staging areas, soil piles, graded areas and unpaved roads) shall be watered two times per day.
    b. All haul trucks transporting soil, sand or other loose material off the site shall be covered.
    c. All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day or more often if determined necessary by City Engineer or designee. The use of dry power sweeping is prohibited.
    d. All vehicle speeds on unpaved roads shall be limited to 15 MPH.
    e. All roadways, driveways and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.
    f. Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to five (5) minutes (as required by the California airborne toxics control measure Title 13, Section 2485 of California Code of Regulations [CCR]). Clear signage shall be provided for construction workers at all access points.
    g. All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified mechanic and determined to be running in proper condition prior to operation.
    h. Post a publicly visible sign with the telephone number and person to contact at the City regarding dust complaints. This person shall respond and take corrective action within 48 hours. The Air

District's phone number shall also be visible to ensure compliance with applicable regulations. **(B)**

29. ROG Emissions: Prior to issuance of any building permit, Permittee shall develop, submit and obtain approval from the City of a plan to reduce ROG emissions by 17 percent or greater during the architectural coating phase of the construction. Acceptable measures to achieve this goal include, but are not limited to, using paint that contains 125 grams per liter of VOC or less, the use of pre-fabricated building materials, or a combination of both. The plan shall be implemented as approved by the City. **(B)**

Cultural Resources (TASP Policies 5.34 and 5.35)

30. Archeological Monitoring: Any future ground disturbing activities, including grading, in the Transit Area shall be monitored by a qualified archaeologist to ensure that the accidental discovery of significant archaeological materials and/or human remains is handled according to CEQA Guidelines §15064.5 regarding discovery of archeological sites and burial sites, and Guidelines §15126.4(b) identifying mitigation measures for impacts on historic and cultural resources (see Public Resources Code §§21083.2, 21084.1). In the event that buried remains are encountered, work shall be halted in the immediate area and the Santa Clara County coroner and the City of Milpitas Department of Planning and Department of Building shall be immediately contacted to determine the nature of the remains and related appropriate mitigation plan. If remains are determined to be of Native American origin, the coroner will then contact the Native American Heritage Commission (NAHC), which will in turn contact the appropriate Most Likely Descendent (MLD). The MLD will then have the opportunity to make a recommendation for the respectful treatment of the Native American remains and related burial goods. **(P/B)**

31. Paleontological Monitoring: All grading plans for development projects involving ground displacement shall include a requirement for monitoring by a qualified paleontologist to review underground materials recovered. In the event fossils are encountered, work in the area shall be halted and the City of Milpitas Department of Planning and Department of Building shall be immediately contacted to determine the nature of the remains and related appropriate mitigation plan. A qualified paleontologist shall evaluate the fossils, and steps needed to photo-document or to recover the fossils shall be taken. **(P/B)**

ENGINEERING CONDITIONS

PRIOR TO CONSTRUCTION PLAN SUBMITTALS

*The following conditions shall be met **prior to** any detailed construction plan check submittals (Building or Engineering, except demolition and rough grade plans), unless otherwise approved by the Director of Engineering/City Engineer. City reserves the right to reject any plan check submittal if any of the following conditions are not met. **(E)***

32. Modifications: The Site Development Plan dated July 10, 2019 is subject to change during the plan check stage based upon City's previous comments and conditions stated herein.
33. Solid Waste and Recycling Handling Plan: Permittee shall submit final Solid Waste and Recycling Handling Plan based upon City's previous comments for City's review and approval by the Engineering Department. The subject Plan shall show calculations of waste generation volumes and how materials will be transferred from the waste generation areas to the trash enclosure/external collection point; demonstrate how recycling shall have a separately maintained process from garbage handling; address other requirements such as waste generation and compactor sizing, chute shut-off and property management responsibility for bin management and litter control; and procure sufficient service frequency.

34. Stormwater Control Plan: Permittee shall submit City approved final Stormwater Control Plan (SWCP) that complies with the latest Municipal Regional Stormwater NPDES Permit, including Low Impact Development (LID) Section C3.c.i.(2)(b) measures for harvesting and reuse, infiltration, or evapo-transpiration, for City's review and approval by the Engineering Department.

35. Photometric Analysis: Permittee shall submit streetlight photometric analysis for City's review and approval by the Engineering Department along Tarob Court and Lundy Place that meet the Illuminating Engineering Society of North America (IESNA), RP8, for roadway and sidewalk lighting standards and City standard design guidelines.

36. Recycle Water Cross-Connection Specialist: In order to comply with the California Code of Regulations Title 17 and 22, and for timely plan approval by the California State Water Resources Control Board/Division of Drinking Water as well as by the South Bay Water Recycling, Permittee must hire a certified cross-connection specialist for their consultation as to irrigation water system design and construction phasing. The name and contact information of the certified cross-connection specialist shall be provided on all landscape submittal plans.

37. Submittal Requirements: Permittee to ensure that all plan check submittals are in accordance with City's submittal check list for each permit type, including but not limited to, payment of permit fees and/or fee deposit at the time of the submittal.

38. Project Job Account/Fee Deposit: Permittee shall open a new PJ account as a deposit to cover the costs for Engineering Department's services for review and inspection of the project. The amount shall be determined based on the public improvement cost estimates as prepared by the Permittee's engineer.

39. Coordination with other Projects: Permittee shall coordinate designs with 1992 Tarob Court subdivision (E-EN18-0056) in advance prior to any plan submittal.

PRIOR TO FINAL MAP APPROVAL/RECORDATION

The following conditions shall be addressed during the final map plan check process and shall be met ***prior to*** *any final approval/recordation (except demolition permit and rough grade permit), unless otherwise approved by the Director of Engineering/City Engineer.* ***(E)***

40. Dedication on the Final Map: Permittee shall dedicate necessary emergency vehicle access easement, public service utility easement, sanitary sewer easement and other public easement(s) deemed necessary for the project.

41. Abandonment/Quitclaim Easements: Permittee shall abandon/quit claim existing easements that are in conflict with or unnecessary for the project.

42. Partial Street Vacation: This project is subject to and contingent upon partial vacation on Tarob Court and Lundy Place.

43. Easements on the Final Map: Permittee shall depict all existing easements to remain based upon current preliminary title report and depict new easements on the final map.

44. Concurrent Off-site Plan Reviews: Permittee shall submit separate off-site improvement plans for City's review and approval by the Engineering Department.

45. Utility Company Approval: Permittee shall obtain approval letters from utility companies (PG&E, AT&T, Comcast) for abandonment of existing and dedication of new public service utilities easements.

46. Demolition of Existing Building: Permittee shall demolish existing buildings/facilities that are in conflict with the new property lines.

47. Covenant, Conditions & Restrictions (CC&Rs): Permittee shall provide CC&Rs for City's review and approval for perpetual maintenance of private roadways, private utilities, stormwater management facilities in accordance with a separately recorded Stormwater Management Facilities Operation and Maintenance Agreement. There shall be provisions in the CC&Rs to retain a recycled water site supervisor with annual re-certification report to the City's Public Works Department.

48. Subdivision Improvement Agreement and Securities: Permittee shall execute a Subdivision Improvement Agreement and provide improvement securities in accordance with MMC Title XI, Section 17, and submit all other supplemental documents as stipulated in the Improvement Agreement (such as certificate of insurance).

49. Annexation to the Community Facilities District: Permittee shall submit an executed petition affirmatively consenting to annex the subject property to the Community Facilities District (CFD) 2008-1, and agree to pay the special taxes levied by the CFD 2008-1 for the purpose of maintaining the public services. The CFD annexation process shall be completed prior to final map approval. Permittee shall comply with all rules, regulations, policies and practices established by the State Law and/or by the City with respect to the CFD including, without limitation, requirements for notice and disclosure to future owners and/or residents. This condition of approval is nonseverable from the Permit and invalidation or limitation of this condition invalidates the Permit, condition 14 notwithstanding.

PRIOR TO OFF-SITE PLAN APPROVAL/ENCROACHMENT PERMIT ISSUANCE

The following conditions shall be addressed as part of the off-site improvement plan review and shall be met ***prior to*** *encroachment permit issuance, unless otherwise approved by the Director of Engineering/City Engineer.* ***(E)***

50. Public Improvement Design Standards: All public improvements shall be designed and constructed in accordance with all applicable public improvement design standards, including but not limited to:
    a. Milpitas Design Guidelines: (http://www.ci.milpitas.ca.gov/milpitas/departments/engineering/design-guidelines/);
    b. Standard details and specifications: (http://www.ci.milpitas.ca.gov/milpitas/departments/engineering/standard-details-and-specifications/);
    c. Transit Area Specific Plan design guidelines: (http://www.ci.milpitas.ca.gov/_pdfs/engDesignGuidelines/en_dg_vi_transitAreaSpecific.pdf); and
    d. Americans with Disabilities Act (ADA) requirements, where applicable.

51. Sanitary Sewer Calculations: Permittee shall submit a completed "Sewer Needs Questionnaire" form and sanitary sewer calculations to justify lateral size design, allocation of discharge for each of the lateral, and impact to the existing main. Permittee shall be responsible to implement any necessary improvements if there is any identified deficiency to the existing main as a result of the project.

52. Storm Drain Design: Permittee shall submit storm drain hydrology and hydraulic calculations based upon a 10-year storm event to justify the size of the storm drain lateral flowing full, without surcharging the main line pipe, and to be reviewed and approved by the Engineering Department.

53. Domestic Water and Fire Service Calculations: Permittee shall submit potable water and fire service calculations to confirm adequacy of lateral size, pressure and flow, to be reviewed and approved by the Engineering Department and Fire Department. Hydraulic modeling analysis by the City and paid by the

Permittee may be required as needed. Permittee shall be responsible to implement any necessary improvements if there is any identified deficiency to the existing main as a result of the project.

54. Specific Improvements: In addition to standard public improvements required under Milpitas Municipal Code (MMC) Title XI, Chapter 1, Section 7, Permittee shall install other specific improvements listed below including incidental improvements as required by the City as part of the encroachment permit.
    a) Installation of separate water service tap and meter for each of the following services: residential, irrigation, and fire.
    b) Installation of separate utility service lines (domestic water, fire service, sanitary sewer) for residential.
    c) Installation of radio-transmitted water meters with a meter antenna, any repeaters or transmitters as needed with dedicated power supplies at no cost to the City at locations acceptable to the City to ensure accurate and timely reception of meter readings. Permittee shall execute a recorded instrument providing dedicated space, access rights and dedicated power supplies to the City for operation/maintenance/repair/replacement of subject radio antenna.
    d) Provide 2" grind and overlay with base repair of existing asphalt pavement to the centerline of the street along the Tarob Court and Lundy Avenue project frontage to the City Engineer's satisfaction.
    e) Street taper design along the Tarob Court project frontage shall be to the City Traffic Engineer's satisfaction.
    f) Installation of new street trees along the project frontage. The locations, spacing of trees and tree species shall be in compliance with applicable City standards and details.

55. Abandonment of Existing City Utilities: Permittee shall cap, abandon or remove any unused existing public utilities based upon City's Abandonment Notes and to the City's satisfaction.

56. Relocation and Adjustment of Existing Public Utilities: Permittee shall relocate and/or adjust existing public utilities as needed that are in conflict with the proposed improvements.

57. Water Service Agreement: Permittee shall complete a water service agreement to obtain water service.

58. Encroachment Permit: Prior to any work in the public right-of-way and/or public easement, obtain an encroachment permit with insurance requirements for all public improvements including a traffic control plan per the latest California Manual on Uniform Traffic Control Devices (MUTCD) standards to be reviewed and approved by the Engineering Department.

59. Pothole Encroachment Permit: Due to multiple new utility service connections along the project frontage, Permittee shall pothole and verify all potential utility crossing conflict as part of the public improvement plan during the design stage.

60. Permittee shall relocate the existing 12" water main along the Tarob Court project frontage. The permittee shall connect the new 12" water main to the existing 12" water main at both ends per City standards and install per backbone guidelines. The existing water main shall be abandoned per the City's Abandonment Notes and to the City Engineer's satisfaction.

61. Permittee shall upsize the existing 15" storm drain to 24" HDPE from the existing manhole within the 20' Public Utility Easement as shown on parcel map in book 431 of maps at pages 2 and 3, to the point of connection on Tarob Court.

62. Permittee shall abandon and remove the existing 6" sanitary sewer line within the 20' Public Utility Easement as shown on parcel map in book 431 of maps at pages 2 and 3. Existing service to 1971 Tarob Court (APN 086-36-033) and existing sewer main within the easement downstream of said service shall

remain to continue to serve 1971 Tarob Court. The Permittee shall communicate and coordinate with adjacent property owners of 1971 Tarob Court declaring work on the sanitary sewer line serving 1971 Tarob Court.

63. A new 8-inch recycled water main line shall be installed along the City's Preferred Alignment, as described below, or an alignment the City identifies as the most feasible route for the recycled water main line. The City's Preferred Alignment is, connect to the existing recycled water main line on Tarob Court extending, at a minimum, to the point of future irrigation connection for 2001 Tarob Court.

    The Permittee agrees to fulfill the requirement of installing a new recycled water main line by completing one of the following options at the City's discretion:

    a. If an alignment has not been installed by another party at the time of Building Permit issuance, the Permittee and the City shall enter into a reimbursement agreement to reimburse the permittee for the design and construction of the portion of the new recycled water main line that exceeds the property frontage length of 230 linear feet.
    b. If the recycled water main is under construction or the construction of the recycle water main has been completed, by another party, at the time of Building Permit issuance, the permittee shall pay the City for the cost of design and construction equivalent to the property frontage length, measured to be 230 linear feet. The cost of design and construction shall be based upon a licensed Civil Engineer's cost estimate, approved by the City.
    c. If the installation of a new recycled water main line is determined to be infeasible by the City, the permittee shall pay the City for the cost of design and construction equivalent to the property frontage length, measured to be 230 linear feet for the City's use to fund the City's preferred future recycled water improvements which the City will design and install at a later time. The cost of design and construction shall be based upon a licensed Civil Engineer's cost estimate, approved by the City.

64. Permittee shall obtain approval and encroachment permit from the City of San Jose for work on the City of San Jose manhole due to realignment of the curb. Permittee shall comply with City of San Jose design requirements and submit offsite plans to the City of San Jose for their review and approval of improvements impacting City of San Jose Infrastructure.

PRIOR TO BUILDING PERMIT ISSUANCE

The following conditions shall be addressed during the building plan check process and shall be met ***prior to*** *any building permit issuance (except demolition permit and rough grade permit), unless otherwise approved by the Director of Engineering/City Engineer. (****NOTE****: Pursuant to Density Bonus approval, standard conditions regarding the reconstruction of the street and the upgrade of stormwater requirements have been requested as regulatory concessions, and therefore do not apply to this project).* ***(E)***

65. Final Map Recordation: Permittee shall record the final map.

66. Easements on the Building Permit Plans: Permittee shall depict all existing easements to remain based upon current preliminary title report and depict new easements on applicable building permit plans.

67. Stormwater Facility Operation & Maintenance Plan: Permittee shall incorporate design details into applicable construction plans in accordance with City approved Storm Water Control Plan (SWCP). Permittee shall also submit Stormwater Facility Operation & Maintenance Plan that describes operation and maintenance procedures needed to ensure that treatment Best Management Practices (BMPs) and other storm water control measures continue to work as intended and do not create a nuisance (including vector control).

68. Stormwater Management Facilities O&M Agreement: Permittee shall execute and record a Stormwater Management Facilities Operation and Maintenance (O&M) Agreement associated with the SWCP O&M Plan, including perpetual maintenance of treatment areas/units, as reviewed and accepted by the Engineering Department. The subject O&M Agreement shall be referenced in the CC&Rs, if applicable.

69. Water Supply and Force Majeure. The City reserves the right to suspend the issuance of building permits in case of an emergency declaration of water supply in the case of a major catastrophic event that restricts City's assurance to provide water supply.

70. Recycle Water Approval: Permittee shall use recycled water for landscape irrigation purpose, except for the interior courtyard/podium areas within the building footprint where the potable water shall be used for irrigation. Permittee shall comply with California Code of Regulations (CCR), Title 22, Division 4, Chapter 3, titled *"Water Recycling Criteria"*, CCR, Title 17, Division 1, Chapter 5, Subchapter 1 titled *"Drinking Water Supply"* and all other recycled water regulations as listed under the publication titled *"California Department of Public Health Regulations Related to Recycled Water June 18, 2014*". Permittee shall obtain approval from the California State Water Resources Control Board/Division of Drinking Water, South Bay Water Recycling and the City for recycled water design, including but not limited to on-site irrigation design, based upon South Bay Water Recycling Guidelines and City of Milpitas Supplemental Guidelines. All landscape plants shall be compatible with recycled water.

71. Water Efficient Landscapes: Permittee shall comply with Milpitas Municipal Code Title VIII, Chapter 5 (Water Efficient Landscapes) for landscape design, including but not limited to, providing separate water meters for domestic water service and irrigation service and providing applicable landscape documentation package.

72. Solid Waste and Recycling Facility Design: Permittee shall comply with all applicable City design guidelines/details associated with haul route, turning radius, vertical and horizontal clearance, trash enclosure, staging area, storage area, etc.

73. Recycling Report Prior to Demolition Permit Issuance: Permittee shall submit Part I of a Recycling Report on business letterhead to the Building Department, for forwarding to the Engineering Department for review and approval. The report shall describe the following resource recovery activities:
    a. What materials will be salvaged.
    b. How materials will be processed during demolition.
    c. Intended locations or businesses for reuse or recycling.
    d. Quantity estimates in tons (both recyclable and for landfill disposal). Estimates for recycling and disposal tonnage amounts by material type shall be included as separate items in all reports to the Building Division before demolition begins.

    Permittee shall make every effort to salvage materials for reuse and recycling, and shall comply with the City's demolition and construction debris recycling ordinance.

74. Recycling Report Prior to Building Permit Issuance: Permittee shall submit Part II of the Recycling Report to the Building Department, for forwarding to the Engineering Department. Part II of the Recycling Report shall be supported by copies of weight tags and/or receipts of "end dumps." Actual reuse, recycling and disposal tonnage amounts (and estimates for "end dumps") shall be submitted to the Building Department for approval by the Engineering Department prior to inspection by the Building Department.

75. Flood Plain Management: This project is in the Flood Zone "AO" with 1' average flood depth, therefore, Permittee shall comply with all applicable flood protection criterion required by the Federal Emergency Management Agency (FEMA) and MMC Title XI, Chapter 15. Permittee shall also submit a Flood Study for the Project demonstrating, to the satisfaction of the City Engineer, that the proposed development has no

adverse impact to the surrounding flood plain within the Special Flood Hazard Area (SFHA) and to the flood carrying capacity of the area. The study should include cumulative effects of existing and proposed developments demonstrating the combined effects will not increase the water surface elevation of the Base Flood Elevation (BFE) more than one foot at any point. For the AO Flood Zone, the flood study is required to establish the BFE, and set the building elevation accordingly. The flood study shall be consistent with the requirements in accordance with Title 44 of the Code of Federal Regulations by establishing a hydraulic model and HEC-RAS. The study shall clearly identify the lowest floor elevation as being either the bottom of garage, bottom of first floor residential units, bottom of elevator pit, etc. and shall be completely elevated out of the SFHA.

76. Development Fees: Permittee shall pay the following development fees. The information listed in items "a" through "g" are based upon current fee rates; however, those fee rates are subject to change. The exact fee amount shall be determined at the time of building permit fee payment.
    a. Transit Area Specific Plan fee at $32,781/unit for residential uses. Based on approval for development of 40 units, the estimated Transit Area Specific Plan Development Impact Fee for this project is $1,311,240 ($32,781/unit x 40 units). TASP fees shall be paid prior to Building Permit Final.
    b. Parkland:
        1. The project is required to dedicate 0.35 acres of parkland, equivalent to $971,841.02 fees-in-lieu.
        2. The park portion of the TASP fee is valued at $600,548, equivalent to 0.22 acres. This will be applied to the project parkland requirement.
        3. The applicant will receive credit for 0.13 acres of private recreation space on site. Upon demonstration of provision of this private recreation space to the satisfaction of the Direction of Planning or his/her designee, no additional parkland fees will be due, per table below.

2001 Tarob Court Unit Count	40
2001 Tarob Court Population Estimate	97 persons
TASP Parkland Requirement	3.5 acres/1,000 people or equivalent fees-in-lieu
PARKLAND ACREAGE DUE/FEE EQUIVALENT	**0.35 acres/$971,841.02**
Amount Satisfied Through TASP Fees (Acreage/Dollars)	**0.22 acres/$600,548**
REMAINING DELTA TO BE SATISFIED (Acreage/Dollars)	**0.13 acres/$371,293.02**
Private Recreation Acreage Approved by City	0.13 acres
TOTAL ACREAGE/FEES PROVIDED	**0.26 acres**
REMAINING ACREAGE/FEE REQUIREMENT TO BE MET	**0.0 acres/$0**
BALANCE OF PARKLAND ACREAGE/FEES DUE	**0.0 acres/$0**

    c. Storm water connection fee at $16,771/acre for residential.
    d. Water connection fee at $1,164/unit for residential, based upon increased water usage.
    e. Sewer connection fee at $1,406/unit for residential, based upon increased average wastewater flow.

f. 2.5% of applicable fees in accordance with City Resolution No. 7590 as Permitting Automation Fee.
g. FEMA Flood Zone Designation Letter fee in the amount of $100.00 each.

77. Building foundations adjacent to public utilities shall be designed to be self-supporting such that the building weight is not required to be supported during shoring and excavation of adjacent utilities. If any project building is located next to a City easement, the City is not responsible for any foundation damage that would occur due to excavating in the event of servicing or repairs in that easement.

78. All domestic, irrigation, and fire water services serving the site shall have at least a reduced pressure backflow preventer.

DURING CONSTRUCTION

*The following conditions shall be complied with at all times **during** the construction phase of the project, unless otherwise approved by the Director of Engineering/City Engineer.* ***(E)***

79. Dewatering: If dewatering is needed during construction, Permittee shall obtain a Short-Term Industrial Wastewater Permit from the San Jose/Santa Clara Water Pollution Control Plant for discharging the groundwater to a sanitary sewer system.

80. On-site Recycle Water Coordination: Permittee's cross-connection specialist shall coordinate the phasing of the construction; facilitate the cross-connection testing in order to minimize the impact for occupied buildings during cross-connection testing; sign-off before the water meter set; coordinate on-site construction inspection; complete the site inspection; fill out required paperwork/questionnaire; and provide them to the City for forwarding to South Bay Water Recycling.

81. Prohibition of Potable Water Usage: Permittee shall use recycled water for construction purposes, including dust control and compaction. Permittee shall comply with MMC VIII-6-5.00 and 6-6.00 where potable water usage is prohibited, unless otherwise approved by the City Council.

82. Construction Staging and Employee Parking: Permittee shall place all construction related materials, equipment, and arrange construction workers parking on-site and not located in the public right-of-ways or public easements.

83. Water Shut-down Plan: Permittee shall provide a water shut-down plan at least seven days in advance of the shut-down in coordination with the Engineering Inspector, and notify affected property owners/tenants when cut-in tee(s) is/are required.

PRIOR TO FIRST OCCUPANCY

*The following conditions shall be met **prior to** first building occupancy on either lot, unless otherwise approved the Director of Engineering/City Engineer.*

84. Completion of Public Improvements: Permittee shall complete all public improvements, including but not limited to frontage improvements along Tarob Court and Lundy Avenue, as shown on City approved plans.

85. LOMR-F: Permittee shall submit the FEMA approved LOMR-F for each unit/building associated with the requested occupancy, if project is located in the SFHA.

86. Elevation and/or Flood Proofing Certificate: Permittee's civil engineer shall submit Elevation and/or Flood Proofing Certificate for the lowest finished floor elevation of each building for City record.

87. Landscape Certificate of Completion: Permittee shall submit a Certificate of Substantial Completion that complies with the Milpitas Municipal Code Water Efficient Landscapes ordinance.

88. Certificate of Cross-Connection: Permittee shall ensure that the cross-connection specialist complete the required recycled water construction inspection checklist, cross connection test results and any special inspection checklist as required by the South Bay Recycling Program http://www.sanjoseca.gov/index.aspx?NID=1595 and forward them to the City.

89. Record Drawings: Permittee shall submit record drawings in AutoCAD, Tiff, and PDF formats for City records. Record drawings shall include all public improvements. Additionally, if the project uses recycled water, the permittee shall also submit record drawings of on-site irrigation facilities.

90. Private Job (PJ) Balance: Permittee shall pay for any remaining balance from the Private Job deposit.

91. Backflow Devices: All backflow preventer devices shall be tested by a certified backflow tester, and results of the test shall be submitted to the City before going into service.

FIRE CONDITIONS

*The plans approved by City Council are **not** building plans and have not been reviewed nor approved for conformance to the California Building Code (CBC), California Fire Code (CFC) and the Milpitas Municipal Code (MMC). Do not consider the plan set approved by City Council as final building plans approved by the Fire Department. Building plans **must** be submitted for review and approval before construction is to commence. The following notes are a general list of the applicable code requirements (2016) and are provided to assist with the building permit process. Please note that these are not all inclusive. All applicable Building, Fire and Municipal Code requirements must be met in advance of any building permit approvals or related construction. Note, Jan. 01, 2020, new CA Building Codes go into effect.*

92. Technical Assistance: To determine the acceptability of technologies, processes, products, facilities, materials, and uses attending the design, operation or use of a building or premises subject to inspection by the Fire Code Official, the Fire Code Official is authorized to require the owner or agent to provide, without charge to the jurisdiction, a technical opinion(s), plan review(s) and/or report(s). CFC Section 104.7.2

93. Electronic documents: The Fire Code Official may require electronic base documents for all construction documents and operational permits. The Fire Code Official shall designate the software base format for the electronic documents. CFC Section 105.4.2.2, added by MMC Section V-300-2.11

94. Fire Department Emergency Key Box (aka: Knox Box, Knox Locks, Knox Electric Switches, etc.): The Fire Code Official is authorized to require a key box(es) to be installed in an approved location(s) if necessary for life-saving or fire-fighting purposes. Quantity and location shall be as directed by the Fire Code Official. CFC Section 506. In addition to the building, locked mechanical closets, fire alarm closets, sprinkler riser closets, etc. may need a Fire Dept. approved "Knox" key box.

95. Emergency Responder Radio: A Fire Department approved emergency responder radio coverage system shall be provided. CFC Section 510, MMC V-300-2.57

96. Standby Power for Elevators. Elevators shall be provided with standby power. CFC Section 1009.4

97. Two Way Communication. A tow-way communication system complying with Sections 1009.8.1 and 1009.8.2 shall be provided at the landing serving each elevator or bank of elevators on each accessible floor that is one or more stories above or below the level of exit discharge. CFC Section 1009.8

98. Fire Safety: Fire safety during construction, alteration or demolition of the building shall meet the requirements of Chapter 33 of the California Fire Code and the Standards for Construction Site Fire Safety (un-024) by "unidocs" organization (http//:www.unidocs.org). A Construction Site Fire Safety plan shall be submitted to the Milpitas Fire Prevention Division for review and approval prior to the start of combustible construction. CFC Chapter 33

99. Access Control Devices: When access control devices including bars, grates, gates, electric or magnetic locks or similar devices, which would inhibit rapid fire department emergency access to the building, are installed, such devices shall be approved by the Fire Code Official. All access control devices shall be provided with an approved means for deactivation or unlocking by the fire department. Access control devices shall also comply with Chapter 10 Egress. CFC Section 504.6, added by MMC Section V-300-2.51

100. Fire Department Access: Fire Department apparatus and staff access shall be provided to all buildings and site. Detailed review will be done during construction permit process. CFC Section 503
    a. Minimum Number of Fire Apparatus Access Points: A Minimum of two independent and approved (approved by the Fire Code Official) means of fire apparatus access shall be provided for the site. Buildings or facilities exceeding 30 feet (9144 mm), or three stories in height, or 50,000 square feet (5760 m^2) shall be provided with at least two means of fire apparatus access for each structure. International Fire Code, Section D104.1, adopted and amended by MMC V-300-2.143
    b. Turning Radius: Fire apparatus access roads shall meet the Milpitas Fire Department turning radii guidelines and shall provide continuous apparatus travel. Turning radii for fire apparatus access roads shall be a minimum net clearance of 48 feet 6 inches for the outside radius and 28 feet 0 inches for the inside radius. The layout for the outside and the inside radius shall be from the same reference point (center). CFC Section 503.2.4
    c. Fire Apparatus Clearance: Fire apparatus access roads shall provide a minimum clear width of 26 feet. This requirement is for the use and function of a fire ladder apparatus. International Fire Code, Appendix D, Sections D103.1 and D105.2, adopted and amended by Milpitas Municipal Code. MMC V-300-2.142 and 2.145
    d. Timing of Installation and Serviceability of Fire Protection Elements: When fire apparatus access roads or a water supply for fire protection is required to be installed, such protection shall be installed and made serviceable prior to and during the time of construction. Combustible construction shall not begin until water mains and hydrants are operational and fire apparatus access roads are installed (paved, or other acceptable Fire Department roads that are weather resistive and able to meet the fire apparatus requirements). CFC Section 501.4
    e. Fire Apparatus Access: Fire apparatus access shall extend to within 150 feet of all portions of exterior walls of the building/structure per the California Fire Code Section 503.1.1. When there is a dead-end condition, means for fire apparatus turn-around shall be provided.
    f. Adjacent Access Rights: No source of access from lands adjoining a property to be developed shall be considered fire apparatus access roads, unless there is obtained the irrevocable and unobstructed rights and recorded as an ingress/egress access easement with the Country of Santa Clara. CFC Section 503.7, added by MMC V-300-2.48
    g. Fire Access Road Materials and Load Bearing Requirements: Fire access roads shall be paved (concrete and/or asphalt cement, or other concrete type pavement approved by the Fire Dept.). Fire apparatus access roads/lanes and emergency vehicle roads shall be designed and maintained to support the imposed loads of fire apparatus and shall be surfaced so as to provide all-weather capabilities. Design criteria shall be based on the City of Milpitas fire apparatus

Sutphen S95 Aerial Platform unit. Please contact the Fire Prevention Division for specifications. CFC Section 503.2.3

h. Obstruction of Fire Access: Ground structures (including landscape) and building projections shall not encroach or impede the fire apparatus access requirements. CFC Section 503.4

i. Emergency Vehicle Access (EVA): EVA roads, when required, shall meet the fire department site access requirements. CFC Section 503.

j. Marking of Fire Access Roads. The required access road shall be designated and clearly marked as a fire lane. The designated fire lane shall be identified as set forth in Section 22500.1 of the Vehicle Code. The designation shall be indicated (1) by a sign posted immediately adjacent to, and visible from, the designated place clearly stating in letters not less than one inch in height that the place is a fire lane, (2) by outlining or painting the place in red and, in contrasting color, marking the place with the words "FIRE LANE", which are clearly visible from a vehicle, or (3) by a red curb or red paint on the edge of the roadway upon which is clearly marked the words "FIRE LANE". CFC Section 503.3. Minimum marking shall be pole signage and red curb with “FIRE LANE” stencil. Signage and red curbs shall be done throughout and as needed to clearly identify the no parking zones.

Minimum marking shall be (1) pole signage and (3) red curb with “FIRE LANE – CVC 22500.1” stencil.

k. Buildings with Courtyards. Fire access shall be provided to enclosed courts for firefighting and rescue operations. Each court shall be designed to provide readily accessible method of bring a fire department ground ladder (36’ long) into the courtyard. Please anticipate and accommodate personnel carrying ladder. CFC Section 102.9

l. Building Setbacks: Building/structure set back, proximity to fire access roads. At least one of the required access routes meeting the Fire Dept. conditions shall be located within a minimum of 15 feet and a maximum of 30 feet from the building, and shall be positioned parallel to the entire side of the building. 2016 International Fire Code, Section D105.3, adopted by MMC Section V-300-1.01

m. Site Design Changes: The Fire Department reserves the right to request site design changes as needed to meet the requirements of the CFC, and/or make the request for additional fire protection measures in conformance with the CFC Section 102.9.

101. Fire Protection Water Supply (Hydrants, On-site and/or Public): An approved water supply (hydrants on-site and/or public) capable of supplying the required fire flow for fire protection shall be provided upon which facilities, buildings, or portions of buildings are hereafter constructed or moved into or within the jurisdiction. Water supply shall meet the Fire Code and the City of Milpitas Engineering Division water supply guidelines and the CFC Section 507, Appendix B and Appendix C. Note, the Civil plans submitted under this Planning review are not approved for construction.

a. Water System Calculations: Private fire service mains and appurtenances shall be designed and installed in accordance with the City of Milpitas Engineering design guideline requirements and the NFPA 24. Design calculations and all the necessary design information for the water system to meet the domestic and fire flow requirements as per the City of Milpitas Engineer Division water design requirements shall be provided as part of the construction permit process. CFC Section 507.

The minimum water flow at the worst case hydrant outlet within the private system shall be not less than 3,000 gpm.

b. Fire Hydrant Location: The location and quantity of hydrants will be evaluation during the construction permit process. This applies to the on-site private streets as well as to the public streets. CFC Section 507.5

c. Hydrant for Automatic Fire Sprinkler/Standpipe Systems: Buildings equipped with an automatic fire sprinkler system and/or a standpipe system installed in accordance with Sections

903 and or 905 shall have a fire hydrant within 50 feet of the fire department connections. CFC Section 507.1.1, amended by MMC Section V-300-2.53

d. Private Hydrant Requirements: Private hydrants shall have the bottom 6 inches of the hydrant painted, with a weather resistive paint, white in color. CFC Section 507.5.7, added by MMC V-300-2.54.

e. No Parking in Front of Hydrants: No parking is permitted in front of fire hydrants. Hydrants located on streets (Public or Private Street) shall have an unobstructed clearance of not less than 30 feet per CA Vehicle Code 22514

102. Automatic Fire Sprinkler System for Structures:

a. Automatic Fire Sprinkler. The buildings shall be provided with an automatic fire sprinkler system in conformance with the NFPA 13 Standards. Note, system type will depend on building/structure "construction type" analysis. California Fire Code Section 903

b. Sprinkler Valves: All valves controlling the water supply for the automatic sprinkler system shall be electrically supervised by a listed fire alarm control unit. CFC 903.4

c. Fire Riser Location. The fire sprinkler system riser shall not be located within electrical rooms or storage closets and shall be provided with clear access and working clearance. California Fire Code Section 903.3.5.3, added by MMC Section V-300-2.65

d. Sprinkler Design. Hydraulic design for the automatic fire sprinkler system shall provide a minimum of 20% safety margin. CFC Section 903.3.5.6, MMC V-300-2.68

103. Requirements for Fire Service Water Laterals for Building Sprinkler Systems: Each building shall have a fire service water laterals for the automatic fire sprinkler system and shall meet the California Fire Code requirements Chapter 9 and the NFPA applicable Standards. Note that the utilities drawings provided are not reviewed nor approved for construction. CFC Section 912.1

a. FDC/PIV (fire department connection/post indicating valve) Location(s). The location of the fire department FDC's/PIV's shall be at a readily visible and accessible location off the fire access road and approved by the Fire Code Official. FDC's/PIV's shall not be located behind parking stalls nor behind any other obstruction. Final review for location for the FDC's/PIV's will be conducted during the construction permit process. CFC Section 912.2

b. FDC/PIC Signage. A metal sign with raised letters at least 1 inch in size shall be mounted on all fire department connections. Signage shall be reflective, weather resistive and approved by the Fire Code Official. CFC Section 912.5

c. Buildings equipped with an automatic fire sprinkler system and or a standpipe system installed in accordance with Section 903 and or 905 of the CA Fire Code shall have a fire hydrant within 50 feet of the fire department connections. CA Fire Code Section 507.5.1.1 Added by MMC V-300-2.53

d. Fire Service Water Lines: Service water supply laterals for the sprinkler systems and the on-site fire hydrants shall be independent of each other. NFPA 13, Chapter 24

e. Backflow Protection. Potable water supply to the automatic sprinkler and/or the standpipe systems shall be protected against backflow as required by the Health and Safety Code section 13114.7 and the City of Milpitas Utilities Engineering Division. CFC Section 912.6

f. Water Drainage. All new installations of sprinkler systems shall preclude sprinkler test and system drain water from discharging into the storm drain; provisions to direct water to the sanitary sewer or landscape or other approved means shall be provided. Sprinkler system design shall include the proposed method for drainage of sprinkler system discharge. Storm Water Pollution Regulations.

104. Fire Alarm System, R-2 Occupancy: A fire alarm system and smoke alarms shall be installed in Group R-2 Occupancies as required in Sections 907.2.9.1 through 907.2.9.4. CFC Section 907.2.9
CFC Section 907.2.9.1 - Manual Fire Alarm System
CFC Section 907.2.9.2 - Smoke Alarm (in accordance with 907.2.11)

a. Manual Fire Alarm System: A manual fire alarm system that activated the occupant notification system in accordance with Section 907.5 shall be installed in Group R-2 occupancies. CFC 907.2.9.1
b. Smoke Alarm, R-2 Occupancy: R-2 Occupancy, listed single and multiple-station smoke alarms complying with UL217 shall be installed in accordance with Sections 907.2.11.2 through 907.2.11.6 and the NFPA 72. CFC Section 907.2.11
c. Visible Alarm Notification: For Group R-2 required by Section 907 to have a fire alarm system, all dwellings units and sleeping units shall be provide with the capability to support visible alarm notification appliances in accordance with NFPA 72. CFC 907.5.2.3.3
d. Fire Alarm Zones: Fire alarm system(s) shall be zoned as per the requirements of the CFC Sections 907.6.3 and 907.6.4.
e. Fire Alarm Panel: Fire alarm panel (or fire alarm annunciator panel) shall be located in a readily accessible location and shall be provided with the necessary access and working clearance as required by the CA Electrical Code. CFC Section 907.6.4.1.1
f. Fire Alarm Monitoring: Fire alarm monitoring (approved supervising station - UL, or FM approved). Fire alarm systems required by the Fire Code or by the California Building Code shall be monitored by an approved supervising station in accordance with the NFPA 72. CFC Section 907.6.6

105. Building/Structure Other Requirements:
a. Stairs to Roof: All stairs shall run up to the roof. The fire code official shall determine the required number and location of stairway(s) to the roof. CFC Section 504.3.1, MMC Section V-300-2.49
b. Roof stairs. When there are roof planes with vertical difference of more than 24" there shall be stairs for access between the different roof planes. The Fire Code Official shall determine the location for the stairs. CFC Section 102.9
c. Roof Guardrails at Interior Courts. Roof openings into interior courts that are bounded on all sides by building walls shall be protected with guardrails. The top of the guardrail shall not be less than 42 inches in height above the adjacent roof surface that can be walked on. Intermediate rails shall be designed and spaced such that a 12-inch diameter sphere cannot pass through. CFC 316.7, added by Milpitas Municipal Code V-300-2.45

Exception: Where the roof opening is greater than 600 square feet in area.
d. Premises Identification: New and existing buildings shall have approved address numbers, building numbers or approved building identification placed in a position that is plainly legible and visible from the street or road fronting the property. These numbers shall contrast with their background. Address numbers shall be Arabic numerals or alphabet letters and shall be consistent with Milpitas standardized addressing guidelines. CFC Section 505. The Fire Dept. may require the installation of address numbers at multiple building locations. CFC Section 102.9
e. Address Illumination: All required addresses shall be illuminated. CFC Section 505.3, added by MMC V-300-2.52.
f. Medical Service Elevators. All new passenger service elevators shall meet the medical service elevator requirements in the California Building Code, 2016 Edition, Chapter 30. CFC Section 607.1.1, MMC V-300-2.59
g. Standpipe System: Standpipe system shall be installed in accordance with the California Fire Code Section 905.2 and NFPA 15. When stairs are provided with intermediate landings, the standpipes shall be located at the bottom floor level, at the top floor level and at all intermediate landings. CFC Section 905.4
h. Portable Fire Extinguishers. Portable fire extinguishers shall be selected, installed and maintained in accordance with CFC Section 906.

106. Electrical Generators:

a. Fuel tank(s) located below grade shall be considered underground tanks in accordance with the California code of Regulations, Title 23, Division 3, Chapter 16 (State Underground Tank Regulations).
b. If the fuel tank system(s) is not to be considered an underground tank, as defined by the underground tank regulations, provide documentation demonstrating compliance with the specified State Water Resource Control Board's Guidance letter LG-165-2.
c. Construction drawings, for the fuel tank, shall be submitted to the City for compliance with the California Fire Code Chapters 27 and 34.

107. Landscape sheets: The proposed landscaping may be impacted by the comments above and the requirements for fire access, fire systems and devices (such as apparatus access, hydrants, fire service lines, fire department connections valves, etc.). The Fire Dept. reserves the right to relocate, delete or change the proposed landscaping when in conflict with fire systems and devices. CFC 507.5.4.

108. Plan Submittal: Complete plans and specifications for all aspects of fire protection systems shall be submitted to the Fire Department for review and approval prior to system installation. CFC Section 901.2

BUILDING CONDITIONS

General

109. Applicable Codes: Applicable codes shall be 2016 California Building Code (CBC), California Mechanical Code (CMC), California Electrical Code (CEC), California Plumbing Code (CPC), Green Building Standards Code (CalGreen), California Energy Code (CEnC) and 2017 Milpitas Municipal Code (MMC).

110. Build It Green/LEED Requirement: Residential portion of the building shall meet Build It Green 50 Green Points or LEED for Homes Certified threshold per MMC sec. II-20-3.01.

111. Licensed Engineer/Architect: Engineer or Architect licensed in the State of California shall prepare the plans. Structural design calculations and plans shall be wet signed and stamped when applying for a building permit.

112. Application for New Building Address: Applicant shall apply for new building addresses prior to submitting for a building permit.

113. Occupancy Group Designations: Apartment/Condominium building shall be classified as Group R2 Occupancy per CBC sec. 310 and private garages not exceeding 1,000 square feet as Group U Occupancy per sec. 312. Each private garage shall be separated from other private garage by 1 hr fire barriers and/or 1 hr horizontal assemblies per CBC sec. 406.3.1. Multiple private garages not separated by fire barriers shall be classified as Group S-2 Occupancy per sec. 311.

114. Fire Rating for Apartment Buildings: Apartment/Condominium buildings over 2 stories high shall be one-hour fire-rated minimum (Type V-A) when allowable area increase with sprinkler is used per CBC Table 504.4.

115. Allowable Building Area: Allowable building area for the building shall be as per CBC Table 506.2.

116. Exterior Wall Openings: The maximum area of protected and unprotected openings in exterior walls shall comply with CBC sec. 705.8.

117. Separating Units Requirements: Wall and floor separating units in the same building and separating units from other occupancies are required to be one-hour fire resistive construction per CBC sec. 420, 708 and 711.

118. Apartment Building Considered Separate and Distinct: Apartment/condominium building shall be considered as separate and distinct buildings for the purpose of determining area limitations, continuity of fire walls, limitation of number of stories and type of construction where it is separated from Group S-2 garage by 3-hour fire rated horizontal assembly, garage is not more than one story above grade and of Type I-A construction as per CBC sec. 510.2.

119. Required Separation in Residential Building: Required separation in buildings between dwellings and private garages shall be as per CBC sec. 420.2 and 420.3.

120. Required Separation in Residential Building: Required separation in buildings with mixed occupancies shall be per CBC sec. 508

121. Corridor Fire Rating: Corridor with occupant load over 10 shall be one-hour rated with 20-minute doors leading to it per CBC sec. 1020.1.

122. Minimum Number of Exits: Minimum no. of exits shall be provided per CBC Table 1006.3.1 and the exits provided shall comply with CBC sec. 1022 through 1027. The required number of exits from any story shall be maintained until arrival at grade or public way per CBC sec. 1006.3.1. Elevator shall not be used as a component of a required means of egress per CBC sec. 1003.7, except elevators are used as an accessible means of egress in accordance with sec. 1009.4.

123. Required Egress: At least one required accessible means of egress shall be an elevator complying with CBC sec. 1009.4 in buildings where a required accessible floor is four or more stories above or below a level of exit discharge per sec. 1009.2.1.

124. Two-Way Communication System: Two way communication system is required at elevator landing on each accessible floor that is one or more stories above or below the story of exit discharge per CBC sec. 1009.8.

125. Exit Stair Enclosures: Exit stair enclosures shall not provide exit through corridor as per CBC sec. 1022.1, but shall extend to exterior of the building with an exit passageway.

126. Mezzanines: Mezzanine in the upper units shall be considered a story if it does not meet requirements of CBC sec. 505.2

127. Carbon Monoxide/Smoke Detectors Required: In the dwelling units, provide carbon monoxide detectors and smoke detectors per CBC sec. 915 and 907.2.11.

128. Escape Window Location: Escape bedroom windows below the 4th floor shall open into a public street, yard or exit court that opens to a public way as per CBC sec. 1030.1.

129. Exit Courts: Exit from exit courts shall not reenter exit access as per CBC sec. 1028.1 and sec. 1028.5

130. Exit Courts: Required exit courts to which escape bedroom windows open, shall be provided with exiting as per CBC sec. 1028.1.

131. Elevator Enclosure: Elevator shall be enclosed in a shaft enclosure per CBC sect. 713.2 and 713.4.

132. Elevator Hoistway Opening: Elevator hoistway opening shall be protected and enclosed within a shaft enclosure per CBC 3006.2 and 712.1.1.

133. Elevator Hoistway Door Opening: Elevator hoistway door opening shall be protected per CBC 3006.3.

134. Elevator Lobby Sign: Elevator lobby identification signs shall be provided at any door with direct access to an enclosed elevator lobby at landings in interior exit stairways where two or more doors lead to the floor level per CBC 1023.10.

135. Interior Stairway Enclosure: Interior stairway shall be enclosed per CBC sec. 1023.2.

136. Roofing Material: Roofing material shall be as per CBC Table 1505.1.

137. Exit Doors: Doors in a room with occupant load of 50 or more persons shall swing in the direction of exit per CBC sec. 1010.1.2.1. Exit doors from assembly occupancy shall be provided with panic hardware per sec. 1010.1.10.

138. Exit Signs: Provide exit signs and tactile exit signs when two exits are required per CBC sect. 1013.1 and 1013.4.

139. Building Occupancy Frontage: Buildings that house Group A Occupancy shall front directly on or discharge to a public street not less than 20 feet in width per sec. 1029.2 and 1029.3. The main entrance to the building shall be located on a public street or on the exit discharge.

140. Occupant Load: Occupant load factor for assembly and multi-use room without fixed seats, including clubhouse, common use deck area, courtyard, etc., shall be 1 occupant per 7 sq. ft per CBC Table 1004.1.2.

141. Exit Enclosure: Exit enclosure in building less than four stories in height shall be one-hour fire-resistive construction per CBC sec. 1023.2.

142. Exit Enclosure: Exit enclosure in building four or more stories in height shall be two-hour fire-resistive construction per CBC sec. 1023.2.

143. Stairways: In buildings four or more stories in height, one stairway shall extend to the roof surface through a penthouse complying with CBC sec. 1510.2, unless the roof has a slope steeper than 4:12 per CBC sec. 1011.12. In buildings without an occupied roof, access to the roof shall be permitted to be a roof hatch or trap door not less than 16 sq ft with a min. dimension of 2ft and accessed by an alternating tread device, ship ladder or a permanent ladder.

144. Exterior Openings: Exterior openings required for natural light shall open directly onto a public way, yard or court as set forth in CBC sec. 1205.1.

145. Egress Balconies: Egress balconies shall comply with CBC sec. 1021.

146. Egress Courts: Egress courts shall comply with CBC sec. 1028.4.

147. Acoustical Report: Provide acoustical report to determine sound insulation requirements for at least exterior walls. Interior sound insulation shall be as per CBC sec.1207 or as per acoustical report.

148. Ventilation Requirements for Dwelling Units with Non-Openable Windows: Dwelling units, which has non-openable windows as required by acoustical report shall be provided with mechanical ventilation per CBC sec. 1203.1 and CMC sec. 402.3. As per City policy BDP-ME05, City does not allow the use of exhaust only fans to achieve the fresh outside air requirement through infiltration.

149. Ventilation Requirements for Studio Units: In studios, natural light and ventilation for sleeping areas shall meet requirements per CBC sec.1203.5 and sec.1205.2. Any room is permitted to be considered as a portion of an adjoining room for natural lighting and ventilation purpose where the common wall is open and unobstructed and provides an opening of not less than 1/10 of the floor area of the interior room and not less than 25 square feet per CBC 1205.2.1.

150. Electric Vehicle Charging Stations Requirement: Where 17 or more multifamily dwelling units are constructed on a building site, 3% of the total number of parking spaces provided for all types of parking facilities, but no less than 1, shall be electric vehicle charging stations (EVCS) capable to supporting future electric vehicle supply equipment per CalGreen sec. 4.106.4.2.

151. Electric Vehicle Charging Stations Location: At least one EVCS shall be located in common use areas and available for use by all residents per CalGreen sec. 4.106.4.2.1. Per City Policy No. BDP-BLG17 and CalGreen sec. 4.106.4.2.2, one in every 25 EVCS, but no less than 1, shall be accessible and located on an accessible route. Accessible EV charging parking space shall not be counted as one of the required accessible parking spaces as required by CBC, because the space is allowed to be used by non-disabled people.

152. Solar Ready Requirement: The buildings shall comply with solar ready requirements per CEnC 110.10.

153. Mechanical Duct Location: No mechanical duct shall penetrate exterior walls unless approved by Planning Division.

154. Balconies, Landings and Decks: Balconies, landings, decks, stairs and similar floor projections exposed to the weather shall comply with City Policy No. BDP-BLG40: http://www.ci.milpitas.ca.gov/_pdfs/BLG40_RequirementsforConstructionofBalconies.pdf.

ACCESSIBILITY

155. Site Accessibility Plan: Provide site accessibility plan.

156. Group U Private Garages: Group U private garages, which are accessory to covered multifamily dwelling units shall be accessible as required in CBC sec. 1109A

157. Accessible Parking Provided: People with disabilities accessible parking shall be provided per CBC sec. 1109A.3 (2% shall be accessible of the covered dwelling units). Signage is not required.

158. Accessible Parking Required: Each type of parking shall be accessible as per CBC sec. 1009A.3 and 1009A.4.

159. Accessible Assigned Parking Requirement: If assigned parking spaces are provided for residents, at least 2% of the assigned parking spaces shall be accessible in each type of parking facility per CBC 1109A.4.

160. Accessible Visitor Parking Requirement: If unassigned or visitor parking is provided, a minimum of 5% parking stalls shall be accessible and shall be provided with signage as per CBC sec. 1009A.5.

161. Accessible Parking Location: Accessible parking spaces shall be dispersed and located closest to the accessible entrances and elevators per CBC per sec.1009A.7.

162. Accessible Parking Location: Accessible parking spaces shall be located so that persons with disabilities is not compelled to walk or wheel behind parked cars other that their own as per sec. 1109A.7.

163. Van Accessible Parking for Resident and Guest: One in every eight accessible parking spaces for resident and guest parking shall be " Van accessible ", but not less than one per CBC sec. 1109A.8.6.

164. Van Accessible Parking for Public Parking: One in every six accessible parking spaces for public parking (e.g. retail space or leasing office, etc.) shall be " Van accessible ", but not less than one per CBC sec. 11B-208.2.4.

165. Accessible Routes of Travel: An accessible route of travel shall be provided to all accessible building entrances. At least one accessible route shall be provided from public transportation stop, accessible parking and public street to building entrance per CBC sect. 1110A.1. When more than one route is provided, all routes shall be accessible.

166. Accessibility Signs: Accessibility signs shall be provided at every primary public entrance and at every major junction along or leading to an accessible route of travel and at building entrance that are accessible per CBC, sec. 1110A.2

167. Accessible Access: All primary entrances and required exit doors to building and facilities shall be accessible to people with disabilities per CBC, sec. 1117A.2.

168. Egress Clearance: Exit stairways considered as an accessible means of egress shall be min. 48" clear width between handrails and provided with the area of refuge per CBC sec. 1009.3 unless building is provided with approved automatic fire sprinkler system.

169. Egress Elevator: At least one accessible means of egress shall be an elevator per CBC sec. 1009.2.1 unless building is provided with approved automatic fire sprinkler system and horizontal exit at each floor and approved by Fire Department to exempt this requirement.

170. Accessible Elevators: All elevators shall be accessible per CBC sec. 1124A and at least one shall be medical emergency service elevator as per sec. 3002.4a.

171. Parking Structure Clearances: All entrances to and vertical clearances within parking structures shall have a minimum of 8 feet 2 inches where required for persons with disabilities per CBC sec. 1109.A.8.1.

172. Accessible Means of Egress: Each accessible portion of the space shall be served by accessible means of egress in at least the same number as required by CBC sec. 1006.2 or 1006.3 per sec. 1009.1.

173. Areas of Refuge: Areas of refuge shall be provided with a 2-way communication system between the area of refuge and a central control point per CBC sec. 1009.6.3.

174. Two-Way Communication System: 2-way communication system shall be provided at each elevator landing serving each accessible floor per CBC 1009.8.

175. Accessible Elevators: All elevators shall be accessible as per CBC sec. 1124A, except private elevators serving one dwelling unit.

176. Medical Emergency Service Elevators: All elevators in buildings four or more stories in height (including private elevator) shall be provided with not less than one medical emergency service to all landings meeting the provisions of CBC sec. 3002.4a.

177. Elevator Emergency Operation: If an elevator is considered as part of an accessible means of egress, it shall comply with the emergency operation, signaling device and standby power requirements and shall be accessed from an area of refuge per CBC sec. 1009.4.

178. Accessible Bathing and Toilet Facilities: Bathing and toilet facilities within covered multifamily dwelling units shall comply with CBC sec. 1134A.

179. Maneuvering Clearance: Provide maneuvering clearance at all interior doors per CBC sec. 1132A.5 and at entrance doors and exit doors per CBC sec. 1126A.3.

180. Accessible Kitchens: Kitchens within covered multifamily dwelling units shall comply with CBC sec. 1133A.

181. Bread Board Clear Space: Where bread board is provided in lieu of 30" work surface per CBC 1133A.4 exception, clear floor space shall be provided at each bread board and the clear floor space shall extend min. 19" into the knee and toe space per CBC 1133A.7.

182. Accessible Entrance: Covered multifamily dwellings served by an elevator, including private elevator, shall be designed and constructed to provide at least one accessible entrance on an accessible route per CBC sec. 1106A.1 and the units shall be adaptable and accessible into and throughout the dwelling unit as provided in Division IV per CBC sec. 1128A.

183. Multistory Dwelling Units Without Elevators: Multistory dwelling units without elevator shall comply with CBC sec. 1102A.3.1

PUBLIC AND COMMON AREA

184. Accessible Public-Use Areas: Public–use areas shall be accessible per CBC Ch. 11B and common-use areas for residents and their guests shall be accessible per CBC sec. 1127A.

185. Accessible Common Facilities: Fitness center, swimming pools and all common facilities shall be fully accessible to people with disabilities per CBC sec. 1102A.4, sec.1141A and sec.1127A.

ENGINEERING

186. Storm Drain and Sanitary Sewer System: Storm drain and sanitary sewer system shall be gravity system without use of mechanical device.

187. Utility Lines: No utility lines shall cross property lines unless an easement agreement between the properties are recorded with the County and shall be submitted as part of the submittal documents and noted on the plans.

188. Soil Report: A soil report shall be provided when applying for grading, site improvement and building permit.

189. Paving: Paving of driveways and parking lot shall comply with MMC sec. II-13-18.

190. Concrete Flat Work: All non-structural concrete flat work shall be as per MMC sec. II-13-17.05.

191. Erosion and Sediment Control Plan: Erosion and sediment control plan shall be submitted when applying for grading permit as per MMC sec. II-13-10.

192. Recordation of Easements: Prior to issuance of building permit, all the easements including private storm drain easement through adjacent parcels shall be recorded. The developer shall include interim erosion control provisions and schedules in the construction plans for areas, which will not have permanent erosion control features installed (such as landscaping) prior to any occupancy so that erosion and sediment control can be sustained as per MMC sec. II-13-11.

ELECTRICAL

193. New Electrical Services: All new electrical services shall be underground per MMC sec. II-6-2.02.

194. Building Main Services Disconnect: The building main services disconnect shall be located on the first floor level of the building per MMC sec. II-6-2.03.

195. Grounding System: Grounding system shall comply with MMC sec. II-6-2.04.

STRUCTURAL

196. Structural Design Calculations: Provide two complete sets of structural design calculations (vertical and lateral) and five sets of construction plans and details when applying for a building permit. Plans and calculations shall be wet signed and stamped by Civil/Structural Engineer.

LEGEND
P = Planning Department
B = Building Department
E = Engineering Department
F = Fire Department
CAO = City Attorney's Office
ALL = All Reviewing Departments

NOTICE OF RIGHT TO PROTEST

The Conditions of Project Approval set forth herein include certain fees, dedication requirements, reservation requirements, and other exactions. Pursuant to Government Code Section 66020(d)(1), these Conditions constitute written notice of a statement of the amount of such fees, and a description of the dedications, reservations, and other exactions. You are hereby further notified that the 90-day approval period in which you may protest these fees, dedications, reservations, and other exactions, pursuant to Government Code Section 66020(a), began on date of adoption of this resolution. If you fail to file a protest within this 90-day period complying with all of the requirements of Section 66020, you will be legally barred from later challenging such exactions.

AGREEMENT

Permittee/Property Owner

The undersigned agrees to each and every condition of approval and acknowledges the NOTICE OF RIGHT TO PROTEST and hereby agrees to use the Project property on the terms and conditions set forth in this resolution.

Dated: _____ _____

Signature of Permittee

EXHIBIT 2

ADDENDUM TO THE TRANSIT AREA SPECIFIC PLAN ENVIRONMENTAL IMPACT REPORT

CARLSBAD
FRESNO
IRVINE
LOS ANGELES
PALM SPRINGS
POINT RICHMOND
RIVERSIDE
ROSEVILLE
SAN LUIS OBISPO

MEMORANDUM

DATE: June 14, 2019

TO: Lillian Hua, Associate Planner, City of Milpitas

FROM: Theresa Wallace, AICP, Principal
Matthew Wiswell, Project Manager

SUBJECT: California Environmental Quality Act (CEQA) Exemption Memo for the 2001 Tarob Court Project, Milpitas, California

This memorandum and attachments provide a description of the proposed 2001 Tarob Court Project (project) and substantial evidence to confirm that the project is exempt from further environmental analysis per Section 15168(c) of the California Environmental Quality Act (CEQA). The approximately 1.22-acre project site is located at 2001 Tarob Court in Milpitas, Santa Clara County. The proposed project would involve demolition of the existing building and concrete pavements on the site and construction of 40 residential units and associated parking, open space, and landscaping.

Attachment A provides a description of the proposed project. This attachment includes a description of the project location, existing site characteristics, the proposed project, and required approvals and entitlements. The City of Milpitas (City) is the CEQA lead agency for the proposed project.

The responses in the environmental checklist (included in Attachment B to this memo) prepared for the project demonstrate for each CEQA topic that because the proposed project was evaluated and impacts were mitigated to the degree possible as part of the Transit Area Specific Plan Final Environmental Impact Report (TASP FEIR), no additional CEQA review is required. CEQA Guidelines Section 15168(c)(4) recommends using a written checklist or similar device to confirm whether the environmental effects of a subsequent activity were adequately covered in a program EIR. The responses contained in the checklist confirm that the project was considered within the scope of the evaluation within the TASP FEIR and no new impacts were identified and no new mitigation measures are required.

The City can approve the 2001 Tarob Court Project as being within the scope of the Transit Area Specific Plan covered by the TASP FEIR and no new environmental document for the purposes of CEQA clearance is required. Pursuant to Public Resources Code Section 21166 and CEQA Guidelines Section 15168, the 2001 Tarob Court Project is exempt from further review under CEQA. This analysis finds that a Notice of Exemption may be prepared for the project and filed with the Santa Clara County Clerk.

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ATTACHMENT A

PROJECT DESCRIPTION

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ATTACHMENT A
PROJECT DESCRIPTION

The following describes the proposed 2001 Tarob Court Project (project) that would include construction of a four-story building with a total of 40 residential units. The project site is located within the planning area for the Milpitas Transit Area Specific Plan (TASP).[1] In addition to the description of the proposed project itself, this section includes a summary description of the proposed project's location and existing site characteristics and required approvals and entitlements. The City of Milpitas (City) is the lead agency for review of the proposed project under the California Environmental Quality Act (CEQA). As demonstrated in Attachment B, the proposed project is Categorically Exempt from further environmental review pursuant to section 15168(c) of the CEQA Guidelines and is within the scope of the certified Milpitas Transit Area Specific Plan Project Final Environmental Impact Report[2] (TASP FEIR).

PROJECT SITE

The following section describes the location and site characteristics for the project site and provides a brief overview of the existing land uses within and in the vicinity of the site.

Location and Surrounding Land Uses

The project site is located in the southern portion of the City of Milpitas, just north of the border with the City of San José. The approximately 1.22-acre project site is located at 2001 Tarob Court (Assessor's Parcel Number [APN] 086-036-034). The project site is located within a light industrial area of Milpitas that is predominantly developed with commercial office parks and other buildings for industrial and commercial uses. The project site is bordered to the north by Tarob Court, to the east by Lundy Place, and to the west and south by commercial and light industrial uses. The project site is in close proximity to the Great Mall shopping center in Milpitas, approximately 0.5 miles north of the project site.

Regional vehicular access to the project site is provided by Interstate 880 (I-880) located to the west and Interstate 680 (I-680) located east of the project site. The future Bay Area Rapid Transit (BART) Milpitas station is currently under construction and will be co-located with the Montague Valley Transportation Authority (VTA) light rail station, approximately 0.1 mile northeast of the project site. Figure 1 shows the site's regional and local context. Figure 2 shows an aerial of the existing site and surrounding land uses.

Site Characteristics and Current Site Conditions

The project site is currently developed with an approximately 16,463-square-foot, free standing office/light-industrial building. The project site includes a public utility easement that wraps around the project site from the southern corner along Lundy Place, where it is 40 feet in width, to the

[1] Milpitas, City of, 2008. *Milpitas Transit Area Specific Plan.* June. Amended December 2011.
[2] Milpitas, City of, 2008. *Milpitas Transit Area Specific Plan Final Environmental Impact Report.* May.

northern corner along Tarob Court, where it tapers down and varies from 4 feet to 10 feet in width. According to the Federal Emergency Management Agency (FEMA), the project site is located in a Zone AO Special Flood Hazard Area due to the proximity of East Penitencia Creek.[3] Pedestrian and vehicular access to the project site is via Lundy Avenue and Tarob Court.

Existing General Plan and Zoning

The project site is designated Multi-Family Residential High Density (MFH) within the City's General Plan.[4] The project site is located within the TASP Planning Area, and is within the Multi-Family Residential High Density with a Transit-Oriented Development (TOD) Overlay (R3-TOD) TASP zoning district.

MILPITAS TRANSIT AREA SPECIFIC PLAN

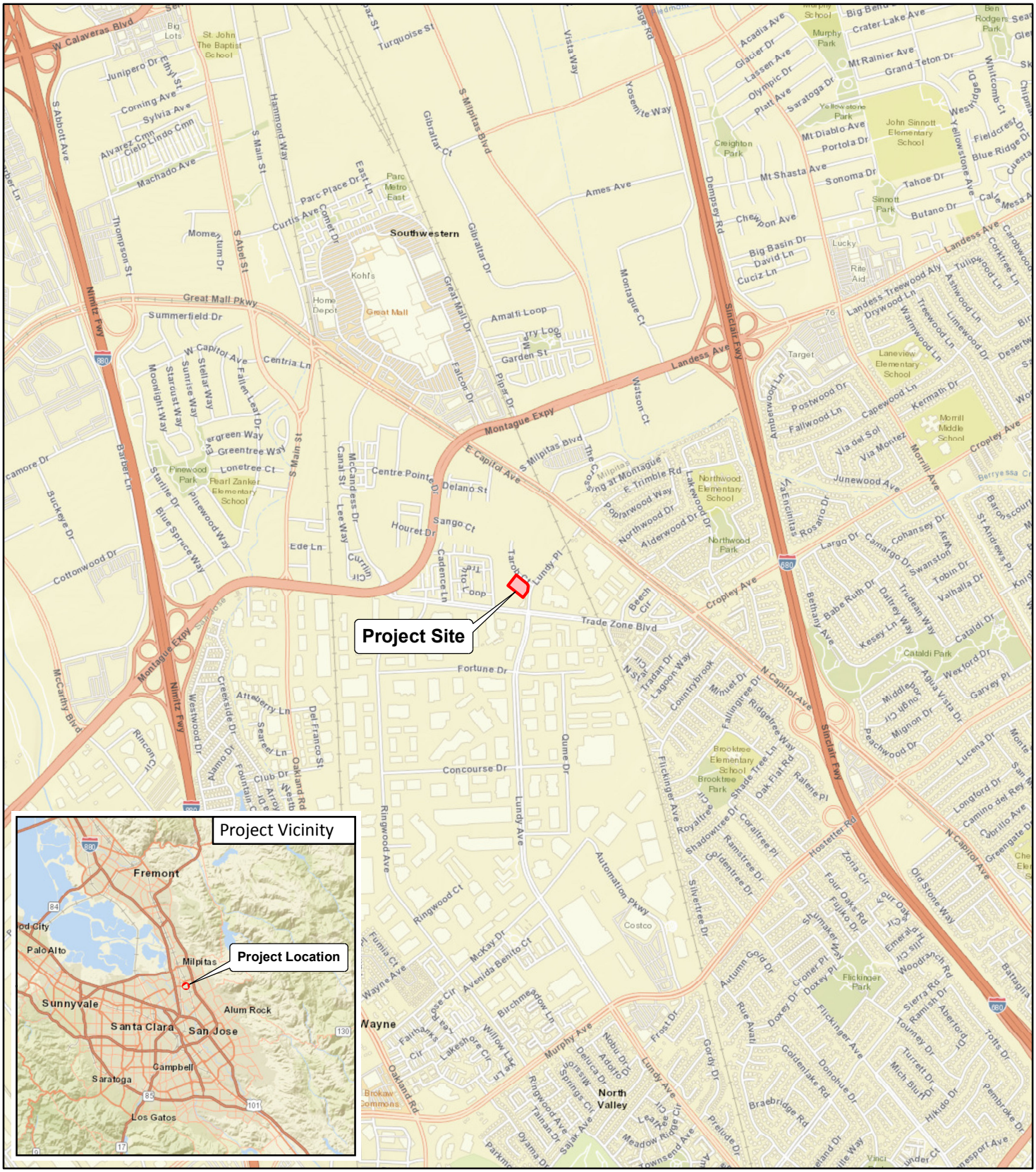
In 2008, the City of Milpitas adopted the Milpitas TASP as a guide for development and redevelopment of its light industrial corridor near the future Milpitas BART and current VTA station. The goals of the TASP are to create an attractive and livable neighborhood within walking distance of the future Milpitas BART and VTA light rail transit stations and to transform the older, light industrial area into a residential and commercial area that would meet demand for housing, offices, and shopping in the Bay Area. Milpitas designated the TASP to accommodate substantial growth, minimize impacts on local roadways, and reduce urban sprawl at the periphery of the region.

The TASP identifies subdistricts within the planning area, each having its own policies related to street design, land use, building height, setbacks, parks and building design. The project site is located within the Trade Zone/Montague subdistrict. The Trade Zone/Montague subdistrict is identified as being an attractive residential district with ample green space that would serve transit users as it is located directly adjacent to the BART station and VTA light rail.

Environmental impacts associated with implementation of the TASP were evaluated in the Final Environmental Impact Report (TASP FEIR). The TASP FEIR, certified in 2008, evaluates the environmental impacts of approximately: 1) 7,100 units of residential development; 2) 18,000 new residents; 3) 4,200 new jobs; 4) 1.0 million square feet of office space; 5) 285,000 square feet of retail space; and 6) 175,000 square feet of hotels.

[3] Federal Emergency Management Agency, 2009. FEMA Flood Map Service Center (map). Website: msc.fema.gov/portal/search?AddressQuery=2001%20Tarob%20Court%2C%20Milpitas#searchresultsanchor (accessed June 14, 2019).

[4] Milpitas, City of, 1994. *City of Milpitas General Plan*. December.



LSA

FIGURE 1

N

0 1000 2000
Feet

SOURCE: Esri World Street Map (c)2019.

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2001 Tarob Court Project

Project Location and Regional Vicinity Map

LSA

FIGURE 2

0 250 500
FEET

N

Project Site

SOURCES: GOOGLE EARTH, 8/9/18; LSA, 2019.

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2001 Tarob Court Project

Aerial Photograph and Project Site and Surrounding Land Uses

PROPOSED PROJECT

This section provides a description of the residential development project proposed for the project site as identified in the materials provided by the True Life Companies (the project applicant) dated May 2019. The project applicant proposes to demolish the existing building and pavements on the site, and construct a four-story building with a total of 40 residential units as well as associated landscaping and open space, parking and circulation, and infrastructure improvements. Figure 3 depicts the proposed site plan for the project.

The TASP FEIR evaluated the environmental impacts associated with implementation of the TASP within which the proposed project would be located. Table AA shows the housing units and population assumptions evaluated within the TASP FEIR, the number of approved units and under construction units and inclusion of the proposed project. As shown, the development associated with the proposed project is within the amount of growth evaluated and cleared within the TASP FEIR.

Table AA: Existing and Proposed Housing Units and Population within the TASP Area

	Evaluated Within the TASP FEIR	Approved	Proposed Project	Remaining Development Available
Housing Units	7,109[a]	6,875[b]	40	234
Population	17,915[a]	17,325[b]	100[b]	590[b]

Source: Lillian Hua, Associate Planner, City of Milpitas (April 2019).

[a] Milpitas, City of, 2008. Final Transit Area Specific Plan EIR.

[b] Estimated population associated with approved units, under construction units, and the proposed project was determined by using the residents per unit evaluated within the TASP FEIR (17,915 residents/7,109 units = 2.52 residents per unit).

Residential Development

The proposed project would result in the construction of 40 residential apartment units within three stories above a single-story parking garage, at a density of 32.8 dwelling units per acre. The unit mix would consist of 18 two-bedroom units ranging in size from 1,277 to 1,470 square feet, and 22 three-bedroom units ranging in size from 1,482 to 1,520 square feet. Six of the units would be designated as below market rate units. Figures 4 through 6 depict conceptual floor plans for the proposed project.

The proposed project would consist of a single building with residential units surrounding an open-air courtyard located above a ground floor parking garage. As shown in Figure 4, the ground floor would include an approximately 180-square-foot residential lobby at the northern corner of the courtyard in the center of the project site. As shown on Figure 5, an approximately 1,704-square-foot terrace would be located on the second floor at the northern end of the building. In addition, each of the residential floors would include private storage units. As noted above, the proposed building would consist of four floors and would be approximately 55 feet in height. Conceptual building elevations are shown in Figures 7 and 8.

Open Space and Landscaping

The proposed project would include a total of 0.44 acres of common open space and landscaped areas. A total of approximately 0.30 acres would consist of private common open area space for use by project residents. As shown in Figure 3, private open space would consist of the interior courtyard on the ground level of the proposed building and a walking path and landscaping along the southern portion of the building, including within the existing public utility easement. The interior courtyard would include seating areas and landscaping that would be screened from the parking garage by a dense row of columnar bamboo around each side. A designated walkway would connect the interior courtyard with the walking path and landscaping mentioned above. The remaining 0.14 acres of open space on the project site would consist of landscaped areas generally located in the northern portion of the site. A conceptual landscape plan is shown in Figure 9.

Access, Circulation, and Parking

Access to the project site would be provided by a driveway from Tarob Court at the northern corner of the project site. The driveway would provide access to an internal 26-foot access drive lane and fire lane, which would include a fire engine/garbage truck turnaround that would connect to the ground-level internal parking garage. The parking garage would provide 60 automobile parking spaces, including 27 compact parking spaces and one accessible parking space. An additional 14 automobile parking spaces would be provided along the access drive lane, including two compact spaces, one accessible parking space, and one electric vehicle parking space.

Utilities and Infrastructure

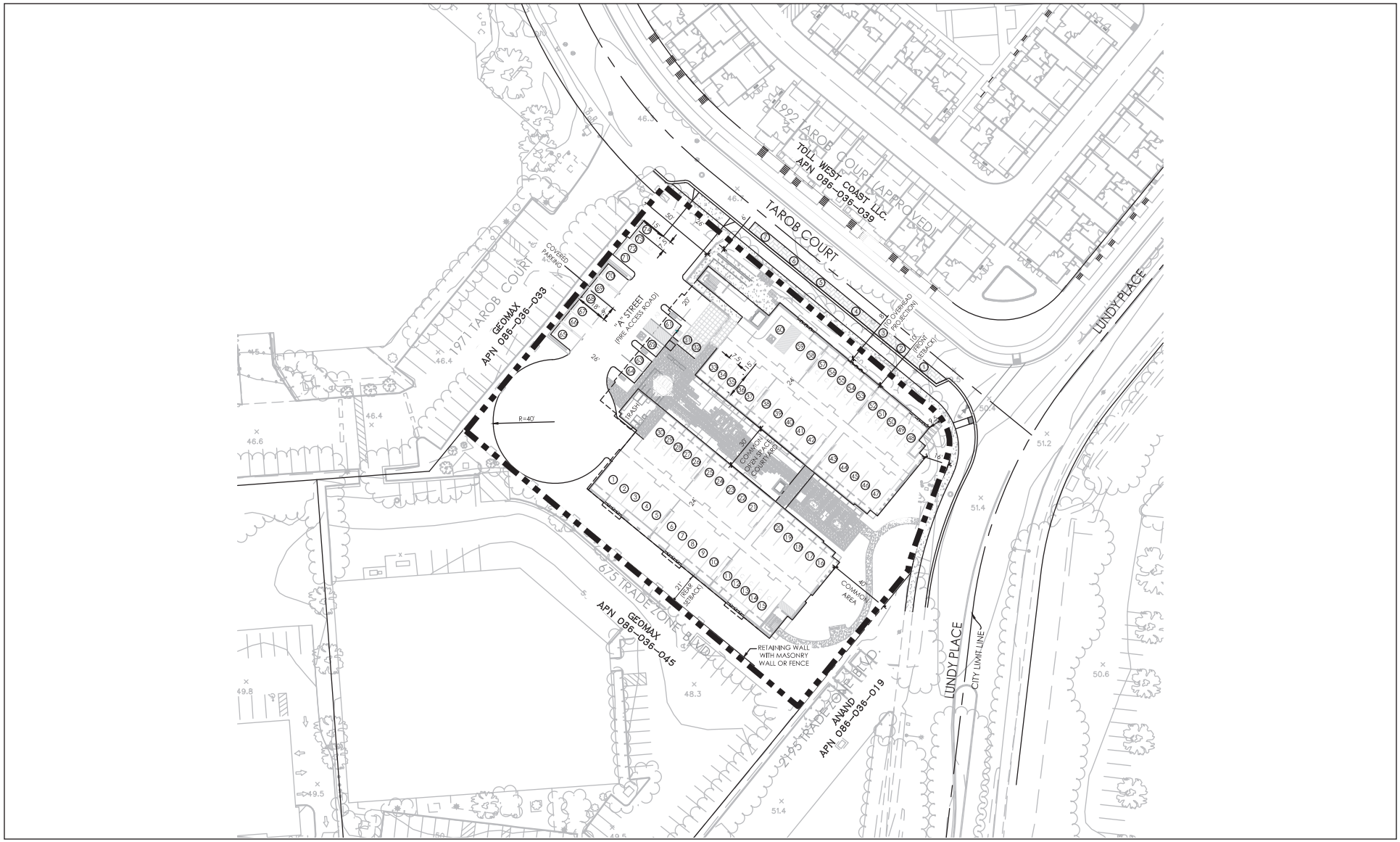
The project site is located in an urban area and is currently served by existing utilities, including: water, sanitary sewer, storm drainage, electricity, and telecommunications infrastructure. The majority of existing utilities within the boundary of the project site would be removed. Existing and proposed utility connections are discussed below.

Water

Water service in the City of Milpitas is provided by the Santa Clara Valley Water District (SCVWD). The proposed project includes the removal of all existing utilities within the project site. New water 8-inch lines within the project site would connect to existing service connections and the existing 12-inch main located within Tarob Court.

Wastewater

The San José/Santa Clara Water Pollution Control Plant (WPCP) provides wastewater treatment for Milpitas. The City of Milpitas maintains existing sanitary sewer lines within the vicinity of the site, including an 8-inch line located along Tarob Court. The proposed project includes the installation of a new on-site 8-inch wastewater line that would connect to the City's existing line.



LSA

FIGURE 3

0 60 120
FEET

N

Project Site

SOURCES: TRUE LIFE, WOOD RODGERS, MARCH 2019,

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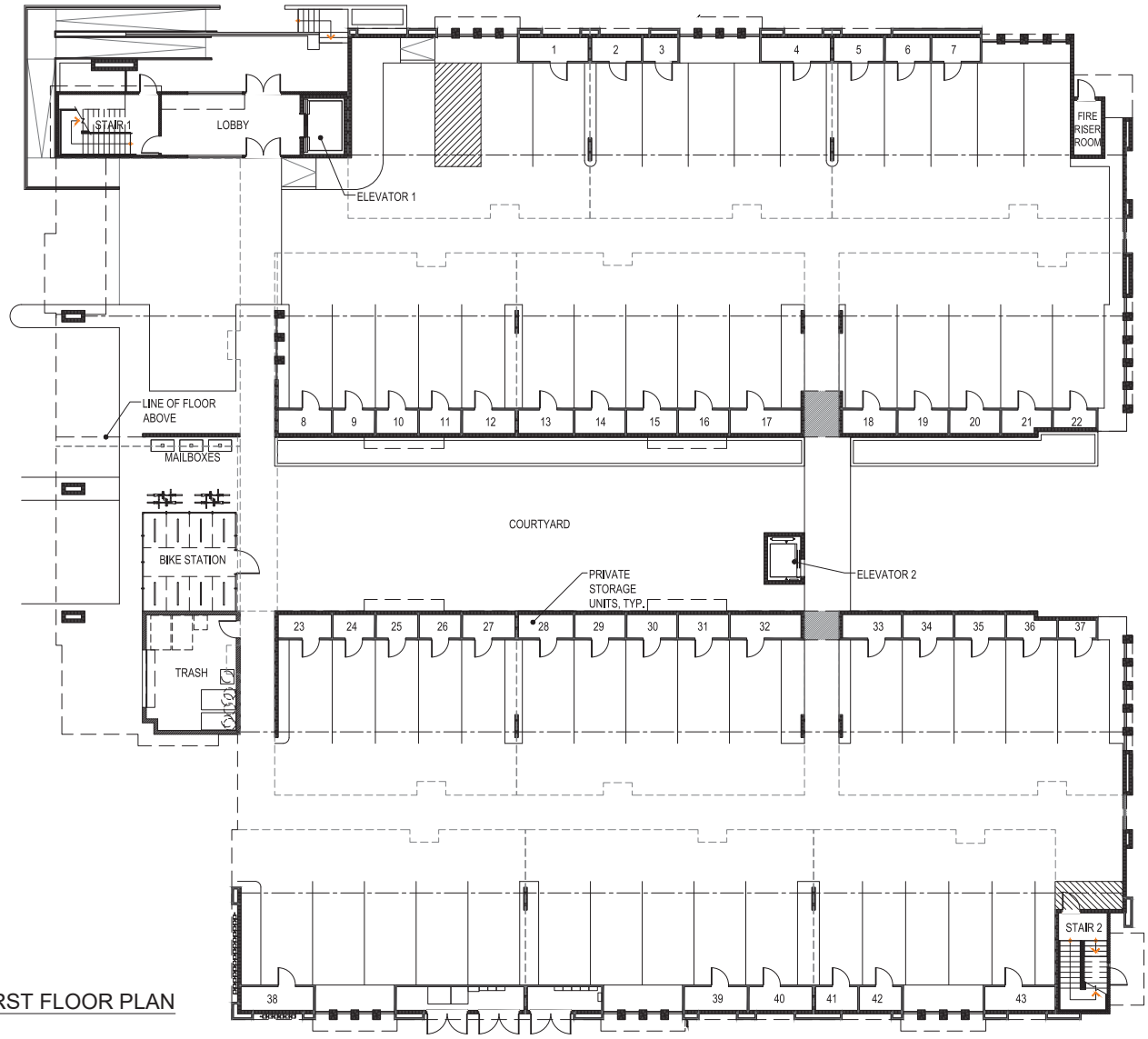
2001 Tarob Court Project
Conceptual Site Plan



LSA

FIGURE 4

0 16 32
FEET

SOURCES: TRUE LIFE; SDG ARCHITECTS, MARCH 2019,

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2001 Tarob Court Project
Conceptual First Floor Plan

LSA

FIGURE 5

0 16 32
FEET

SOURCES: TRUE LIFE; SDG ARCHITECTS, MARCH 2019,

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2001 Tarob Court Project
Conceptual Second Floor Plan

LSA

FIGURE 6

0 16 32
FEET

SOURCES: TRUE LIFE; SDG ARCHITECTS, MARCH 2019,

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2001 Tarob Court Project
Conceptual Third and Fourth Floor Plan

North Elevation

West Elevation

LSA

FIGURE 7

NOT TO SCALE

SOURCES: TRUE LIFE; SDG ARCHITECTS, MARCH 2019.

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2001 Tarob Court Project

Conceptual Elevations - North and West

South Elevation

East Elevation

LSA

FIGURE 8

NOT TO SCALE

SOURCES: TRUE LIFE; SDG ARCHITECTS, MARCH 2019.

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2001 Tarob Court Project
Conceptual Elevations - South and East

LSA

FIGURE 9

0 20 40
FEET

N

TREE MATRIX
TOTAL EXISTING TREES ON SITE: 34
TOTAL EXISTING TREES TO BE REMOVED: 34
TOTAL PROPOSED NEW TREES: 40

SOURCES: TRUE LIFE; R3 STUDIOS; SDG ARCHITECTS, MARCH 2019.

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Stormwater

The proposed project would connect to the existing 12-inch municipal storm drain located at the northwest corner of the project site. The proposed project would include pervious pavers throughout the interior access driveway.

Electricity and Natural Gas

Electricity and natural gas services to the site are provided by Pacific Gas and Electric Company (PG&E). Existing underground utility connections and gas mains provide electricity and gas to the project site. The project includes removal of all existing utilities and would require the construction of new electricity and gas connections to serve the project. New electrical lines (servicing the project only) would be installed underground and connect to the existing joint trench box in the northern corner of the project site.

Demolition, Grading, and Construction

Development of the project would result in the demolition of the existing structure and pavement. A total of approximately 1,410 cubic yards of soils would be excavated and exported from the project site, and approximately 5,600 cubic yards would be filled on the project site to raise the site by approximately 4.5 feet to comply with the City's Flood Ordinance and create a level pad.

Construction of the proposed project is anticipated to occur over approximately 16 months, starting in April 2020 and ending in August 2021.

AMENDMENTS AND PERMITS

The following approvals and permits would be required for development of the proposed project:

- Site Development Permit
- Demolition Permit
- Building Permit
- Tentative Map

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ATTACHMENT B

ENVIRONMENTAL CHECKLIST
PURSUANT TO CEQA GUIDELINES SECTION 15168

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ATTACHMENT B
ENVIRONMENTAL CHECKLIST
PURSUANT TO CEQA GUIDELINES SECTION 15168

CEQA Guidelines 15168(c)(4) recommends using a written checklist or similar device to confirm whether the environmental effects of a subsequent activity were adequately covered in a program EIR. This checklist confirms that the 2001 Tarob Court Project is within the scope of the Transit Area Specific Plan[1] Final Environmental Impact Report[2] (TASP FEIR) and will have no effects and no new mitigations are required, and as such, the City can approve the 2001 Tarob Court Project as being within the scope of the TASP and covered by its FEIR and no new environmental document is required. Pursuant to Public Resources Code Section 21166 and CEQA Guidelines Section 15168, the 2001 Tarob Court Project is exempt from further review under CEQA.

1. AESTHETICS

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Except as provided in Public Resources Code Section 21099, would the project:				
a. Have a substantial adverse effect on a scenic vista?	☐	☐	☐	☒
b. Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway	☐	☐	☐	☒
c. In non-urbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from a publicly accessible vantage point.) If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?	☐	☐	☐	☒
d. Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	☐	☐	☐	☒

Discussion

Scenic Vistas

The project site is not located within a scenic viewshed or along a State Scenic Highway or other scenic highway. Flat topography and existing urban development constrain scenic vistas in the vicinity of the project site. Intermittent views of the Milpitas foothills to the northeast are available from the project site only when viewed from the northern edge of the project site. No on-site parks, open space lands or public lands adjacent to or in the vicinity of the proposed project have views of the foothills.

1 Milpitas, City of, 2008a. *Milpitas Transit Area Specific Plan*. June. Amended December 2011.
2 Milpitas, City of, 2008b. *Milpitas Transit Area Specific Plan Final Environmental Impact Report*. May.

Furthermore, as described in the TASP FEIR, the City's visual resources are outside of the TASP Area. Additionally, the proposed project would be required to comply with TASP policies and design standards related to scenic vistas. Therefore, the impacts associated with the proposed project would not result in new impacts to scenic vistas or substantially increase the severity of the less-than-significant impacts to scenic vistas identified in the TASP FEIR.

Scenic Resources

The only scenic resources located within the TASP Area are street trees located on McCandless Drive, approximately 0.5 miles west of the project site. There are no scenic resources located on the project site. Additionally, the City's Tree and Planting Ordinance (Ord. 201.1) protects significant trees and heritage trees throughout the City. Therefore, the impacts associated with the proposed project would not result in new impacts to scenic resources or substantially increase the severity of impacts than those analyzed in the TASP FEIR.

Visual Character

The TASP aims at improving the existing aesthetic value of the TASP Area and calls for new parks, trails, landscape buffers, and other design policies that would result in the enhancement of the visual character of the TASP Area. The TASP includes specific design standards to create a unified appearance to the TASP Area, consistent setbacks, landscaped buffers, street trees, and parks, which the TASP FEIR analyzed. The proposed project would conform to these design standards by providing street landscaping and landscaped setback areas.

The TASP allows buildings in the R3-TOD district up to 75 feet in height and requires a density of 21-40 dwelling units per acre. The proposed project would include construction of a four-story building that would be approximately 55 feet in height with a density of approximately 33 dwelling units per acre. Therefore, the proposed project would meet the building height limits and density standards set for in the TASP design standards, and would not conflict with zoning or other regulations governing scenic quality.

Light and Glare

Redevelopment of the TASP Area would result in the introduction of new sources of light and glare on the project site. As discussed in the TASP FEIR, development standards and policies would limit new sources of light and glare in the TASP Area. To minimize potential light and glare impacts, the proposed project would implement and be consistent with TASP development standards that address street and outdoor lighting. Therefore, the proposed project would not create impacts related to light and glare that would be new or more significant than those analyzed in the TASP FEIR.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the TASP FEIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Applicable Policies

TASP Policies

- Development Standard: Utilities shall be underground or in subsurface conduits and accessible.

Conclusion

The TASP FEIR adequately evaluated the potential aesthetic impacts of the proposed project. Therefore, potential impacts would be less than significant and additional mitigation is not required.

2. AGRICULTURE AND FORESTRY RESOURCES

In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the State's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment Project; and the forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board.

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

Discussion

The TASP FEIR did not analyze impacts to agricultural resources as the TASP Area is urban without any agricultural or forest land uses in the area or vicinity. The project site, located within the TASP Area, is also not used for agriculture. The Santa Clara County Important Farmland 2012 map designates lands within the TASP Area, including the project site, as "Urban and Built-Up Land." Thus, the TASP and the proposed project would have no impacts on agriculture or forestry resources.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the TASP FEIR was

certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Conclusion

The TASP FEIR adequately evaluated the agriculture and forestry impacts of the proposed project. Therefore, potential impacts would be less than significant and additional mitigation is not required.

3. AIR QUALITY

Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations.

	New Potentially Significant Impact	New Mitigation Required	Less Than Significant Impact	No New Impact
Would the project:				
a. Conflict with or obstruct implementation of the applicable air quality plan?	☐	☐	☐	☒
b. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard?	☐	☐	☐	☒
c. Expose sensitive receptors to substantial pollutant concentrations?	☐	☐	☐	☒
d. Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people?	☐	☐	☐	☒

Discussion

Clean Air Plan Consistency

An air quality plan describes air pollution control strategies to be implemented by a city, county, or region classified as a non-attainment area. The main purpose of an air quality plan is to bring an area into compliance with the requirements of federal and State air quality standards.

The Bay Area Air Quality Management District (BAAQMD) guidelines were referenced to determine if a project would conflict with or obstruct implementation of an applicable air quality plan, which for the TASP FEIR was the 2005 Bay Area Ozone Strategy.[3] In forecasting future stationary and mobile source emissions and preparing the regional air quality plan, the BAAQMD uses growth projections prepared by ABAG. The BAAQMD based its 2005 Bay Area Ozone Strategy on population projections in the 2003 ABAG Projections.[4] The TASP FEIR found that population increases in the City are anticipated to exceed population increases accounted for by the 2003 ABAG Projections, thus resulting in a significant and unavoidable impact (Impact 3.6-1) related to consistency with the applicable federal Environmental Protection Agency (EPA) Clean Air Plan.

[3] Bay Area Air Quality Management District, 2006. *Bay Area 2005 Ozone Strategy*.

[4] Association of Bay Area Governments, 2003. *Projections 2003*.

The BAAQMD's current Clean Air Plan is the 2017 Clean Air Plan, which was adopted on April 19, 2017. The 2017 Clean Air Plan is a comprehensive plan to improve Bay Area air quality and protect public health. The 2017 Clean Air Plan defines control strategies to reduce emissions and ambient concentrations of air pollutants; safeguard public health by reducing exposure to air pollutants that pose the greatest heath risk, with an emphasis on protecting the communities most heavily affected by air pollution; and reduce greenhouse gas emissions to protect the climate. Consistency with the Clean Air Plan can be determined if the project does the following: 1) supports the goals of the Clean Air Plan; 2) includes applicable control measures from the Clean Air Plan; and 3) would not disrupt or hinder implementation of any control measures from the Clean Air Plan.

The proposed project would locate future residents within walking distance of public transportation, jobs, restaurants, and services. Implementation of the TASP includes policies that address transportation and land use that are consistent with the Clean Air Plan. TASP Policy 3.21 would provide continuous pedestrian sidewalks and safe bike routes throughout the TASP Area; Policy 3.22 encourages walking and biking routes to schools and major destinations; and Policy 3.33 requires new development within the TASP Area to provide incentives for alternative modes of transit, which support the Clean Air Plan. The proposed project would develop high-intensity, transit oriented residential development and would result in a building density at the project site that is similar to what was evaluated in the TASP FEIR. In addition, the population and housing units included in the proposed project would fall within the total development anticipated by the TASP FEIR, as mentioned in Section 10, Land Use and Planning. Therefore, implementation of the proposed project would not substantially increase population, vehicle trips, or VMT.

The TASP FEIR identified measures to reduce air emissions such as encouraging the use of pedestrian walkways and bikes, and designing streets for slower speeds, but concluded that air quality impacts would be significant and unavoidable. The project would implement the TASP measures and would not increase the previously-identified impacts. Thus conclusions about compliance with the Clean Air Plan in the TASP FEIR remain applicable to the project.

Regional Air Pollutant Emissions

The TASP FEIR indicates that the development of projects under the TASP could further contribute to non-attainment of air quality standards. The TASP FEIR also identified that buildout of the TASP could place sensitive land uses (land uses that could house sensitive receptors) near local intersections or roadways associated with air pollutant emissions that exceed (worsen) State or federal ambient air quality standards.

The 2001 Tarob Court Project would result in redevelopment of the site with new residential uses, similar to what the TASP envisioned. The new uses would result in mobile air quality impacts from increased vehicle trips to and from the project site and air quality impacts such as emissions generated from the use of landscaping equipment and consumer products. Emission estimates for operation of the project were calculated using CalEEMod. Model results are shown in Table BA.

The results shown in Table BA indicate that the proposed project would not exceed the significance criteria for annual ROG, NO_2, PM_{10} or $PM_{2.5}$ emissions; therefore, implementation of the proposed project would not have a significant effect on regional air quality and mitigation would not be

required. Therefore, the proposed project would not result in any new or more significant regional or local air quality impacts than described and evaluated in the TASP FEIR.

Table BA: Project Operational Emissions

	ROG	NO_x	PM_{10}	$PM_{2.5}$
Pounds Per Day				
Area Source Emissions	1.1	<0.1	<0.1	<0.1
Energy Source Emissions	<0.1	0.1	<0.1	<0.1
Mobile Source Emissions	0.3	1.2	0.5	0.1
Total Emissions	**1.5**	**1.3**	**0.5**	**0.2**
BAAQMD Thresholds	54.0	54.0	82.0	54.0
Exceed Threshold?	**No**	**No**	**No**	**No**
Tons Per Year				
Area Source Emissions	0.2	<0.1	<0.1	<0.1
Energy Source Emissions	<0.1	<0.1	<0.1	<0.1
Mobile Source Emissions	0.1	0.2	0.1	<0.1
Total Emissions	**0.3**	**0.2**	**0.1**	<0.1
BAAQMD Thresholds	10.0	10.0	15.0	10.0
Exceed Threshold?	**No**	**No**	**No**	**No**

Source: LSA (April 2019).

Construction-Related Impacts

Construction activities would cause temporary adverse effects on local air quality. Construction activities such as earthmoving, construction vehicle traffic and wind blowing over exposed earth would generate exhaust emissions and fugitive particulate matter emissions that affect local and regional air quality. Construction activities are also a source of organic gas emissions. Solvents in adhesives, non-water-based paints, thinners, some insulating materials, and caulking materials would evaporate into the atmosphere and would participate in the photochemical reaction that creates urban ozone. Asphalt used in paving is also a source of organic gases immediately after its application. Construction dust could affect local air quality at various times during construction of the project. The dry, windy climate of the area during the summer months creates a high potential for dust generation when, and if, underlying materials are exposed to the atmosphere. The effects of construction activities would be increased dustfall and locally elevated levels of particulate matter downwind of construction activity.

The TASP FEIR determined that construction of projects associated with the TASP would be less than significant with compliance with the BAAQMD's basic construction mitigation measures and TASP policies.

Construction emissions were estimated for the project using the California Emissions Estimator Model (CalEEMod) version 2016.3.2, consistent with BAAQMD recommendations. Construction of the proposed project is anticipated to occur over approximately 16 months, starting in April 2020 and ending in August 2021. Construction-related emissions are presented in Table BB. CalEEMod output sheets are included in Appendix A.

Table BB: Project Construction Emissions in Pounds Per Day

Project Construction	ROG	NO_x	Exhaust PM_{10}	Fugitive Dust PM_{10}	Exhaust $PM_{2.5}$	Fugitive Dust $PM_{2.5}$
Average Daily Emissions	2.5	10.8	0.5	0.7	0.5	0.3
BAAQMD Thresholds	54.0	54.0	54.0	BMP	82.0	BMP
Exceed Threshold?	**No**	**No**	**No**	**No**	**No**	**No**

Source: LSA (April 2019).

As shown in Table BB, construction emissions associated with the project would be less than significant for ROG, NO_x, $PM_{2.5}$, and PM_{10} exhaust emissions. Therefore, construction of the proposed project would result in similar construction-related, short-term air quality impacts as those impacts identified in the TASP FEIR. The BAAQMD requires the implementation of the BAAQMD's Basic Construction Mitigation Measures to reduce construction fugitive dust impacts to a less-than-significant level. These recommendations will be included in the conditions of approval for the proposed project:

- All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day.
- All haul trucks transporting soil, sand, or other loose material off-site shall be covered.
- All visible mud or dirt tracked-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited.
- All vehicle speeds on unpaved roads shall be limited to 15 mph.
- All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible.
- Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.
- Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 5 minutes (as required by the California airborne toxics control measure Title 13, Section 2485 of California Code of Regulations [CCR]). Clear signage shall be provided for construction workers at all access points.
- All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified mechanic and determined to be running in proper condition prior to operation.
- A publicly-visible sign shall be posted with the telephone number and person to contact at the City of Milpitas regarding dust complaints. This person shall respond and take corrective action within 48 hours. The BAAQMD's phone number shall also be visible to ensure compliance with applicable regulations.

With implementation of these project conditions of approval, construction of the proposed project would result in similar construction-related, short-term air quality impacts as those impacts identified in the TASP FEIR. In addition, implementation of TASP Policy 5.16 would reduce construction-related air quality impacts; therefore, the proposed project would also not result in any new or more significant construction-related air quality impacts than were evaluated in the TASP FEIR. This impact would remain less than significant.

Localized Carbon Monoxide Impacts

The TASP FEIR identified that implementation of the TASP would have the potential to affect carbon monoxide concentrations along surface streets and near stagnation points such as major highways and heavily traveled and congested roadways. This increase in traffic would not only add more vehicles on the road but the increased congestion would cause existing non-project traffic to travel at slower, more polluting speeds. The TASP FEIR evaluated CO concentrations based on the BAAQMD's methodology for manual calculation of CO concentrations to estimate the impact of project traffic on existing and future carbon monoxide concentrations at intersections in and around the TASP Area.

The TASP FEIR found that background carbon monoxide levels are projected to be significantly lower in 2030 due to improvements in the automobile fleet, attrition of older, high-polluting vehicles, and improved fuel mixtures. Despite the addition of project and cumulative traffic, carbon monoxide concentrations at the intersections would decrease from existing to TASP buildout conditions (2030). This would be due to the beneficial effects of ongoing State and federal vehicle emissions reductions programs, which are expected to continue to generate reductions in average vehicle emissions of carbon monoxide per vehicle-mile-traveled for the foreseeable future. Therefore, the TASP FEIR determined that long-term increase in traffic due to development pursuant to the TASP would not violate any air quality standard or contribute to an existing or projected air quality violation in the vicinity of the planning area.

As discussed above, the proposed project would locate future residents within walking distance of public transportation, jobs, restaurants, and services. The proposed project would develop high-intensity, transit oriented residential development and would result in a building density at the project site that is similar to what was evaluated in the TASP FEIR. In addition, the population and housing units included in the proposed project would fall within the total development anticipated by the TASP FEIR, as mentioned in Section 11, Land Use and Planning. Therefore, implementation of the proposed project would not substantially increase vehicle trips and would not generate more vehicle trips than evaluated in the TASP FEIR. Therefore, impacts related to localized carbon monoxide would remain less than significant.

Local Community Risk and Hazard Impacts to Sensitive Receptors

The TASP FEIR identified a variety of pollutant or toxic air emissions, such as diesel exhaust and those from dry cleaning facilities, in addition to emissions that could be released from construction projects and operations associated with proposed projects. TASP Policy 5.23 requires project sponsors to inform future and/or existing sensitive receptors of any potential health impacts resulting from nearby sources of dust, odors, or toxic air contaminants, and where mitigation cannot

reduce these impacts. As identified in the TASP FEIR, this information could be disseminated through rental agreements, real property disclosure statements, and/or mailed notices to existing residents and property owners; and would include, but would not be limited to: location of dry cleaners, proximity to diesel emission from trucks and passenger vehicles, and light duty industrial operations.

Policy 5.25 requires an analysis of the impact on future sensitive receptors located within 500 feet of active rail lines or roadways if traffic exceeds 100,000 vehicles per day. The future Bay Area Rapid Transit (BART) and Montague Valley Transportation Authority (VTA) light rail is located approximately 750 feet northeast of the project site and would not generate harmful emissions at this distance. The roadways within 500 feet of the proposed project are Tarob Court, Lundy Place, and Trade Zone Boulevard; traffic on these roadways would not exceed 100,000 vehicles per day and therefore no further analysis is required. The proposed project does not include additional TAC sources in the project site; therefore implementation of the proposed project would not expose sensitive receptors to substantial pollutant concentrations.

Objectionable Odors

The TASP FEIR did not address potential odor impacts for the proposed project. The project would not include any activities or operations that would generate objectionable odors and, once operational, the project would not be a source of odors. Therefore, the project would not create objectionable odors affecting a substantial number of people. The proposed project would not increase impacts beyond those evaluated in the TASP FEIR and would have a less-than-significant impact related to odors.

Applicable Mitigation

Construction of the project would result in the temporary generation of fugitive dust emissions. Implementation of the project conditions of approval would ensure that construction of the proposed project would result in a less-than-significant impact. No new mitigation measures would be required.

Applicable Policies

General Plan Policies

- *Policy 3.d-G-2: Provide adequate bicycle parking and end-of trip support facilities for bicyclists at centers of public and private activity.*

- *Policy 3.d-I-9: Require developers to make new projects as bicycle and pedestrian "friendly" as feasible, especially through facilitating pedestrian and bicycle movements within sites and between surrounding activity centers.*

- *Policy 3.d-I-10: Encourage developer contributions toward pedestrian and bicycle capital improvement projects and end-of-trip support facilities.*

- *Policy 3.d-I-14: Include evaluation of bicycle facility needs in all planning applications for new developments and major remodeling or improvement projects.*

- *Policy 3.d-I-15: Encourage new and existing developments to provide end-of-trip facilities such as secure bicycle parking, on-site showers and clothing storage lockers, etc.*

- *Policy 2.b-I-2: Consider locating housing in close proximity to industrial developments where they can be served by existing city services and facilities.*

TASP Policies

- *Policy 3.21: Provide continuous pedestrian sidewalks and safe bike travel routes throughout the entire Transit Area and within development projects. New development shall install sidewalks per the street design standards in Chapter 5 [of the Specific Plan]. The City and/or private property owner shall install sidewalks in areas where they currently do not exist, and where new development is not anticipated during the Plan timeframe. City staff will review individual development applications to ensure that adequate pedestrian facilities are provided and are consistent with the Transit Area Plan's pedestrian improvements.*

- *Policy 3.22: Private development shall be encouraged to provide direct walking and biking routes to schools and major destinations, such as parks and shopping, through their property.*

- *Policy 3.27: Every resident of the Transit Area shall be able to safely walk and bike to the BART and VTA light rail stations. As projects are constructed, make sure that all the routes are continuous and designed to be attractive and safe for pedestrians.*

- *Policy 3.33: Require new development within the Transit Area to facilitate the use of alternative modes of transportation through programs such as carpool parking, the VTA's EcoPass Program, shuttles to transit stations and lunchtime destinations, assistance to regional and local ridesharing organizations, alternative work schedules, telecommuting, etc. Establish a Transportation Demand Management (TDM) program for this purpose, as described in Policy3.16.*

- *Policy 5.23: Require project sponsors to inform future and/or existing sensitive receptors (such as day care facilities, schools, nursing homes) of any potential health impacts resulting from nearby sources of dust, odors, or toxic air contaminants, and where mitigation cannot reduce these impacts.*

- *Policy 5.24: Allow only natural gas fireplaces, pellet stoves or EPA-Certified wood-burning fireplaces or stoves. Conventional open-hearth fireplaces shall not be permitted.*

- *Policy 5.16: During review of specific development proposals made to the City, sponsors of individual development projects under the Specific Plan shall implement the BAAQMD's approach to dust abatement. This calls for "basic" control measures that should be implemented at all construction sites, "enhanced" control measures that should be implemented in addition to the basic control measures at construction sites greater than four acres in area, and "optional"*

control measures that should be implemented on a case-by-case basis at construction sites that are large in area, located near sensitive receptors or which, for any other reason, may warrant additional emissions reductions (BAAQMD, 1999).

- *Policy 5.25: For new residential development that is proposed within 500 feet of active rail lines where vehicles emit diesel exhaust, or roadways where total daily traffic volumes from all roadways within 500 feet of such location exceed 100,000 vehicles per day, will, as part of its CEQA review, include an analysis of toxic air contaminants (which includes primarily diesel particulate matter (DPM)). If the results show that the carcinogenic human health risk exceeds the 10 people in a million standard for carcinogenic human health impacts established by the BAAQMD, the City may require upgraded ventilation systems with high efficiency filters, or other equivalent mechanisms, to minimize exposure of future residents.*

Conclusion

With implementation of the project conditions of approval, the proposed project would not result in significant air quality impacts. In addition, with implementation of the applicable TASP and General Plan Policies, the 2001 Tarob Court project would not create any new or worsening air quality impacts.

4. BIOLOGICAL RESOURCES

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

Discussion

Protected Plants and Wildlife

As described in the TASP FEIR, the area covered by the TASP consists of land previously altered by development. The majority of the TASP Area is covered in vacant industrial lots that have been previously developed and abandoned with structures that are partially or entirely dismantled, resulting in lots with compacted soils and ruderal (plants growing among refuse) habitats. With the exception of burrowing owls, the TASP FEIR determined that there is minimal potential for special-status species to occur due to the history of development in the TASP Area.

The only record of special-status species occurring in the area is for burrowing owls. The TASP FEIR notes that development of vacant and ruderal lots could result in a loss of burrowing owls or their nests. According to the TASP FEIR, TASP Policy 5.26 would reduce potential impacts to burrowing owls to a less-than-significant level. This policy would require preconstruction surveys, buffers during breeding season, and relocation by a qualified biologist in consultation with the California Department of Fish and Wildlife (CDFW) during the non-breeding season in conformance with all

necessary State and federal permits. With implementation of this polices, the proposed project would not result in impacts related to protected plants and wildlife that are new or more significant than those analyzed in the TASP FEIR.

Riparian Habitat

As described in the TASP FEIR, the project site is located in proximity to two drainages: Lower Penitencia Creek and east channel of Penitencia Creek. While these drainages lack high-quality riparian habitat, patches of riparian habitat exist. New development in the TASP Area could result in loss or degradation of this habitat. However, as noted in Attachment A, Project Description, the project site is not located directly adjacent to either drainage and vegetation is limited to ornamental trees, shrubs, and grasses and does not contain any riparian habitat. Therefore, the project site does not support State or federal jurisdictional habitat areas or other sensitive natural communities. Therefore, the proposed project would not create impacts related to riparian habitat that are new or more significant than those analyzed in the TASP FEIR.

Federally Protected Wetlands

As the TASP FEIR states, Penitencia Creek and the east channel of Penitencia Creek and their tributaries receive protection under Section 404 of the Clean Water Act. Wetlands associated with these drainage features also potentially receive protection under Section 404.

The TASP has specific design guidelines, including setbacks that would reduce direct impacts on creeks within the TASP Area. TASP Policy 5.29 requires setbacks from creeks to be a minimum 25 feet from top of bank or from a maintenance road, if one exists. However, as noted above, the project site is not located directly adjacent to either of the drainages within the proximity of the site. The proposed project would conform to the setback requirements and other design standards provided in the TASP, and therefore would not create impacts related to wetlands that are new or more significant than those analyzed in the TASP FEIR.

Wildlife Movement Corridors

As the TASP FEIR states, nesting habitat for non-listed special-status raptor species occurs in and near the TASP Area. Many bird species use the existing ornamental trees for cover, nesting, or stop-over locations during migration, especially with the availability of water from the drainages within the TASP Area. Removal of large, mature trees can cause direct mortality to nesting birds and their young and construction disturbance can cause nest abandonment resulting in indirect loss to avian species. Raptors also could potentially use large and/or mature trees in the TASP Area for nesting. Raptors and other common birds and their nests and eggs are protected under California Department of Fish and Game Code 3503.5. The proposed project would implement TASP Policy 5.27 which would require a qualified biologist to conduct a survey that would be considered by the U.S. Fish and Wildlife Service (USFWS) and CDFW as appropriate, on a case-by-case basis in certain conditions, to determine whether a project would require avoidance procedures. Implementation of General Plan Policies 4.b-I-4 and 4.b-I-5 and TASP Policy 5.27 would reduce potential impacts to nesting raptors and other birds to less-than-significant levels. The proposed project would conform to the above policies and therefore would not create impacts related to migrating wildlife that are new or more significant than those analyzed in the TASP FEIR.

Mature Trees

The TASP FEIR does not contain a comprehensive tree survey. The TASP FEIR recognizes that the impacts of the high intensity, transit-oriented redevelopment of the area would require removal of many trees. The loss of protected trees would be a significant impact (Impact 3.8-3) that would require compensation per the City ordinances. There are 34 trees located on the project site, none of which are protected or qualify for Heritage or Specimen status. The proposed project would result in the removal of all of the trees on the project site and the planting of approximately 40 new trees. Therefore, the proposed project would not create impacts related to mature trees that are new or more significant than those analyzed in the TASP FEIR.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the TASP FEIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Applicable Policies

TASP Policies

- *Policy 5.26: For any project sites that are either undeveloped or vacant and support vegetation, or project sites which are adjacent to such land, a pre-construction survey shall be conducted by a qualified biologist within 30 days of the onset of construction. This survey shall include two early morning surveys and two evening surveys to ensure that all owl pairs have been located. If preconstruction surveys undertaken during the breeding season (February 1st through July 31st) locate active nest burrows, an appropriate buffer around them (as determined by the project biologist) shall remain excluded from construction activities until the breeding season is over. During the non-breeding season (August 15th through January 31st), resident owls may be relocated to alternative habitat. The relocation of resident owls shall be according to a relocation plan prepared by a qualified biologist in consultation with the California Department of Fish and Game (CDFG). This plan shall provide for the owl's relocation to nearby lands possessing available nesting habitat. Suitable development-free buffers shall be maintained between replacement nest burrows and the nearest building, pathway, parking lot, or landscaping. The relocation of resident owls shall be in conformance with all necessary state and federal permits.*

- *Policy 5.27: To mitigate impacts on non-listed special-status nesting raptors and other nesting birds, a qualified biologist will survey the site for nesting raptors and other nesting birds within 14 days prior to any ground disturbing activity or vegetation removal. Results of the surveys will be forwarded to the U.S. Fish and Wildlife Service (USFWS) and CDFG (as appropriate) and, on a case-by-case basis, avoidance procedures adopted. These can include construction buffer areas (several hundred feet in the case of raptors) or seasonal avoidance. However, if construction activities occur only during the non-breeding season between August 31 and February 1, no surveys will be required.*

- *Policy 5.29: Per Figure 5-23 G and Tables 5-1 and 5-2 [of the Specific Plan], a minimum 25 foot setback from the top of bank of any creek or drainage channel, or from a maintenance road if one exists, shall be provided.*

Conclusion

The TASP FEIR adequately evaluated the biological resources impacts of the proposed project. Therefore, potential impacts would be less than significant and additional mitigation is not required.

5. CULTURAL RESOURCES

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?	☐	☐	☐	☒
b. Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?	☐	☐	☐	☒
c. Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	☐	☐	☐	☒
d. Disturb any human remains, including those interred outside of formal cemeteries?	☐	☐	☐	☒

Discussion

Historic Resources

The project site is fully developed with a light-industrial building. The existing structure is not considered a significant historic resource under the State or federal standards for historic resources. The only historic resource in the TASP Area that is listed in the City's Register of Cultural Resources is the Old Ford Motor Assembly Plant now known as the Great Mall, which is located approximately 0.6 miles north of the project site. Therefore, the proposed project would not result in impacts to buildings that are historic resources.

Prehistoric and Historical Archaeological Resources

No archaeological resources have been identified on the project site. However, as noted in the TASP FEIR, the TASP Area is considered sensitive for archaeological resources. One Native American archaeological resource, CA-SCL-593, and a prehistoric archaeological site are located adjacent to the TASP Area. Previous archaeological studies suggest that there could be an archeological complex in and around these sites that might extend into the TASP Area. The TASP FEIR also determined that there is a moderate to high likelihood that unrecorded Native American cultural resources exist on sites within the TASP Area due to early settlements along Penitencia Creek.

While subsurface cultural resources are not anticipated to be encountered with demolition and grading of the site, there is a chance that construction activities could affect previously-unidentified

archaeological resources on the project site. The TASP FEIR identifies Policy 5.34 to reduce the impacts to previously unidentified archeological resources to a less-than-significant level through construction monitoring, and if remains are found, temporary halting of construction until development of a mitigation plan and its implementation. This measure applies to the project site, the same as it applies to the TASP.

Implementation of Policy 5.34 from the TASP would reduce impacts to previously unidentified archeological resources to a less-than-significant level. Implementing the proposed project would not lead to new or more severe impacts to archaeological resources that would occur beyond those already identified in the TASP FEIR.

Disturbance of Human Remains

All development within the TASP Area must conform to State laws pertaining to the discovery of human remains. If human remains of Native American origin are discovered during project construction, the developer and/or Planning Department would be required to comply with State laws relating to the disposition of Native American burials, which fall within the jurisdiction of the Native American Heritage Commission.

Sections 21083.2 and 21084.1 of the Public Resources Code state that if any human remains are discovered or recognized in any location on the project site, there shall be no further excavation or disturbance of the site or any nearby area reasonably suspected to overlie adjacent human remains until required conditions are met. This requirement would be applicable and would reduce impacts to potential human remains to a less-than-significant level. These potential impacts would not exceed those already identified in the TASP FEIR, and the project would not result in any new or more significant impacts to cultural resources beyond those identified in the TASP FEIR.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the TASP FEIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Applicable Policies

Pursuant to CEQA Guidelines 15064.5 (f), if potentially significant cultural resources are discovered during ground-disturbing activities associated with project preparation, construction, or completion, work shall halt in that area until a qualified archaeologist can assess the significance of the find, and, if necessary, develop appropriate treatment measures in consultation with Santa Clara County and other appropriate agencies and interested parties. For example, a qualified archaeologist shall follow accepted professional standards in recording any find including submittal of the standard Department of Parks and Recreation (DPR) Primary Record forms (Form DPR 523) and locational information to the California Historical Resources Information Center Office (Northwest Information Center). The consulting archaeologist shall also evaluate such resources for significance per California Register of Historical Resources eligibility criteria (Public Resources Code Section 5024.1; Title 14 CCR Section 4852). If the archaeologist determines that the find does not meet the CEQA

standards of significance, construction shall proceed. However, if the archaeologist determines that further information is needed to evaluate significance, the Planning Department staff shall be notified and a data recovery plan shall be prepared.

All future development in the TASP Area will be in accordance with State laws pertaining to the discovery of human remains. Accordingly, if human remains of Native American origin are discovered during project construction, the developer and/or the Planning Department would be required to comply with State laws relating to the disposition of Native American burials, which fall within the jurisdiction of the Native American Heritage Commission (PRC Sec. 5097). Sections 21083.2 and 21084.1 of the PRC states that if any human remains are discovered or recognized in any location on the project site, there shall be no further excavation or disturbance of the site or any nearby area reasonably suspected to overlie adjacent human remains until:

- The Santa Clara County Coroner/Sheriff has been informed and has determined that no investigation of the cause of death is required; and
- If the remains are of Native American origin,
    - The descendants of the deceased Native Americans have made a recommendation to the landowner or the person responsible for the excavation work, for means of treating or disposing of, with appropriate dignity, the human remains and any associated grave goods as provided in PRC Section 5097.98, or
    - The Native American Heritage Commission was unable to identify a descendant or the descendant failed to make a recommendation within 24 hours after being notified by the commission

TASP Policies

- *Policy 5.32: See this policy in Section 4, Biological Resources.*
- *Policy 5.34: Any future ground disturbing activities, including grading, in the Transit Area shall be monitored by a qualified archaeologist to ensure that the accidental discovery of significant archaeological materials and/or human remains is handled according to CEQA Guidelines § 15064.5 regarding discovery of archeological sites and burial sites, and Guidelines §15126.4(b) identifying mitigation measures for impacts on historic and cultural resources. (Reference CEQA § 21083.2, 21084.1.) In the event that buried cultural remains are encountered, construction will be temporarily halted until a mitigation plan can be developed. In the event that human remains are encountered, the developer shall halt work in the immediate area and contact the Santa Clara County coroner and the City of Milpitas. The coroner will then contact the Native American Heritage Commission (NAHC) which will in turn contact the appropriate Most Likely Descendent (MLD). The MLD will then have the opportunity to make a recommendation for the respectful treatment of the Native American remains and related burial goods.*

Conclusion

The TASP FEIR adequately evaluated the potential cultural resources impacts of the proposed project. Therefore, potential impacts would be less than significant and additional mitigation is not required.

6. ENERGY

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Result in a potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources during project construction or operation?	☐	☐	☐	☒
b. Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?	☐	☐	☐	☒

Discussion

The TASP evaluated energy in Section 3.12 Greenhouse Gases and Climate Change.

The TASP FEIR determined that buildout under the TASP would increase the total demand for electrical energy in the Transit Area. If current trends continue, total consumption of electrical energy would increase from 10 million to 169 million kilowatt hours (kWh), an increase of 159 million kWh of electrical power. The TASP FEIR found that reductions in GHG emissions associated with on-going energy efficient building standards are expected to achieve a reduction of 3 million metric tons of carbon dioxide equivalents Statewide by 2020. The TASP EIR indicated that emission reductions associated with existing energy efficient appliance standards are expected to result in a reduction of an additional 7 million metric tons of carbon dioxide equivalent emissions by 2020.

The TASP FEIR found that implementation of the TASP polices and other State requirements at the local level would reduce projected GHG emissions from electrical generation, which would ensure that the additional energy that homes and businesses consume will not impede achievement of the statewide reduction in emissions mandated by the California Climate Solutions Act of 2006. Therefore, the impact of increased energy consumption in the TASP was considered to be less than significant.

Construction-Period Energy Use

The anticipated construction schedule assumes that the proposed project would be built over 16 months. The proposed project would require demolition, grading, site preparation, and building activities during construction.

Construction of the proposed project would require energy for the manufacture and transportation of building materials, preparation of the site for demolition and grading activities, and building construction. Petroleum fuels (e.g., diesel and gasoline) would be the primary sources of energy for

these activities. In order to increase energy efficiency on the site during project construction, the project would restrict equipment idling times to 5 minutes or less and would require construction workers to shut off idle equipment, as required by the BAAQMD Basic Construction Mitigation Measures. Energy usage on the project site during construction would be temporary in nature and would be relatively small in comparison to the State's available energy sources. Therefore, construction energy impacts would be less than significant, and no mitigation would be required.

Operational Energy Use

Energy use consumed by the proposed project would be associated with natural gas use, electricity consumption, and fuel used for vehicle trips associated with the project. Energy and natural gas consumption was estimated using default energy intensities by building type in CalEEMod. In addition, the proposed buildings would be constructed to CALGreen standards, which was included in CalEEMod. Electricity and natural gas usage estimates associated with the proposed project are shown in Table BC.

In addition, the proposed project would result in energy usage associated with gasoline to fuel project-related trips. Based on the CalEEMod analysis, the proposed project would result in approximately 236,657 vehicle miles traveled (VMT) per year. The average fuel economy for light-duty vehicles (autos, pickups, vans, and SUVs) in the United States has steadily increased from about 14.9 miles per gallon (mpg) in 1980 to 22.0 mpg in 2015.[5] Therefore, using the USEPA fuel economy estimates for 2015, the proposed project would result in the consumption of approximately 10,757 gallons of gasoline per year. Table BC, below, shows the estimated potential increased electricity and natural gas demand associated with the proposed project.

Table BC: Estimated Annual Energy Use of Proposed Project

Land Use	Electricity Use (kWh per year)	Natural Gas Use (therms per year)	Gasoline (gallons per year)
Residential	164,960	346	**10,575**
Parking Structure	46,560	0	0
Parking Lot	1,960	0	0
Open Space/Landscaping	0	0	0
Total	**213,480**	**346**	**10,575**

Source: LSA (May 2019).

As shown in Table BC, the estimated potential increased electricity demand associated with the proposed project is 213,480 kWh per year. In 2017, California consumed approximately 288,614 gigawatt-hours (GWh) or 288,614,000,000 kWh.[6] Of this total, Santa Clara County consumed 17,189

[5] U.S. Department of Transportation, 2017. "Table 4-23: Average Fuel Efficiency of U.S. Light Duty Vehicles." Website: www.bts.gov/archive/publications/national_transportation_statistics/table_04_23 (accessed June 14, 2019).

[6] California Energy Commission, 2017. Energy Consumption Data Management Service. Electricity Consumption by County. Website: www.ecdms.energy.ca.gov/elecbycounty.aspx (accessed June 14, 2019).

GWh or 17,189,540,000 kWh.[7] Therefore, electricity demand associated with the proposed project would be less than 0.01 percent of Santa Clara County's total electricity demand.

In addition, as shown in Table BC, the estimated potential increased natural gas demand associated with the proposed project is 346 therms per year. In 2017, California consumed approximately 12,571 million therms or 12,571,000,000 therms, while Santa Clara County consumed approximately 445 million therms or approximately 445,979,800 therms.[8] Therefore, natural gas demand associated with the proposed project would be less than 0.01 percent of Santa Clara County's total natural gas demand.

In addition, the proposed project would result in energy usage associated with gasoline to fuel project-related trips. As shown above in Table 3, vehicle trips associated with the proposed project would consume approximately 44,369 gallons of gasoline per year. In 2015, vehicles in California consumed approximately 15.1 billion gallons of gasoline.[9] Therefore, gasoline demand generated by vehicle trips associated with the proposed project would be a minimal fraction of gasoline and diesel fuel consumption in California.

The proposed project would locate future residents within walking distance of public transportation, jobs, restaurants, and services. Implementation of the TASP includes policies that address transportation and land use. TASP Policy 3.21 would provide continuous pedestrian sidewalks and safe bike routes throughout the TASP Area; Policy 3.22 encourages walking and biking routes to schools and major destinations; and Policy 3.33 requires new development within the TASP Area to provide incentives for alternative modes of transit. The proposed project would develop high-intensity, transit oriented residential development. Therefore, the proposed project would support the ability to use alternative modes of transportation, would promote initiatives to reduce vehicle trips and vehicle miles traveled, and would increase the use of alternate means of transportation, which would allow for a decreased dependence on nonrenewable energy resources.

In addition, the proposed project would be constructed to CALGreen standards, which would help to reduce energy and natural gas consumption. Therefore, the proposed project would not result in the wasteful, inefficient, or unnecessary consumption of fuel or energy and would incorporate renewable energy or energy efficiency measures into building design, equipment use, and transportation. Impacts would be less than significant.

Conflict or Obstruct a State or Local Plan for Renewable Energy or Energy Efficiency

In 2002, the Legislature passed Senate Bill 1389, which required the California Energy Commission (CEC) to develop an integrated energy plan every two years for electricity, natural gas, and transportation fuels, for the California Energy Policy Report. The plan calls for the State to assist in the transformation of the transportation system to improve air quality, reduce congestion, and

7 Ibid.

8 California Energy Commission, 2017. Energy Consumption Data Management Service. Gas Consumption by County. Website: www.ecdms.energy.ca.gov/gasbycounty.aspx (accessed June 14, 2019).

9 California Energy Commission, 2017. California Gasoline Data, Facts, and Statistics. Website: www.energy.ca.gov/almanac/transportation_data/gasoline (accessed June 14, 2019).

increase the efficient use of fuel supplies with the least environmental and energy costs. To further this policy, the plan identifies a number of strategies, including assistance to public agencies and fleet operators in implementing incentive programs for zero emission (ZE) vehicles and their infrastructure needs, and encouragement of urban designs that reduce VMT and accommodate pedestrian and bicycle access.

The CEC recently adopted the 2017 Integrated Energy Policy Report.[10] The 2017 Integrated Energy Policy Report provides the results of the CEC's assessments of a variety of energy issues facing California. Many of these issues will require action if the State is to meet its climate, energy, air quality, and other environmental goals while maintaining energy reliability and controlling costs. The 2017 Integrated Energy Policy Report covers a broad range of topics, including implementation of Senate Bill 350, integrated resource planning, distributed energy resources, transportation electrification, solutions to increase resiliency in the electricity sector, energy efficiency, transportation electrification, barriers faced by disadvantaged communities, demand response, transmission and landscape-scale planning, the California Energy Demand Preliminary Forecast, the preliminary transportation energy demand forecast, renewable gas (in response to Senate Bill 1383), updates on Southern California electricity reliability, natural gas outlook, and climate adaptation and resiliency.

As indicated above, energy usage on the project site during construction would be temporary in nature. In addition, energy usage associated with operation of the proposed project would be relatively small in comparison to the State's available energy sources and energy impacts would be negligible at the regional level. Because California's energy conservation planning actions are conducted at a regional level, and because the project's total impact to regional energy supplies would be minor, the proposed project would not conflict with California's energy conservation plans as described in the CEC's 2017 Integrated Energy Policy Report. Thus, as shown above, the project would avoid or reduce the inefficient, wasteful, and unnecessary consumption of energy and not result in any irreversible or irretrievable commitments of energy. Therefore, the proposed project would not result in the wasteful, inefficient, or unnecessary consumption of energy resources during project construction or operation. Impacts would be less than significant. Therefore, the proposed project would not result in new or more severe impacts related to energy efficiency than were identified in the TASP FEIR.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the TASP FEIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

[10] California Energy Commission, 2017. *2017 Integrated Energy Policy Report*. California Energy Commission. Publication Number: CEC-100-2017-001-CMF.

Applicable Policies

TASP Policies

- *Policy 5.4: New commercial or institutional buildings, or tenant improvements to commercial, industrial or institutional buildings shall follow the provisions of the City's future Green Building Ordinance. In the absence of any ordinance, all new projects should be encouraged to incorporate green building measures.*

- *Policy 5.5: Coordinate with Santa Clara County and other regional agencies to establish and implement new local regulations and standards related to greenhouse gas emissions simultaneously across the region.*

  By working together at the regional level, no one jurisdiction would bear the burden of being the first to adopt new regulations.

- *Policy 5.6: Require the use of Energy Star appliances and equipment in new residential and commercial development, and new City facilities.*

- *Policy 5.7: Require at least 50 percent of all new residential development to be pre-wired for optional photovoltaic roof energy systems and/or solar water heating.*

- *Policy 5.8: Incorporate cost-effective energy conservation measures into all buildings being constructed by the City in the Transit Area, including construction, operations and maintenance. These measures can include but are not limited to:*

  - *Energy efficient light fixtures, including solar powered systems, for streetscapes, parks, and public buildings which have limited glare and spillover;*

  - *Automatic lighting systems in public buildings and offices; and*

  - *Life-cycle costing of capital projects so that the environmental, societal, and economic costs are evaluated over the project's long-term operation.*

- *Policy 5.9: Establish a program to support energy efficiency in new private development and facilitate environmentally sensitive construction practices by:*

  - *Establishing an incentive program for projects with energy-efficient design, such as expedited permit processing;*

  - *Promoting use of products that are durable and allow efficient end-of-life disposal (recyclable);*

  - *Requiring demolition permits for structures and/or pavement exceeding 7,500 square feet to submit a report on recycled materials;*

- *Promoting the purchase of locally or regionally available materials; and*
- *Promoting the use of cost-effective design.*

Conclusion

The TASP FEIR adequately evaluated the potential impacts related to energy resulting from the proposed project. Therefore, potential impacts would be less than significant and additional mitigation is not required.

7. GEOLOGY AND SOILS

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

Discussion

The information presented in this section is based on data and findings provided in the Geotechnical Investigation[11] prepared for the proposed project and geologic reports and maps by the United States Geological Survey (USGS), California Geological Survey (CGS), and others, as available.

[11] Cornerstone Earth Group, 2017. *Preliminary Geotechnical Investigation for the Tarob Court Residential Development*. November 13.

Seismicity and Seismic Hazards

Fault Rupture. Fault rupture is generally expected to occur along active fault traces that have exhibited signs of recent geological movement (i.e., within the past 11,000 years). Alquist-Priolo Earthquake Fault Zones delineate areas around active faults with potential surface fault rupture hazards that would require specific geological investigations prior to approval of certain kinds of development within the delineated area. The project site is not located within or adjacent to an Alquist-Priolo Earthquake Fault Zone. The nearest Alquist-Priolo Earthquake Fault Zone to the project site is the Crosley Fault, which is located approximately 2 miles northeast of the project site.[12,13] No known active or potentially active faults exist on the project site.[14] Therefore, the impacts associated with the proposed project would not result in new impacts related to fault rupture or substantially increase the severity of impacts than those analyzed in the TASP FEIR.

Ground Shaking. There are multiple active faults that have the potential to generate very strong ground shaking at the project site. These faults include the Monte-Vista Shannon Fault, located 1.9 miles southwest; Hayward Fault, the southeast extension of which is located approximately 2.2 miles northeast; the Calaveras Fault, located about 5.8 miles northeast; and the San Andreas Fault, located about 15 miles southwest.[15]

The Working Group on California Earthquake Probabilities and the USGS have predicted a 63 percent probability of a 6.7 magnitude (M_w, or Moment Magnitude)[16] or greater earthquake in the Bay Area region between 2007 and 2036, and a 7 percent chance California will experience an 8.0 magnitude earthquake in the next 30 years. The risk of ground shaking impacts is reduced through adherence to the design and materials standards set forth in building codes.

The City of Milpitas requires projects to comply with the 2016 California Building Code (Title 24, California Code of Regulations),[17] which provides for stringent construction requirements on projects in areas of high seismic risk based on numerous inter-related factors. It is acknowledged that seismic hazards cannot be completely eliminated, even with implementation of advanced building practices. However, the seismic design standards of the California Building Code are intended to prevent catastrophic building failure in the most severe earthquakes currently anticipated. Therefore, consistent with the findings of the TASP FEIR, compliance with the 2016 California Building Code (CBC), which is required by both the City and the State, the proposed

12 California Geological Survey, 2004. Earthquake Zones of Required Investigation, Milpitas Quadrangle. Available online at: gmw.conservation.ca.gov/SHP/EZRIM/Maps/MILPITAS_EZRIM.pdf (accessed June 14, 2019).

13 California Geological Survey, 2010. Fault Activity Map of California, 2010. Website: maps.conservation.ca.gov/cgs/fam (accessed March May 14, 2019).

14 Cornerstone Earth Group, 2017, op. cit.

15 Ibid.

16 Moment magnitude (M_W) is now commonly used to characterize seismic events as opposed to Richter Magnitude. Moment magnitude is determined from the physical size (area) of the rupture of the fault plane, the amount of horizontal and/or vertical displacement along the fault plane, and the resistance to rupture of the rock type along the fault.

17 Milpitas, City of. Code of Ordinances, Title II, Chapter 3.

project would not result in new impacts related to ground shaking or substantially increase the severity of impacts than those analyzed in the TASP FEIR.

Seismic-Related Ground Failure and Liquefaction. The potential for different types of ground failure to occur during a seismic event is discussed below.

Liquefaction Potential. Soil liquefaction is a phenomenon primarily associated with saturated soil layers located close to the ground surface. These soils lose strength during ground shaking. Due to the loss of strength, the soil may move both horizontally and vertically. In areas where sloping ground or open slope faces are present, this mobility can result in lateral spreading. Soils that are most susceptible to liquefaction are clean, loose, uniformly graded, saturated, fine-grained sands that are relatively close to the ground surface. However, loose sands that contain a significant amount of fines (silt and clay) may also liquefy.

The project site is located in an area that has been identified by the CGS as being susceptible to seismically-induced liquefaction.[18] The intent of the CGS mapping of areas susceptible to earthquake-induced liquefaction is to ensure that geotechnical consultants consider possible liquefaction hazards and perform appropriate site-specific characterization and mitigation of liquefaction hazards as outlined in the State's guiding document for seismic hazard analysis, Special Publication 117A (SP117A).[19] The Geotechnical Investigation prepared for the project, as required by the Seismic Hazard Mapping Act and CBC, addresses potential liquefaction related hazards. The Geotechnical Investigation indicates the potential for liquefaction triggering at the project site is low to very low, and that the potential liquefaction induced settlement of thin, discontinuous sand layers could result in ground surface settlement less than 0.25 inches. As discussed in SP117A, different movement for level ground sites over deep soil sites will be up to about two-thirds of the total settlement between independent foundation elements. Therefore, the Geotechnical Investigation concluded that different settlement beneath a typical residential foundation is likely to be negligible.

In addition, the Geotechnical Investigation provides site preparation (e.g., grading and fill placement) and foundation design recommendations that account for potential liquefaction induced settlement. During the design review process, the City would ensure that geotechnical recommendations are incorporated into the project designs, which would reduce potential impacts related to liquefaction. Therefore, the proposed project would not create impacts related to liquefaction that would be new or more significant than those analyzed in the TASP FEIR.

Lateral Spreading. Lateral spreading, the horizontal/lateral ground movement of relatively flat-lying soil deposits towards a free face, is typically associated with liquefaction of subsurface layer(s) near the bottom of an exposed slope. The project site is approximately 770 feet southwest of a man-made, unlined drainage channel for Penitencia Creek. Due to the distance to the site and the fact that soils encountered during explorations are mostly clays and not susceptible to liquefaction, and

18 Cornerstone Earth Group, 2017, op. cit.

19 California Geological Survey, 2008. *Special Publication 117A, Guidelines for Evaluating and Mitigating Seismic Hazards in California*. Revised and Re-adopted September 11.

therefore, the potential for lateral spreading would be low.[20] As a result, the proposed project would not create impacts related to lateral spreading that would be new or more significant than those analyzed in the TASP FEIR.

Seismic Settlement. Seismic settlement (also referred to as cyclic densification) can occur when non-saturated, cohesionless sand or gravel soil is densified by earthquake vibrations. A medium dense sand layer (likely undocumented fill) that is potentially susceptible to cyclic densification was encountered above the groundwater table in one boring location at the project site. The soil encountered at the other exploration locations is sufficiently clayey to resist cyclic densification. The anticipated total and differential ground settlement due to cyclic densification is on the order of half-an-inch, and would be less where the sand is removed or reworked for foundation construction.[21] The Geotechnical Investigation provides site preparation (e.g., grading and fill placement) and foundation design recommendations that account for potential liquefaction induced settlement.[22] During the design review process, the City would ensure that geotechnical recommendations are incorporated into the project designs, which would reduce potential impacts related to cyclic densification. Therefore, the proposed project would not create impacts related to seismic settlement that would be new or more significant than those analyzed in the TASP FEIR.

Landslides. The proposed project is located in a relatively flat area and is therefore not likely to be affected by landslides. In addition, the project site is not located in an area mapped by CGS as being susceptible to earthquake-induced landslides.[23] Therefore, the proposed project would not create impacts related to landslides that would be new or more significant than those analyzed in the TASP FEIR.

Erosion/Loss of Top Soil

The redevelopment of the project site would involve construction activities such as grading and excavation, which could result in temporary soil erosion when the disturbed soils are exposed to wind or rainfall. Because the proposed project would involve over an acre of land disturbance, it would be required to comply with the State Water Resources Control Board's Construction General Permit, which requires the preparation and implementation of a Stormwater Pollution Prevention Plan (SWPPP). Policy 5.33 of the TASP also requires construction projects that disturb 1 or more acres to prepare a SWPPP. The SWPPP would include erosion control best management practices that would minimize erosion during construction. Upon completion of construction, the project site would be covered with structures, pavement, and landscaping and would not include areas of exposed soil. Therefore, the proposed project would not create impacts related to erosion that would be new or more significant than those analyzed in the TASP FEIR.

20 Cornerstone Earth Group, 2017, op. cit.
21 Ibid.
22 Ibid.
23 California Geological Survey, 2004, op. cit.

Unstable and Expansive Soils

Unstable Soil. As previously discussed above, the project site would not be subject to liquefaction, lateral spreading, or landslides. In addition, the design and construction of the project in accordance with geotechnical recommendations would ensure these impacts would be less than significant. The proposed project would not create impacts related to unstable soil that would be new or more significant than those analyzed in the TASP FEIR.

Subsidence/Soil Collapse. Subsidence can result from the removal of subsurface water resulting in either gradual depression or catastrophic collapse of the ground surface. The proposed project would not utilize groundwater at the project site. Dewatering may be required in isolated areas of the project site during construction. Construction-related dewatering would not be expected to result in subsidence or soil collapse as the dewatering would be temporary, localized, and affect only the uppermost water-bearing zone. Therefore, the proposed project would not create impacts related to subsidence or soil collapse that would be new or more significant than those analyzed in the TASP FEIR.

Expansive Soils. Expansive soils are characterized by the potential for shrinking and swelling as the moisture content of the soil decreases and increases, respectively. The changes in soils volume can result in substantial cosmetic and structural damage to buildings and hardscape developed over expansive soils. These effects can be mitigated by moisture conditioning the expansive soil, placing non-expansive fill below slabs and foundations, designing foundations and slabs to resist ground movements associated with volume changes, supporting foundations below the zone of severe moisture change, and/or limiting moisture changes in the surficial soils by using positive drainage away from the building as well as limiting landscape watering.

The Geotechnical Investigation found that highly expansive surficial clays blanket the project site. To reduce the potential for damage to the planned structures and pavement, the Geotechnical Investigation recommends that slabs-on-grade should be supported on a layer of non-expansive fill and shallow footings should extend below the zone of seasonal moisture fluctuation. In addition, geotechnical recommendations were provided for site preparation, grading, selection/placement of engineered fill, and the design of concrete pavement, flexible asphalt pavement, drainage and landscaping, and foundation systems which account for the presence of highly expansive soil.[24] During the design review process, the City would ensure that geotechnical recommendations are incorporated into the project designs, which would reduce potential impacts related to expansive soils. Therefore, the proposed project would not create impacts related to expansive soils that would be new or more significant than those analyzed in the TASP FEIR.

Septic Tanks/Wastewater Disposal

Development of the proposed project would not involve the use of septic tanks or alternative wastewater disposal systems. Therefore, the proposed project would have no impact related to septic tanks or alternative waste water disposal systems.

[24] Cornerstone Earth Group, 2017, op. cit.

Paleontological Resources

There is the potential to encounter unidentified fossils during construction of new development. Since fossils are considered to be nonrenewable resources, such impacts would be considered significant. Adverse impacts on paleontological resource could occur when earthwork activities such as mass excavation cut into geological formations, or depths below the soil layer, which is generally 6 feet deep. The TASP FEIR determined that project-specific evaluation, monitoring during construction, temporary suspension of grading, fossil recovery in the event fossils are discovered, as identified in TASP Policy 5.35 would reduce the potential impact to such resources to less-than-significant levels. Implementing the proposed project would not lead to new or more severe impacts to paleontological resources that would occur beyond those already identified in the TASP FEIR.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the TASP FEIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Applicable Policies

General Plan Policies

- *Policy 5.a-I-3: Require projects to comply with the guidelines prescribed in the City's Geotechnical Hazards Evaluation manual.*

TASP Policies

- *Policy 5.33: Require construction projects that disturb one or more acres to prepare a SWPPP that, when properly implemented, would reduce or eliminate impacts on surface water quality during construction.*

- *Policy 5.35: All grading plans for development projects involving ground displacement shall include a requirement for monitoring by a qualified paleontologist to review underground materials recovered. In the event fossils are encountered, construction shall be temporarily halted. The City's Planning Department shall be notified immediately, a qualified paleontologist shall evaluate the fossils, and steps needed to photo-document or to recover the fossils shall be taken. If fossils are found during construction activities, grading in the vicinity shall be temporarily suspended while the fossils are evaluated for scientific significance and fossil recovery, if warranted.*

Conclusion

The TASP FEIR adequately evaluated the potential impacts related to geology and soils resulting from the proposed project. Therefore, potential impacts would be less than significant and additional mitigation is not required.

8. GREENHOUSE GAS EMISSIONS

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	☐	☐	☐	☒
b. Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	☐	☐	☐	☒

Discussion

The TASP FEIR found that the primary sources of greenhouse gas (GHG) emissions related to urban development in the TASP Area are anticipated to continue to be from combustion of fossil fuels by motor vehicles and from electric power generation. Short-term impacts are anticipated from construction activity that would occur during the implementation of the TASP. Since the GHG emission rate is related to growth, the TASP promotes policies that reduce energy consumption and fuel usage by encouraging development patterns that would reduce the vehicles miles traveled (VMT) per capita and proposes a variety of actions and policies that can reduce emissions to less-than-significant levels.

The TASP FEIR found that the rate of increase in VMT would be less than the rate of increase in population due to the mixed-use and transit area nature of new development proposed under the TASP. The TASP FEIR found that while the population is expected to increase significantly in the area, a large percentage of that population would use transit options made available to them which in turn would reduce vehicle use. The TASP FEIR also found that the increase in VMT will not prevent the reduction of Statewide GHG emissions to 1990 levels.

Individual projects incrementally contribute toward the potential for global climate change on a cumulative basis in concert with all other past, present, and probable future projects. While individual projects are unlikely to measurably affect global climate change, each of these projects incrementally contributes toward the potential for global climate change on a cumulative basis, in concert with all other past, present, and probable future projects.

The TASP FEIR analyzed the potential GHG emissions that would result from buildout of the TASP. The TASP was designed to provide residential uses in proximity to retail and commercial uses and to transit, such as the BART station, to minimize the use of vehicles and generation of VMT. TASP policies also encourage the development of pedestrian friendly streets and bikeways to promote alternative forms of transportation. The proposed project would incorporate the TASP policies by: providing continuous pedestrian sidewalks and safe bike travel routes, consistent with Policy 3.21; providing direct walking routes to schools and major destinations such as retail developments consistent with Policy 3.22; encouraging children to walk to school by providing safe routes consistent with Policy 3.23; and providing bikeways and bike storage and providing parking areas

that encourage carpooling and use of low emission vehicles consistent with TASP Policies 3.28, 3.31, 3.33 and 3.34. The TASP FEIR concluded that implementation of these measures would reduce impacts from GHG emissions for the TASP to less-than-significant levels. As the proposed project would remain in compliance with these policies, the project's impact on GHG emissions would also be less than significant.

Regarding electricity consumption, the TASP FEIR found that the increase in total demand for electrical energy as a result of the TASP would be reduced to less-than-significant levels by requiring compliance with State, local, and TASP energy efficiency policies. These policies (outlined below) will ensure that the additional energy that homes and businesses consume would not impede achievement of the Statewide reduction in emissions mandated by the California Climate Solutions Act of 2006 and will ensure that the impact of increased energy consumption in the TASP Area would be less than significant. Additionally, the proposed project would encourage and support energy efficiency and green building techniques that would reduce energy-related GHG emissions, similar to the previously approved TASP FEIR.

GHG emissions estimates for the proposed project were calculated using CalEEMod and the results are shown in Table BD below.

Table BD: Operational GHG Emissions

Emissions Source Category	Operational Emissions (Metric Tons per Year)				
	CO_2	CH_4	N_2O	CO_2e	Percent of Total Project Emissions
Area	0.5	<0.1	0.0	0.5	0
Energy	50.3	<0.1	<0.1	50.6	30
Mobile	105.7	<0.1	0.0	105.8	62
Waste	3.7	0.2	0.0	9.3	5
Water	3.4	0.1	<0.1	5.6	3
Total Operational				**171.8**	**100**
BAAQMD Threshold				**1,100**	**-**
Exceed?				**No**	**-**

Source: LSA (May 2019).

As shown in Table BD above, the proposed project would not exceed BAAQMD thresholds. Therefore, implementation of the proposed project would not result in an increase in GHG emissions beyond those analyzed in the TASP FEIR and impacts would remain less than significant.

The TASP FEIR did not include an evaluation of the project's compliance with the City's 2013 Climate Action Plan which was not in place at the time the EIR was certified. The Climate Action Plan includes GHG reduction goals, policies, and actions for new and existing development projects. The proposed project includes transit oriented development in addition to the TASP policies listed below, which are consistent with the Climate Action Plan's transportation and land use goals. Therefore, the project would be in conformance with the City's Climate Action Plan.

The 2001 Tarob Court Project adheres to the building guidelines of the TASP, is consistent with the Milpitas Climate Action Plan, and promotes reductions in GHG emissions through high-density development in close proximity to transit. To reduce energy usage, the project would incorporate green building measures in compliance with CALGreen standard building measures for residential buildings and Title 24 requirements. Additionally, the proposed project would include a total of 0.44 acres of common open space and landscaped areas, following the City's standards, which would help offset GHG emissions. The proposed project would result in no new or more severe impacts related to GHG emissions than analyzed in the TASP FEIR and further analysis is not required.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the TASP FEIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Applicable Policies

TASP Policies

- *Policy 3.16: Establish and implement a travel demand management (TDM) program in order to encourage alternate modes of travel and thereby reduce automobile trips. Establish a funding mechanism to pay for the costs of the program, including the cost of a transportation coordinator to administer the program. The program would include a ride-matching program, coordination with regional ride-sharing organizations, and provision of transit information; and could also include sale of discounted transit passes and provision of shuttle service to major destinations.*

- *Policy 3.21: See this policy in Section III, Air Quality.*

- *Policy 3.22: See this policy in Section III, Air Quality.*

- *Policy 3.23: Encourage children to walk or bike to school by expanding existing safe walking and bicycling routes to schools into the Transit Area.*

- *Policy 3.28: Provide continuous bicycle circulation through the project site and to adjacent areas by closing existing gaps in bicycle lanes and bicycle routes, per Figure 3-5 [of the Specific Plan].*

- *Policy 3.31: Require provision of bicycle and pedestrian facilities such as weather protected bicycle parking, direct and safe access for pedestrians and bicyclists to adjacent bicycle routes and transit stations, showers and lockers for employees at the worksite, secure short-term parking for bicycles, etc.*

- *Policy 3.33: See this policy in Section III, Air Quality.*

- *Policy 5.6: Require the use of Energy Star appliances and equipment in new residential and commercial development, and new City facilities.*

- *Policy 5.7: Require at least 50 percent of all new residential development to be pre-wired for optional photovoltaic roof energy systems and/or solar water heating.*

- *Policy 5.8: Incorporate cost-effective energy conservation measures into all buildings being constructed by the City in the Transit Area, including construction, operations and maintenance. These measures can include but are not limited to:*

    - *Energy efficient light fixtures, including solar powered systems, for streetscapes, parks, and public buildings which have limited glare and spillover;*

    - *Automatic lighting systems in public buildings and offices; and*

    - *Life-cycle costing of capital projects so that the environmental, societal, and economic costs are evaluated over the project's long-term operation.*

Conclusion

The TASP FEIR adequately evaluated the potential impacts associated with greenhouse gas resulting from the proposed project. Therefore, potential impacts would be less than significant and additional mitigation is not required.

9. HAZARDS AND HAZARDOUS MATERIALS

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	☐	☐	☐	☒
b. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	☐	☐	☐	☒
c. Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	☐	☐	☐	☒
d. Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	☐	☐	☐	☒
e. For a project located within an airport land use plan or, where such a plan has not been adopted, within 2 miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area?	☐	☐	☐	☒
f. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	☐	☐	☐	☒
g. Expose people or structures, either directly or indirectly, to a significant risk of loss, injury or death involving wildland fires?	☐	☐	☐	☒

Discussion

Transport, Use, Storage, and Disposal of Hazardous Materials

The proposed project would result in demolition of the existing structure on the project site and construction of a new residential apartment building. The proposed land use would not involve transport, use, or disposal of significant quantities of hazardous materials. Generally, small quantities of hazardous materials such as paints and cleaning products would be used for routine maintenance. Therefore, a significant hazard to the public or environment through the routine transport, use, or disposal of hazardous materials would not occur and potential impacts related to operational use of hazardous materials would be less than significant.

During project construction, hazardous materials such as fuel, lubricants, paint, sealants, and adhesives would be transported and used at the project site. Consistent with the findings of the TASP FEIR, due to mandatory compliance with federal, State, and local regulations, potential impacts associated with future hazardous material use, transport, and disposal are considered less than significant and the proposed project would not result in any new or more severe impacts than those analyzed in the TASP FEIR.

Release of Hazardous Materials and Risk of Upset

The public and/or the environment could be affected by the release of hazardous materials from the project site into the environment, by 1) exposing workers and/or the public to potentially contaminated soil, groundwater, and vapors during construction and/or operation of the project; or 2) exposing workers and/or the public to hazardous building materials (e.g., polychlorinated biphenyls [PCBs], lead paint, asbestos) during demolition of the existing structure.

A Preliminary Soil, Soil Vapor, and Ground Water Quality Evaluation (Soil Evaluation) involving sampling and analysis of soil, groundwater, and soil vapor was performed for the project site to evaluate potential environmental concerns identified at the site, including the potential presence of residual pesticides from past agricultural land use, past use and storage of hazardous materials at the project site, and potential presence of naturally occurring asbestos and elevated metal concentrations. [25]

The soil quality data does not indicate the previous on-site activities significantly impacted soil quality at the locations sampled. Arsenic was detected at a concentration above its typical background concentration in one sample. However, this sample was collected at a depth of approximately 9 ½ to 10 feet and from what appeared to be undisturbed native soil. This arsenic detection likely reflects natural background variations.

Slightly elevated cobalt, chromium, and nickel concentrations were detected; however, these detected concentrations were below their respective residential screening criteria. Therefore, these do not appear to pose a significant human health risk concern for future commercial redevelopment. In addition, naturally occurring asbestos was not detected above laboratory reporting limits. Total chromium concentrations that were 10 times above its Soluble Threshold Limit Concentration (STLC) regulatory value. Disposal facilities typically require STLC testing for soil with total concentrations that exceed 10 times the STLC value. If this soil will require off-site disposal at a landfill or other facility during development, further testing may be required to properly determine its waste classification prior to landfill acceptance.

Total DDT was detected in one sample at a concentration exceeding its Total Threshold Limit Concentration (TTLC) regulatory value. This detection appears isolated as the other Total DDT concentrations were detected below the TTLC. Additional sampling would be conducted to determine if the excavation and stockpiling activities effect the Total DDT concentration. In addition, the detected DDD, DDE, and DDT concentrations were below their respective residential screening levels, and therefore are not expected to pose a significant health risk.

Policy 5.20 of the TASP was developed to address potential hazardous materials that could impact human health and require remediation of contaminated sites, and Policy 5.22 of the TASP requires a Risk Management Plan (RMP) to be developed for sites with known contamination issues (see the applicable TASP Policies listed below). In accordance with the requirements of Policy 5.20 of the TASP, the project applicant would be required to work with the appropriate agencies to ensure the

[25] Cornerstone Earth Group, 2018. *Preliminary Soil, Soil Vapor, and Ground Water Quality Evaluation for 2001 Tarob Court, Milpitas, California.* January 9.

project site to resolve issues related to contamination that could potentially impact future land uses in the project area. Because there is known contamination on the project site, compliance with Policy 5.22 of the TASP would require preparation of an RMP for the project to protect the health and safety of construction workers and the public.

Based on the age of the structure on the project site (constructed in 1982 after the 1978 ban on lead-based paint), the presence of lead-based paint is considered unlikely; however, it is possible that hazardous building materials such as asbestos-containing materials (ACMs) could be present in the structure. As indicated in the Code of Federal Regulations Title 16, Chapter II, Section 1303.3, the use of lead paint on industrial and commercial buildings is exempt from the ban on lead paint; therefore, lead paint may be present on the structure on the project site. Other hazardous building materials that could be present include PCB-containing materials and equipment, and mercury containing devices (e.g., fluorescent light bulbs and mercury switches).

Policy 5.21 of the TASP addresses hazardous materials that may be present in existing buildings such as asbestos, PCB's, or lead. The project would also be required to comply with Section 19827.5 of the California Health and Safety Code, which requires that local agencies not issue demolition or alteration permits until an applicant has demonstrated compliance with notification requirements under applicable federal regulations regarding hazardous air pollutants, including asbestos. Also required is full compliance with Title 17 and Title 8 of the California Code of Regulations, which includes work practice standards related to the evaluation and abatement of lead.

Consistent with the findings of the TASP FEIR, continued compliance with applicable local, State, and federal regulations and TASP policies, as provided below, would reduce potential exposure of people and the environment to hazardous materials associated with development of a contaminated property and demolition of older structures to a less-than significant level and the proposed project would not result in any new or more severe impacts than those analyzed in the TASP FEIR.

Emission of Hazardous Materials within 0.25 miles of a School

Stratford School, a private elementary school, is located at 341 Great Mall Parkway, approximately 1,500 feet north of the project site.[26] According to the TASP FEIR, it is possible that an elementary or K-8 school would be constructed in the vicinity of Houret Drive and McCandless Drive, which is approximately a quarter mile west of the project site. No other schools were identified within a quarter mile of the project site.[27]

The project would not involve the handling of acutely hazardous materials. As discussed above, the project would not handle significant quantities of hazardous materials during operation. Consistent with the findings of the TASP FEIR, due to mandatory compliance with federal, State, and local regulations, potential impacts associated with routine hazardous material use, transport, and disposal during construction are considered less than significant. Compliance with TASP policies, as provided below, and cleanup of the hazardous materials releases at the project site under the

[26] California Department of Education, 2019. California School Directory. Website: www.cde.ca.gov/schooldirectory (accessed on June 14, 2019).

[27] Ibid.

oversight of the Regional Water Board, as discussed above, would ensure that potential impacts related to hazardous emissions from demolition of the existing building and development of a contaminated property would be a less-than significant and the proposed project would not result in any new or more severe impacts than those analyzed in the TASP FEIR.

Hazardous Materials Site Pursuant to Government Code Section 65962.5

Although the project site is known to be impacted by releases of hazardous materials, the project site is not included on a list of hazardous materials release sites compiled pursuant to Government Code Section 65962.5. Compliance with TASP policies, as provided below, and cleanup of the hazardous materials releases at the project site under the oversight of the Regional Water Board, as discussed above, would ensure that potential impacts related to development of a contaminated property would be a less than significant, and the proposed project would not result in any new or more severe impacts than those analyzed in the TASP FEIR.

Aviation Hazards

The project site is located approximately 3 miles northeast of the San Jose International Airport. The project site is not located within the Airport Safety Zones or Airport Influence Area of the San Jose International Airport,[28] and is not located in the vicinity of a private air strip. Therefore, the project would not result in aviation-related hazards due to proximity to an airport and the proposed project would not result in any new or more severe impacts than those analyzed in the TASP FEIR.

Emergency Response or Evacuation Plan

The proposed project would comply with standard City regulations related to the provision of adequate access for emergency vehicles and secure evacuation routes. The project would not alter the existing street network; therefore, consistent with the findings of the TSP FEIR, the project would not impact the implementation of established emergency response/evacuation plans and the proposed project would not result in any new or more severe impacts than those analyzed in the TASP FEIR.

Wild Fire

The project site is located within a highly urbanized area that is not susceptible to wildfires. Therefore, the project would not result in impacts related to wildfires and the proposed project would not result in any new or more severe impacts than those analyzed in the TASP FEIR.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the TASP FEIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

[28] Santa Clara County Airport Land Use Commission, 2016. *Comprehensive Land Use Plan, Santa Clara County, Norma Y. Mineta San Jose International Airport*. May 25.

Applicable Policies

TASP Policies

- *Policy 5.20: Property owners shall work with the City of Milpitas Fire Department, the Santa Clara County Department of Environmental Health (SCCDEH), the California Department of Toxic Substances Control (DTSC), and/or the State Water Resources Control Board (SWRCB), whichever has jurisdiction, to resolve issues related to contamination that could potentially impact future land uses in the project area. The lateral and vertical extent of contamination shall be determined, remediation activities completed, and land use restrictions implemented, as necessary, prior to the issuance of development permits on parcels with known contamination.*

- *For parcels with known contamination, appropriate human health risk assessments (HHRAs) shall be conducted based on proposed land uses by a qualified environmental professional. The HHRAs shall compare maximum soil, soil gas, and groundwater concentrations to relevant environmental screening levels (ESLs) and evaluate all potential exposure pathways from contaminated groundwater and soil. Based on the findings of the HHRAs, if appropriate, engineering controls and design measures shall be implemented to mitigate the potential risk of post-development vapor intrusion into buildings.*

- *For parcels with no identified contamination, a Phase I study shall be completed to review potential for ground water, soil, or other contamination related to previous land uses. If any potential for contamination is determined to exist that could adversely affect human health for residential uses, a Phase II level analysis shall be conducted per City, State, and Federal requirements. If contamination is found to exist, procedures for contaminated sites as described in the paragraph above shall be followed.*

- *Policy 5.21: Project applicants shall submit information to the City regarding the presence of asbestos-containing building materials, PCBs, and lead-based paint in existing buildings proposed for demolition, additions, or alterations. The information shall be verified prior to the issuance of demolition permits by the City of Milpitas Building Inspection Division for any existing structures or buildings in the project area. If it is found that painted surfaces contain lead-based paint and/or the structures contain asbestos-containing building materials, measures to ensure the safe demolition of site structures shall be incorporated into the project Demolition Plan. The Demolition Plan shall address both onsite and offsite chemical and physical hazards. Prior to demolition, hazardous building materials associated with lead-based paint and asbestos containing building materials shall be removed and appropriately disposed of in accordance with all applicable guidelines, laws, and ordinances. The demolition of buildings containing asbestos would require retaining contractors who are licensed to conduct asbestos abatement work and notifying the Bay Area Air Quality Management District (BAAQMD) ten days prior to initiating construction and demolition activities. Regarding lead-based paint, Cal-OSHA regulates all worker exposure during construction activities associated with lead-based paint. The Cal-OSHA-specified method of compliance includes respiratory protection, protective clothing, housekeeping, hygiene facilities, medical surveillance, and training.*

- *Policy 5.22: At sites with known contamination issues, a Risk Management Plan (RMP) shall be prepared to protect the health and safety of construction workers and site users adjacent to construction activities. The RMP shall include engineering controls, monitoring, and security measures to prevent unauthorized entry to the construction site and to reduce hazards outside of the construction site. The RMP shall address the possibility of encountering subsurface hazards and include procedures to protect workers and the public. The RMP shall also include procedures for managing soils and groundwater removed from the site to ensure that any excavated soils and/or dewatered groundwater with contaminants are stored, managed, and disposed of in accordance with applicable regulations and permits. Protocols for the handling, transport, and disposal of both known and previously unidentified hazardous materials that may be encountered during project development shall be specified. If prescribed exposure levels are exceeded, personal protective equipment shall be required for workers in accordance with OSHA regulations. Finally, the RMP shall also include procedures for the use, storage, disposal, of hazardous materials used during construction activities to prevent the accidental release of these materials into the environment during construction.*

Conclusion

The TASP FEIR adequately evaluated the potential hazards and hazardous materials impacts of the proposed project. Therefore, potential impacts would be less-than-significant and additional mitigation is not required.

10. HYDROLOGY AND WATER QUALITY

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or groundwater quality?	☐	☐	☐	☒
b. Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?	☐	☐	☐	☒
c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would:	☐	☐	☐	☒
i. Result in substantial erosion or siltation on- or off-site;	☐	☐	☐	☒
ii. Substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or offsite;	☐	☐	☐	☒
iii. Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or	☐	☐	☐	☒
iv. Impede or redirect flood flows?	☐	☐	☐	☒
d. In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?	☐	☐	☐	☒
e. Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?	☐	☐	☐	☒

Discussion

Water Quality Standards

Construction. Construction and demolition activities of the proposed project would involve site disturbance, grading, and excavation of soil, which could result in temporary erosion and movement of sediments into the storm drain system, particularly during precipitation events. The potential for chemical releases is present at most construction sites due to the use of paints, solvents, fuels, lubricants, and other hazardous materials associated with heavy construction equipment. Once released, these hazardous materials could be transported to nearby surface waterways in stormwater runoff, wash water, and dust control water, potentially reducing the quality of the receiving waters. The release of sediments and other pollutants during construction and demolition could adversely affect water quality in receiving waters.

The proposed project would disturb greater than 1 acre of land, and therefore would be required to obtain coverage under the Construction General Permit (State Water Board Order 2009-0009-DW).[29]

[29] State Water Resources Control Board Division of Water Quality, 2009. *Construction General Permit Fact Sheet.* 2009-0009-DWQ amended by 2010-0014-DWQ & 2012-0006-DWQ.

On-site construction activities subject to the Construction General Permit include clearing, grading, excavation, and soil stockpiling. The Construction General Permit also requires the development of a Storm Water Pollution Prevention Plan (SWPPP) by a certified Qualified SWPPP Developer. A SWPPP identifies all potential pollutants and their sources, including erosion, sediments, and constructions materials and must include a list of Best Management Practices (BMPs) to reduce the discharge of construction-related stormwater pollutants. A SWPPP must include a detailed description of controls to reduce pollutants and outline maintenance and inspection procedures. Typical sediment and erosion BMPs include protecting storm drain inlets, establishing and maintaining construction exits and perimeter controls to avoid tracking sediment off-site onto adjacent roadways. A SWPPP also defines proper building material staging and storage areas, paint and concrete washout areas, describes proper equipment/vehicle fueling and maintenance practices, measures to control equipment/vehicle washing and allowable non-stormwater discharges, and includes a spill prevention and response plan. Policy 5.33 of the TASP also requires construction projects that disturb 1r more acres to prepare a SWPPP.

Temporary dewatering may be required during construction activities involving excavation. Dewatering effluent may have high turbidity and could contain contaminants. Turbid and/or contaminated groundwater could cause degradation of the receiving water quality if discharged directly to storm drains or surface water without treatment. The discharge of dewatering effluent would be subject to permits from the City of San Jose (which manages and operates the San Jose-Santa Clara Regional Wastewater Facility which treats wastewater from the project site) or the Regional Water Board, depending if the discharge were to the sanitary sewer or storm drain system, respectively. The Construction General Permit allows the discharge of dewatering effluent if the water is properly filtered or treated, using appropriate technology. If the dewatering activity is deemed by the Regional Water Board not to be covered by the Construction General Permit, then the discharger could potentially prepare a Report of Waste Discharge, and if approved by the Regional Water Board, be issued site-specific Waste Discharge Requirements (WDRs) under National Pollutant Discharge Elimination System (NPDES) regulations. If it is infeasible to meet the requirements of the Construction General Permit, acquire site-specific WDRs, or meet the City of San Jose's sewer discharge requirements, the construction contractor would be required to transport the dewatering effluent off-site for treatment and disposal.

Required compliance with State and local regulations regarding stormwater and dewatering during construction would not result in new impacts and would not substantially increase the severity of impacts than those analyzed in the TASP FEIR.

Operation. Because the project would replace over 10,000 square feet of existing impervious surface area, the project would be required to comply with Provision C.3 requirements of the San Francisco Bay Region Municipal Regional Stormwater NPDES Permit (MRP).[30] The project would result in alteration of over 50 percent of the existing impervious surface of the project site, and therefore all new and replaced impervious surfaces would require treatment under the MRP. Provision C.3 of the MRP requires implementation of low impact development (LID) source control,

[30] San Francisco Bay Regional Water Quality Control Board, 2015. San Francisco Bay Region Municipal Regional Stormwater NPDES Permit, Order No. R2-2015-0049, NPDES Permit No. CAS612008, November 19.

site design, and stormwater treatment for regulated projects. LID employs principles such as preserving and recreating natural landscape features and minimizing impervious surfaces to create functional and appealing site drainage that treats stormwater as a resource, rather than a waste product. Practices used to adhere to these LID principles include measures such as rain barrels and cisterns, green roofs, permeable pavement, preserving undeveloped open space, and biotreatment through rain gardens, bioretention units, bioswales, and planter/tree boxes. Policy 5.34 of the TASP also requires construction projects that disturb 1 or more acres to prepare a Stormwater Control Plan.

The LID stormwater controls for the proposed project would include permeable pavement, bio-retention areas, self-treating landscape areas, mechanical treatment (filtration) of runoff from asphalt pavement, and treatment of runoff using flow through planters.

Consistent with the findings of the TASP FEIR, continued compliance with applicable regulations, as described above, and TASP policies, as provided below, would not result in new impacts or substantially increase the severity of impacts than those analyzed in the TASP FEIR.

Deplete Groundwater Supplies

Dewatering may be performed during construction activities involving excavation. If performed, construction-related dewatering would be temporary and limited to areas of excavation on the project site and would not substantially contribute to depletion of groundwater supplies.

Operation of the proposed project would not involve dewatering or the use of groundwater as potable water, because potable water would be supplied to the project site by the City. The project would decrease the amount of impervious surfaces compared to the existing condition; however, as discussed in Section 7. Geology and Soils, above, impermeable membranes and sub-drains would be required to be installed below much of the proposed impervious surfaces due to the highly expansive and low permeability clay which is present throughout the project site. While the installation of impermeable membranes and sub-drains below much of the proposed impervious surfaces would prevent rainwater from infiltrating the subsurface and recharging groundwater, the majority of the project site is currently covered by impermeable surfaces; therefore the proposed project would not impede the recharge of groundwater compared to the existing condition. As a result, the proposed project would not result in new impacts to groundwater resources or substantially increase the severity of impacts than those analyzed in the TASP FEIR.

Drainage Pattern and Surface Run-Off

The project would not alter the course of a stream or river. Consistent with the findings of the TASP FEIR, compliance with applicable regulations and TASP policies, as described above and listed below, would ensure that changes to drainage patterns would result in less-than-significant impacts related to erosion and siltation.

The TASP FEIR determined that stormwater runoff would decrease with the buildout of the TASP Area, including the project site. The addition of more landscaped areas and parks would allow more precipitation to infiltrate into the ground compared with the current condition of nearly complete

coverage of impervious pavement. The TASP FEIR determined that none of the existing stormwater drainage pipelines would require expansion.

Developers are required to fund a Storm Drainage Plan for each subdistrict within the TASP Area that includes measures to reduce runoff pollutants and control pollutant sources to the maximum extent practical. Full compliance with the Santa Clara County National Pollution Discharge Elimination System (NPDES) permit guidelines for stormwater discharges and General Plan Policy 4.d.-G-1 would ensure that long-term water quality impacts would not be significant.

Flooding and Dam Failure Inundation

The project site is not located within a dam failure inundation area.[31] The project site is located in an area protected from flooding by a levee along Berryessa Creek to the northeast of the project site; however, this levee does not provide protection from a 100-year flood.[32] The project would not alter levees or dams, therefore the project would not result in flooding impacts related to dam failure or increase the likelihood of levee failure. Potential impacts of the project related to redirecting flood flows from potential levee failure along Berryessa Creek are discussed below.

The project site is located in an area designated as "Special Flood Hazard Areas Subject to Inundation By the 1 percent Annual Chance Flood" Zone AO on the current Flood Insurance Rate Map (FIRM) published by the Federal Emergency Management Agency (FEMA).[33] The Zone AO designation indicates areas that are subject to inundation by the 1-percent-annual-chance flood (also known as a 100-year flood) event with an established base flood elevation[34] or depth, and the flood depth at project site is indicated to be 1-foot.

TASP Policy 6.1 requires projects to minimize damage associated with flooding events and comply with regulations stipulated by FEMA and the National Flood Insurance Program. TASP Policy 6.2 requires new development within a FEMA-designated flood hazard zone to follow the City's construction standards for such areas, as currently laid out in Section XI-15 'Floodplain Management Regulations' of the Milpitas Municipal Code.

As noted in Attachment A, Project Description, the proposed project would raise the site by approximately 4.5 feet to comply with FEMA requirements to remove the project from the floodplain. The project would be required to apply for a Conditional Letter of Map Revision (CLOMR-F) and Letter of Map Revision (LOMR-F) based on area removal or structure removal from the effective FEMA floodplain and subsequently comply with all City floodplain ordinances.

Consistent with the findings of the TASP FEIR, the project would be required to comply with the TASP policies, which include compliance with FEMA requirements and the City of Milpitas Municipal

31 Milpitas, City of, 1994. *General Plan, Chapter 5 – Seismic and Safety Element*.

32 Federal Emergency Management Agency, 2009. FEMA Flood Map Service Center (map). Website: msc.fema.gov/portal/search?AddressQuery=2001%20Tarob%20Court%2C%20Milpitas#searchresultsanchor (accessed June 14, 2019).

33 Ibid.

34 Base flood elevation is the regulatory requirement for the elevation or flood proofing of structures.

Code. Therefore, the proposed project would not result in new impacts related to flooding or substantially increase the severity of impacts than those analyzed in the TASP FEIR.

Inundation by Seiche, Tsunami, or Mudflow

The project site is not located in an area mapped by the California Emergency Management Agency as susceptible to tsunami inundation.[35] The project site is not located near or downgradient from water bodies (e.g., lakes or reservoirs) that could produce seiches. Seiches are not considered a hazard in the San Francisco Bay based on the basin geometry and dimensions.[36] The project site and surrounding topography is relatively flat and therefore the proposed project would not result in impacts related to mudflows (a type of landslide that occurs on slopes). Therefore, the proposed project would not result in new impacts related to inundation by tsunami, seiche, or mudflow or substantially increase the severity of impacts than those analyzed in the TASP FEIR.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the TASP FEIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Applicable Policies

General Plan Policies

- *4.d-G-1: Protect and enhance the quality of water resources in the Planning Area.*
- *4.d-I-1: Continue implementing the NPDES requirements of the Regional Water Board – this is implemented through Chapter 16 of the City's Zoning Ordinance.*

TASP Policies

- *Policy 5.33: Require construction projects that disturb one or more acres to prepare a SWPPP that, when properly implemented, would reduce or eliminate impacts on surface water quality during construction.*
- *Policy 5.34: Require construction projects that disturb one or more acres to prepare a Stormwater Control Plan, as stipulated in Provision C.3 of the Santa Clara County NPDES permit for stormwater discharges.*
- *Policy 6.1: Minimize damage associated with flooding events and comply with regulations stipulated by FEMA and the National Flood Insurance Program.*

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35 California Emergency Management Agency, 2009. Tsunami Inundation Map for Emergency Planning, Milpitas Quadrangle, July 31.

36 Borrero, et al., 2006. *Numerical Modeling of Tsunami Effects at Marine Oil Terminals in San Francisco Bay*. Report prepared for: Marine Facilities Division of the California State Lands Commission. June 8.

- *Policy 6.2: New development within a FEMA-designated flood hazard zone must follow the City's construction standards for such areas, as currently laid out in Section XI-15 'Floodplain Management Regulations' of the Milpitas Municipal Code.*

- *Policy 6.3: New development must maintain the Transit Area's urban design standards. In particular, first floor commercial space must be within two feet of the elevation of the public sidewalk.*

- *Policy 6.4: Provide storm drain infrastructure to adequately serve new development and meet City standards.*

- *Policy 6.5: Ensure that runoff in storm drains does not lower water quality within or outside of the Transit Area by implementing BMPs in new developments within the Transit Area.*

Conclusion

The TASP FEIR adequately evaluated the potential hydrology and water quality impacts of the proposed project. Therefore, potential impacts would be less than significant and additional mitigation is not required.

11. LAND USE AND PLANNING

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Physically divide an established community?	☐	☐	☐	☒
b. Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?	☐	☐	☐	☒

Discussion

Divide an Established Community

Projects that have the potential to physically divide an established community include projects such as new freeways and highways, major arterials, streets, and railroad lines. The proposed project would develop a new residential use on the project site within the TASP Area that currently contains a light-industrial use and surface parking. The proposed project would provide public access by including public sidewalks throughout the project site that connect with the existing sidewalks along Tarob Court and Lundy Place. Bicycle and vehicle access would be provided by via Tarob Court as well. Therefore, the proposed project would not inhibit public connectivity, and would not physically divide a community. This impact would be less than significant and would be no more severe than analyzed in the TASP FEIR.

Conformance with Land Use Plans

The purpose of the TASP is to transition former industrial sites to primarily residential and commercial uses adjacent to nearby transit. Upon certification of the TASP FEIR, the City of Milpitas adopted amendments to the General Plan and Zoning Ordinance to ensure consistency between the planning documents. The TASP FEIR evaluated these new land use designations and associated policies and determined that impacts of the land use classifications and density of development conceived under the TASP would be less than significant. As described in the Project Description (Attachment A), the proposed project would be consistent with the existing land use and zoning designations for the project site.

The TASP requires that all projects proposed within the TASP Area are subject to a Site and Architectural Review in accordance with Chapter 42 of the City's Zoning Ordinance. Projects must demonstrate compliance with the TASP, including the Development Standards and Design Guidelines. In order to approve a project or variance, the City must find that "The proposed project conforms to the intent and the specific requirements of the TASP, including the Development Standards and Design Guidelines." As stated above, the proposed project would be consistent with the existing land use and zoning designations of the project site. The development associated with the proposed project is within the amount of growth evaluated and cleared within the TASP FEIR and is compatible with existing and future residential uses in the vicinity of the project site. Therefore, the density and intensity of the proposed project would not result in any new or more significant impacts regarding conformance with land use plans than those already identified in the TASP FEIR.

Land Use Compatibility

At buildout, the TASP assumes the overall urban design and development standards associated with changes to land use and zoning would contribute to fewer incompatible land uses in the TASP Area. Land uses proposed by the TASP are more compatible with the existing and proposed adjacent residential and commercial uses. In addition, the heights and densities of higher density residential and commercial uses will provide a transition toward lower density housing. Over the planning horizon, residential uses will be built in an existing industrial area. Therefore incompatible uses may be temporarily adjacent to each other until complete buildout. The TASP also includes a number of development standards to minimize potential impacts of incompatible land uses, such as setbacks, and building location and placement policies and standards. The full set of development standards can be found in Chapter 5 of the TASP. With implementation of these self-mitigating policies and standards in the TASP, the TASP FEIR concluded that no mitigation measures would be required to address potential land use impacts.

The proposed project would conform to the TASP policies as well as the development standards provided in Chapter 5 of the TASP. The proposed project would include land uses addressed by the TASP and would not result in any land use compatibility impacts that would be more severe than those analyzed in the TASP FEIR. Therefore, the proposed project would not conflict with established or planned land uses.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the TASP FEIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Applicable Policies

TASP Policies

- *Policy 3.8: Allow contiguous developments to build at higher or lower residential densities, so long as their average density falls between the designated minimum and maximum.*
- *Policy 3.9: Maintain the Midtown Plan's gross floor area policy, which excludes all areas of a building devoted to parking from FAR calculations.*
- *Policy 3.38: The open space requirements of the Midtown Milpitas Specific Plan (Policy 3.2.4) shall apply to the entire area of the Transit Area Specific Plan.*
- *Policy 5.16: See policy in Section 3, Air Quality.*
- *Policy 5.17: In all rental and sale agreements, provide disclosures to future residents about all surrounding industrial uses, including UPRR train tracks and operations and the permanent rights of such industrial uses to remain. Describe potential impacts including but not limited to: noise, groundborne and airborne vibration, odors, and use of hazardous materials.*
- *Policy 5.18: Day care facilities, schools, nursing home, and other similar sensitive receptors shall be located away from sites which store or use hazardous materials, in accordance with State and City standards. Adequate buffers to protect occupants of these sensitive uses shall be provided, including but not limited to walls, fences, landscaping, large building setbacks and additional exit routs over and above minimum code requirements.*
- *Policy 5.19: Require the installation of temporary buffers-fences, walls or vegetation-when residential uses are developed adjacent to existing industrial uses. The type of buffer must be reviewed and approved by the City Planning Department. The temporary buffers may be removed if and when the adjacent site is redeveloped as a non-industrial use.*

Conclusion

The TASP FEIR adequately evaluated the potential land use impacts of the proposed project. Therefore, potential impacts would be less-than-significant and additional mitigation is not required.

12. MINERAL RESOURCES

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	☐	☐	☐	☒
b. Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	☐	☐	☐	☒

Discussion

The entire TASP Area, including the project site, is located in a developed urban area that does not have mineral exploration or extraction occurring in the vicinity. In addition, the TASP Area is not designated as containing mineral resource deposits of regional importance. As such the proposed project as well as the TASP would have no impacts on mineral resources.

13. NOISE

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project result in:				
a. Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	☐	☐	☐	☒
b. Generation of excessive groundborne vibration or groundborne noise levels?	☐	☐	☐	☒
c. For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within 2 miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	☐	☐	☐	☒

Discussion

Construction-Period Impacts

The proposed project would be consistent with the buildout projected for the TASP, and would implement the policies identified in the TASP FEIR to reduce potential noise impacts to less-than-significant levels. Construction of the project would adhere to the noise standards and requirements set forth in the City's Municipal Code and General Plan. The project would implement the measures identified in the TASP for addressing noise, including providing disclosures to future residents per

Policy 5.17, and requiring temporary buffers if residents are placed next to existing industrial uses per Policy 5.19.

As described in the TASP FEIR, construction noise impacts would vary depending on proximity to sensitive receptors, the presence of intervening barriers, and the number, types, and duration of construction equipment used. Compliance with the General Plan and TASP policies would ensure that construction noise impacts would be less than significant.

The City's Noise Abatement Ordinance would restrict construction hours to between 7:00 a.m. and 7:00 p.m. The City's General Plan Policy 6-I-13 would minimize construction noise impacts by restricting the hours of operation, technique, and equipment used. Additionally, TASP Policy 5.15 requires that construction noise be mitigated to the extent feasible to reduce exposure of sensitive receptors.

The proposed project would not result in any new or more significant construction-period noise impacts than were described in the TASP FEIR. Implementation of the Noise Ordinance, the City of Milpitas General Plan, and the TASP, as included in the TASP FEIR, would reduce construction noise impacts to a less-than-significant level.

Groundborne Vibration Impacts

Construction activities are known sources of groundborne vibration. Vibration impacts could occur during construction of the proposed project, which would require the use of heavy excavation equipment, and the possible use of pile-driving equipment. To determine potential construction vibration impacts, an impact evaluation is described below.

When assessing annoyance from groundborne noise, vibration is typically expressed as root mean square (rms) velocity in units of decibels of 1 micro-inch per second. Vibration levels, different from noise levels, are written as vibration velocity decibels (VdB). However, construction vibration impacts on building structures are generally assessed in terms of peak particle velocity (PPV). Therefore, for purposes of this analysis, project-related impacts are expressed in terms of PPV.

Typical groundborne vibration levels measured at a distance of 25 feet from heavy construction equipment in full operation, such as vibratory rollers, range up to approximately 0.210 PPV. Based on the Federal Transit Administration (FTA) data, large bulldozers generate 0.089 PPV at 25 feet and small bulldozers generate 0.003 PPV at 25 feet. Loaded trucks generate 0.076 PPV at 25 feet, an impact pile driver generates 0.644 PPV at 25 feet, and a sonic pile driver generates 0.170 PPV at 25 feet. Except for the impact driver, these vibration levels would not be expected to cause damage to residential buildings of typical northern California construction.

As stated in the TASP FEIR, the proposed project would develop residential uses and therefore could expose sensitive receptors to unacceptable levels of groundborne vibration, specifically from operation of the VTA light rail line and BART trains along the proposed BART expansion into the TASP Area. The nearest proposed residential uses would be approximately 750 feet from the future BART/VTA light rail line.

The Santa Clara Valley Transit Authority's BART Expansion SEIR indicated that vibration impacts at existing receptors in the Planning Area and within 100 feet of the proposed tracks would be mitigated to a less-than-significant level (less than the 72 VdB significance threshold for frequent events affecting Category 2 land uses) by either using a floating slab track or by using tire derived aggregate under ballasted track.[37] As this mitigation would reduce vibration at the source, future residential uses proposed along the BART alignment would also experience less than significant vibration impacts. In addition, TASP Policies 5.13 and 5.14 would ensure that vibration levels within buildings would be less than the FTA criteria.

Therefore, the proposed project would not result in any new or more significant groundborne vibration impacts than were described in the TASP FEIR. In addition, implementation of TASP policies would reduce potential groundborne vibration impacts on future or existing sensitive receptors to less-than-significant levels.

Land Use Compatibility

The TASP FEIR requires implementation of TASP Policy 5.10 which requires new development in the TASP Area to adhere to the standards and guidelines in the Milpitas General Plan that govern noise levels, which would include implementation of General Plan Policies 6-I-2 through 6-I-16. Policy 6-1-2 requires an acoustical analysis for projects located within a "conditionally acceptable" or "normally unacceptable" exterior noise exposure area and require mitigation measures to reduce noise to acceptable levels.

The proposed project would result in an increase in people living close to transit stations which could expose sensitive receptors to higher noise levels from train and future BART activity. The noise environment at the project site is dominated by vehicle traffic noise on Trade Zone Boulevard and rail noise associated with the future BART/VTA light rail and Union Pacific Railroad. Figure 3.7-3 of the TASP FEIR shows the projected noise levels at plan buildout. Based on Figure 3.7-3, the project site is not within the 60 dB noise contours for BART or roadway noise and is within the 60 dB noise contours for the Union Pacific Railroad noise.

Based on the City's noise and land use compatibility standards, as shown in Figure 3.7-2 of the TASP FEIR, this noise level would be considered normally acceptable for multi-family residential land uses, based upon the assumption that any buildings involved are of normal conventional construction without any special noise insulation requirements. Therefore, the proposed project would meet the City's land use compatibility standards for multi-family residential land uses. The proposed project would be required to install mechanical ventilation under General Plan Policy 6-I-5 so that windows can remain closed, which would ensure the project would comply with interior noise standards. Based on standard exterior to interior noise attenuation rates, with windows closed the interior noise level of 45 dBA DNL would be met. Therefore, the proposed project would not result in any impacts that would be more severe than those analyzed in the TASP FEIR.

[37] Transportation Authority, Santa Clara Valley, 2010. *BART Silicon Valley Environmental Impact Report.* November.

Stationary Noise Source Impacts

The City of Milpitas prohibits disturbing noise that increases the noise exposure level by three dB over the local daytime ambient noise level measured from the property line of the noise source, or more than 65 dB measured from the property line of the noise source, whichever is more restrictive. At night, the City of Milpitas prohibits any disturbing noise that is audible during the hours of 10:00 p.m. to 7:00 a.m. from a distance of 50 feet from the property line of the noise source or from a distance of 100 feet from any nonstationary noise source. It shall also be prima facie violation if any disturbing noise is audible during the hours of 7:01 a.m. to 9:59 p.m. from a distance of 100 feet from the property line of the noise source or any nonstationary noise source.

The intent of the Code is to regulate noise produced by noise-generating land uses on noise-sensitive land uses, not to regulate sounds produced by one noise-sensitive residential property upon another noise-sensitive residential property. The project site is currently developed with an office/light-industrial building. Residential land uses typically generate lower noise levels than industrial and commercial land uses. The proposed project is a residential land use and would not be considered as a significant source of noise within the community that could adversely affect other nearby residential land uses. Intermittent audible sounds produced by the proposed residential project would primarily be associated with human voices, vehicles, and mechanical ventilation equipment. Such intermittent sounds would be expected in a residential area and would result in a less-than-significant impact. Therefore, the proposed project would not increase stationary source noise impacts above those analyzed in the TASP FEIR.

Aircraft Noise Source Impacts

According to the City's current and projected noise contours for San José International Airport, the project site is not within an area exposed to aircraft noise levels greater than 60 dB CNEL. Therefore, per TASP FEIR analysis, aircraft noise would have no impact on the project site.

Traffic Noise Impacts

A significant noise impact would occur if traffic generated by the project would substantially increase noise levels at sensitive receptors in the project vicinity. A substantial increase would occur if the DNL exposure at residential land uses increases by more than 3 dB or exceeds 65 dB at the residential property line, whichever is more restrictive.

Impact 3.7-1 of the Milpitas Transit Area Specific Plan identified a less-than-significant traffic noise impact upon existing and future residential land uses assuming the buildout of the Specific Plan project. The proposed project is a small subset of the Specific Plan project; therefore, the proposed project would also result in a less-than-significant impact with regard to traffic noise increases in the community. The project would not result in a doubling of traffic volumes, which would be required for existing noise levels to increase by more than 3 dBA DNL. Further, the relatively low number of project trips would not be expected to produce traffic noise levels exceeding 65 dBA DNL at nearby residential receptors; therefore, the impact is considered less than significant.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the TASP FEIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Applicable Policies

General Plan Policies

- *Policy 6-G-1: Maintain land use compatibility with noise levels similar to those set by State guidelines.*
- *Policy 6-G-2: Minimize unnecessary, annoying, or injurious noise.*
- *Policy 6-I-2: Require an acoustical analysis for projects located within a conditionally acceptable or normally unacceptable exterior noise exposure area. Require mitigation measures to reduce noise to acceptable levels.*
- *Policy 6-I-3: Prohibit new construction where the exterior noise exposure is considered clearly unacceptable for the use proposed.*
- *Policy 6-I-4: Where actual or projected rear yard and exterior common open space noise exposure exceeds the normally acceptable levels for new single-family and multifamily residential projects, use mitigation measures to reduce sound levels in those areas to acceptable levels.*
- *Policy 6-I-5: All new residential development (single family and multifamily) and lodging facilities must have interior noise levels of 45 dB DNL or less. Mechanical ventilation will be required where use of windows for ventilation will result in higher than 45 dB DNL interior noise levels.*
- *Policy 6-I-6: Assist in enforcing compliance with noise emissions standards for all types of vehicles, established by the California Vehicle Code and by federal regulations, through coordination with the Milpitas Police Department, Santa Clara County Sheriff's Department, and the California Highway Patrol.*
- *Policy 6-I-9: Enforce the provisions of the City of Milpitas Noise Ordinance and the use of established truck routes.*
- *Policy 6-I-13: Restrict the hours of operation, technique, and equipment used in all public and private construction activities to minimize noise impact. Include noise specifications in requests for bids and equipment information.*

TASP Policies

- *Policy 5.10: New development in the Transit Area shall adhere to the standards and guidelines in the Milpitas General Plan that govern noise levels. The particular policies of note are Policies 6-I-1 through 6-I-16.*

- *Policy 5.11: Construct masonry walls to buffer residential uses from BART and UPRR train tracks. These walls will be constructed by residential developers. They may be located within the landscaped buffer along the tracks*

- *Policy 5.13: Apply the FTA groundborne vibration criteria (presented in Table 5-5) as review criteria for development projects in the vicinity of vibration sources such as BART trains and heavy rail trains.*

- *Policy 5.14: Project applicants shall conduct a vibration impact analysis for any sites adjacent to or within 300 feet of active UPRR and BART alignments to demonstrate that interior vibration levels within all new residential development (single family and multifamily) and lodging facilities would be at acceptable levels. If needed, require mitigation measure to reduce vibration to acceptable levels.*

- *Policy 5.15: Prior to issuance of building permits, applicants shall demonstrate that noise exposure to sensitive receptors from construction activities has been mitigated to the extent feasible pursuant to the City's Noise Abatement Ordinance. Mitigation may include a combination of techniques that reduce noise generated at the source, increase the noise insulation of the receptor or increase the noise attenuation rate as noise travels from the source to the receptor.*

- *Policy 5.17: In all rental and sale agreements, provide disclosures to future residents about all surrounding industrial uses, including UPRR train tracks and operations, and permanent rights of such industrial uses to remain. Describe potential impacts including but not limited to: noise, groundborne and airborne vibration, odors, and use of hazardous materials.*

- *Policy 5.18: Day care facilities, schools, nursing homes, and other similar sensitive receptors shall be located away from sites which store or use hazardous materials, in accordance with State and City standards. Adequate buffers to protect occupants of these sensitive uses shall be provided, including but not limited to walls, fences, landscaping, large building setbacks, and additional exit routes over and above minimum code requirements.*

- *Policy 5.19: Require the installation of temporary buffers—fences, walls, or vegetation—when residential uses are developed adjacent to existing industrial uses. The type of buffer must be reviewed and approved by the City Planning Department. The temporary buffers may be removed if and when an adjacent site is redeveloped as a non-industrial use.*

Conclusion

The TASP FEIR adequately evaluated the potential noise impacts of the proposed project. Therefore, potential impacts would be less than significant and additional mitigation is not required.

14. POPULATION AND HOUSING

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	☐	☐	☐	☒
b. Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?	☐	☐	☐	☒

Discussion

The proposed land use changes and policy revisions under the TASP (which includes the project site) were initiated in order to develop high-intensity, transit-oriented residential and commercial redevelopment on under-utilized industrial land around existing light rail stations and the future BART station in Milpitas. Promoting such high intensity development around transit stations is a key transportation goal for the Bay Area and would meet regional objectives.

The TASP FEIR evaluated potential environmental impacts associated with approximately 7,100 residential units and 18,000 new residents within the TASP Area. The TASP FEIR assumes that the population growth is concentrated in this area and that the TASP would increase the City's housing stock by 39 percent and its population by 28 percent based on 2006 estimates from the California Department of Finance.[38]

The proposed project would include the development of the project site with a high-density residential building with up to 40 residential apartment units. The proposed project would directly generate a permanent population increase in the area. The proposed project would not displace a residential population or existing housing, as the existing structure on the project site contains light-industrial uses. Similarly, the proposed project would not result in an expansion of urban services, nor would it open additional undeveloped land for future growth. The proposed project would facilitate the reuse of underutilized land in an existing urban setting that is well served by transit facilities and services. In addition, the population and housing units included in the proposed project would fall within the total development anticipated by the TASP FEIR, as mentioned in Section 10, Land Use and Planning. Therefore, the proposed project would not result in new or more significant population growth and/or housing impacts than were analyzed and described in the TASP FEIR.

[38] Milpitas, City of, 2008b, op. cit.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the TASP FEIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Conclusion

The TASP FEIR adequately evaluated the potential population and housing impacts of the proposed project. Therefore, potential impacts would be less-than-significant and additional mitigation is not required.

15. PUBLIC SERVICES

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
i. Fire protection?	☐	☐	☐	☒
ii. Police protection?	☐	☐	☐	☒
iii. Schools?	☐	☐	☐	☒
iv. Parks?	☐	☐	☐	☒
v. Other public facilities?	☐	☐	☐	☒

Discussion

Fire and Police Protection

The project applicant would construct the proposed project in conformance with current building codes, which require features to reduce potential fire hazards. The Milpitas Police Department would also review project design to ensure that it incorporates appropriate safety features to minimize criminal activity.

As discussed in the TASP FEIR, full buildout of the development approved in the TASP Area, including the proposed project, would incrementally increase the need for fire and police protection services, which would create the need for additional staffing or resources, and a new fire station in the TASP Area. The TASP FEIR states that given that the TASP Area anticipated population of 18,000 new residents, there would be a need for at least one and possibly two new fire companies. Future development of new fire or police facilities in the TASP Area would require supplemental project-specific environmental review.

The TASP presents unique operational issues for the Milpitas Fire Department due to its high density residential and mixed-use structures. The increase in population, business, and vehicular traffic resulting from the buildout of the TASP Area will increase the demand in service levels and has the potential to impact response times, as well as presenting challenges to Fire Department vehicle access and firefighting operations. To maintain current levels of service, an increase in staffing and equipment will be necessary. A "standards-of-cover" analysis should be conducted to determine the precise impact on the Fire Department's staffing, equipment, and any required facility enhancements. In addition, the Milpitas Fire Department would need to write an addendum to the City's emergency management plan to address the development of the TASP Area.

As the TASP FEIR states, the buildout of the TASP Area, including the project site would require an increase in Police Department staffing to maintain current levels of service. The City currently provides a ratio of 0.9 police officers per 1,000 residents. The City estimates that an additional 0.5 police officers would be needed to maintain service levels.

The proposed project would follow policies that would reduce Fire and Police Department impacts due to TASP development to less-than-significant levels. The proposed project would not result in any new or more significant impacts to fire or police protection service beyond those identified in the TASP FEIR.

Schools

The proposed project would develop 40 residential units within the TASP Area, which would directly increase the demand for school facilities. The closest schools to the project site are Northwood Elementary and Morrill Middle School within the Berryessa Union School District and Independence High School within the East Side Union High School District. The TASP FEIR determined that buildout of the TASP, including the project site, would contribute significantly to an exceedance of school district capacity for Milpitas Unified School District and East Side Union High School District, but that Berryessa Union School District has adequate capacity for future students generated as a result of the TASP. As such, the TASP FEIR determined that the impacts of the TASP Area buildout on school facilities would be significant and unavoidable.

Polices in the General Plan and TASP would reduce the impact and include coordination with the school districts to update their comprehensive facilities plans, update school fees for developers, and consider joining use agreements for potential shared facilities. The proposed project would conform to the above policies, including TASP Policy 4.76. Impacts to schools are significant and unavoidable and the proposed project would not affect this conclusion as the number of proposed residential units and resulting students is within the amount evaluated in the TASP FEIR. The proposed project would not result in any new or more significant school impacts beyond those identified in the TASP FEIR.

Parks

Given that the TASP Area is transitioning from industrial to residential and that there are no public parks located nearby, new parks would need to be developed in the TASP Area. Since Milpitas is largely built out, no large new parks are likely to be established. Public parks in the TASP Area come

in three forms: Parks/Plazas, Linear Parks, and Landscape Buffers. The City has previously adopted a public park ratio of 2.0 acres per 1,000 residents for the Midtown Specific Plan. The TASP FEIR states that while this ratio already applies to all but 12 percent of the TASP Area, the application of this ratio can be considered to provide an adequate level of parks and open space for its residents. This policy would require approximately 35.8 acres of public park space in the TASP Area.

The TASP FEIR identifies several policies and standards that require parks to be built as designated – thereby ensuring that impacts on parkland and facilities would be less than significant.

The proposed project would conform to the TASP policies. The proposed project would provide a total of 0.44 acres of private common open space for use by project residents. As described in Attachment A, Project Description, a total of approximately 0.30 acres of private common open space for use by project residents would be provided. This would consist of the interior courtyard on the ground level of the proposed building and a walking path and landscaping along the southern portion of the building, including within the existing public utility easement. The interior courtyard would include seating areas and landscaping that would be screened from the parking garage by a dense row of columnar bamboo around each side. A designated walkway would connect the interior courtyard with the walking path and landscaping mentioned above. The remaining 0.14 acres of open space on the project site would consist of landscaped areas generally located in the northern portion of the site. Therefore, the proposed project would not result in any new or more significant impacts to park facilities beyond those identified in the TASP FEIR.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the TASP FEIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Applicable Policies

General Plan Policies

- *Policy 2.c-I-1: Continue working with Milpitas Unified School District (MUSD), Berryessa Union High School District, and East Side Union School District in its update of the comprehensive facilities plan and to ensure adequate provision of school facilities.*

- *Policy 2.c-I-3: Work with MUSD, Berryessa Union High School District, and East Side Union School District to monitor statutory changes and modify school fees when necessary to comply with statutory changes. Following this policy will permit the MUSD to update school fees for developers to cover the cost of constructing a new school and expanding Milpitas High School.*

- *Policy 5.c-I-1 Maintain a response time of four minutes or less for all urban service areas.*

TASP Policies

- *Policy 3.38: See policy in Section 10, Land Use and Planning.*
- *Policy 3.41: Park land dedication and in-lieu fees required of new development.*
- *Policy 3.43: New development must pay for the construction of public parks and streets surrounding the parks (or half streets if bordering an adjacent development site).*
- *Policy 3.55: Complete a Trail Loop connecting the whole Transit area.*
- *Policy 3.56: Connections shall be created along Montague Expressway with overhead bridges or undercrossings to create a continuous trail network; allow pedestrians and bicyclists to cross safely; and connect neighborhoods, schools, and parks.*
- *Policy 5.3: All streets (private and public) shall be consistent with the street sections in Chapter 5 of the TASP and shall meet any additional Milpitas Fire Department fire apparatus design requirement for access and firefighting operations.*
- *Policy 6.43: Coordinate with the affected school districts on facilities needed to accommodate new students and define actions the City can take to assist or support them in their efforts.*
- *Policy 6.46: The City and the school districts located in the Specific Plan area should consider entering into a joint use agreement, allowing public use of a new school's playfields when not in use by students, and public use of rooms in the school building for community meetings and events. Any new school site should include outdoor active recreation facilities, which would be counted toward the TASP's public parks requirement. The school building should include facilities that can be accessed and used for community events.*
- *Policy 6.50: The Fire Department shall conduct a 'standards of cover" analysis to determine the Transit Plan's precise impact on the department's staffing and equipment, and any required facility needs. Identify and evaluate potential sites for an expanded or new fire station near the Transit Area if the standards of cover analysis determines it is warranted.*
- *Policy 6.51: Additional fire department staff will be hired, equipment purchased and facilities built to provide an adequate level of service – as determined by City Council – for the residents, workers, and visitors of the Transit Area. New equipment and facilities shall be funded by the Community Facilities District fee and new staff paid from the City's General Fund.*
- *Policy 6.52: If a new fire station is built to meet the service needs of the Transit Area, it must be sited and developed in such a way to not create substantial adverse physical impacts or significant environmental impacts.*
- *Policy 6.53: The Fire Department shall update the City's emergency and disaster response plans to take the location and type of new development and future traffic levels, into account.*

- *Policy 6.54: Additional police staff will be hired and equipment purchased to provide an adequate level of service – as determined by City Council – for residents, workers and visitors of the of the Transit Area. New equipment shall be funded by the Community Facilities District fee and new staff paid from the City's General Fund.*

Conclusion

The TASP FEIR adequately evaluated the potential public services impacts of the proposed project. Therefore, potential impacts would be less than significant and additional mitigation is not required.

16. RECREATION

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
a. Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	☐	☐	☐	☒
b. Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	☐	☐	☐	☒

Discussion

As discussed above in Section 15, Public Services, the proposed project would provide a total of 0.44 acres of private common open space for use by project residents. These spaces would consist of consist of the interior courtyard on the ground level of the proposed building and a walking path and landscaping along the southern portion of the building, including within the existing public utility easement. The interior courtyard would include seating areas and landscaping that would be screened from the parking garage by a dense row of columnar bamboo around each side. A designated walkway would connect the interior courtyard with the walking path and landscaping mentioned above. The remaining 0.14 acres of open space on the project site would consist of landscaped areas generally located in the northern portion of the site. Therefore, the proposed project would not result in any new or more significant impacts to existing neighborhood or regional park facilities beyond those identified in the TASP FEIR.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the TASP FEIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Applicable Policies

TASP Policies

- *Policy 3.38: See policy in Section X, Land Use and Planning.*
- *Policy 3.40: Locate and size parks as shown on Figure 3-6, Parks, Public Spaces, and Trails [of the Specific Plan]. Minor adjustments to the location of parks may be necessary to facilitate a better site plan, respond to site specific constraints, or to accommodate phasing of a project. Smaller parks may be combined to form a larger neighborhood park within the same subdistrict as long as there is no reduction in park area. Complete elimination or relocation of a park outside of a subdistrict requires an amendment to the Specific Plan. If a school is located on a site designated as a park, it may be counted as a park if a joint use agreement is established to allow public use of open space and buildings for recreation purposes after school hours and on weekends. If no such joint use agreement is established, an alternative park site shall be designated.*
- *Policy 3.41 and 3.43: See policies in Section 15, Public Services.*
- *Policy 3.45: Private development within the Transit Area must meet the private open space requirements on a project-by-project basis.*
- *Policies 3.55 and 3.56: See policies in Section 15, Public Services.*

Conclusion

The TASP FEIR adequately evaluated the potential recreation impacts of the proposed project. Therefore, potential impacts would be less-than-significant and additional mitigation is not required.

17. TRANSPORTATION/TRAFFIC

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No New Impact
Would the project:				
a. Conflict with a program, plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities?	☐	☐	☐	☒
b. Conflict or be inconsistent with CEQA Guidelines §15064.3, subdivision (b)?	☐	☐	☐	☒
c. Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	☐	☐	☐	☒
d. Result in inadequate emergency access?	☐	☐	☐	☒

Discussion

This section compares traffic impacts from the proposed project with impacts identified in the TASP FEIR. A Traffic Operations Report (Traffic Study) was conducted for the proposed project, and is

included in Appendix B.[39] Unless otherwise noted, the analysis in this section is based on the findings of the Traffic Study.

Trip Generation

The magnitude of traffic produced by a new development and the locations where that traffic would appear were estimated using a three-step process: 1) trip generation; 2) trip distribution; and 3) trip assignment. In determining project trip generation, the magnitude of traffic entering and exiting the site was estimated for the AM and PM peak hours. As part of the project trip distribution step, an estimate was made of the directions to and from which the project trips would travel. In the project trip assignment step, the project trips were assigned to specific streets and intersections in the study area.

Through empirical research, data has been collected that correlate to common land uses and their propensity for producing traffic. Thus, for the most common land uses there are standard trip generation rates that can be applied to help predict the future traffic increases that would result from a new development. The trip generation estimates for the proposed project are based on rates obtained from the Institute of Transportation Engineers' (ITE) publication Trip Generation, 10th Edition.[40]

As stated previously, the project site is occupied by an office/industrial building that is currently in operation. Trips generated by existing uses on site can be credited against the proposed residential development. Based on AM and PM peak hour driveway counts conducted in May 2019, the existing land uses generate 11 AM peak hour trips and 12 PM peak hour trips. After applying these existing trip credits, the proposed project would generate 9 net AM peak hour trips and 14 net PM peak hour trips, as shown in Table BE.

Table BE: Project Trip Generation Estimates

	Size	Unit [a]	AM Peak Hour				PM Peak Hour			
			Rate	In	Out	Total	Rate	In	Out	Total
Proposed Use										
Multi-Family Housing [b]	40	DU	0.50	5	15	20	0.65	17	9	26
Existing Use										
Office/Light-Industrial [c]	16	ksf	–	9	2	11	–	3	9	12
Overall Net Project Trips				**-4**	**13**	**9**	**–**	**14**	**0**	**14**

Source: Hexagon Transportation Consultants, Inc. (2019).
[a] DU = dwelling units; ksf = 1,000 square feet
[b] Based on Fitted Curved Equations for Multifamily Housing (Low-Rise, Land Use Code 220), ITE, Trip Generation, 10th Edition.
[c] Based on AM and PM peak hour driveway counts conducted on May 2, 2019.

The trip distribution pattern for the proposed project was estimated based on the TASP, of which the proposed development would be a part of. Trips were assigned to the roadway network in

[39] Hexagon Transportation Consultants, Inc., 2019. *Traffic Operations Report for 2001 Tarob Court, Milpitas, CA*. May 28.
[40] Institute of Transportation Engineers, 2017. *Trip Generation Manual, 10th Edition.*

accordance with the TASP trip distribution for residential uses. Existing Plus Project traffic conditions are represented by existing traffic volumes plus project trips on the existing roadway network.

Background condition traffic volumes were estimated based on a list of approved and pending developments obtained from the City of Milpitas and the City of San Jose. Approved and pending project-generated traffic volumes were added to existing traffic volumes to estimate background conditions. Project trips from the site were added to background traffic volumes to estimate background plus project conditions.

Intersection Level of Service Impacts

The Traffic Study includes an analysis of AM and PM peak hour traffic conditions at the following study intersections and site driveway:

1. Lundy Avenue and Trade Zone Boulevard;
2. Lundy Avenue and Tarob Court (unsignalized); and
3. Project Driveway and Tarob Court.

Traffic conditions at the study intersections were evaluated using level of service (LOS). LOS is a qualitative description of operating conditions ranging from LOS A, or free-flow conditions with little or no delay, to LOS F, or jammed conditions with excessive delays. The signalized intersection of Lundy Avenue and Trade Zone Boulevard is under the jurisdiction of City of San Jose. The City of San Jose utilizes TRAFFIX software and the Highway Capacity Manual (HCM) 2000 methodology to evaluate intersection operations. The HCM methodology evaluates intersection operations on the basis of average delay time for all vehicles at the intersection. This average delay can then be correlated to a level of service. In San Jose, the minimum acceptable level of service is LOS D, and project impacts at signalized intersections occur when:

1. The level of service at an intersection drops below its LOS standard when project traffic is added; or

2. An intersection that is operating worse than its level of service standard under no project conditions has an increase in critical delay of four or more seconds AND the demand-to-capacity ratio (V/C) is increased by more than 0.01 when project traffic is added.

The exception to this threshold is when the addition of project traffic reduces the amount of average delay for critical movements (i.e. the change in average delay for critical movements is negative). In this case, the threshold is when the project increases the V/C value by 0.01 or more.

A significant impact at a signalized intersection is said to be satisfactorily mitigated when measures are implemented that would restore intersection levels of service to an acceptable LOS or restore the intersection to operating levels that are better than no project conditions.

The Traffic Study calculated intersection LOS with net new traffic generated by the proposed project. The result of the intersection LOS calculations for Existing Conditions and Existing Plus

Project are shown in Table BF, and the results of the Background No Project, and Background Plus Project conditions are presented in Table BG.

Table BF: Existing Plus Project Intersection Level of Service Summary

Intersection	Control	Peak Hour	Count Date	LOS Standard	Existing		Existing Plus Project			
					Avg Delay[a] (sec/veh)	LOS	Avg Delay[a] (sec/veh)	LOS	Increase in	
									Delay [c]	V/C
1. Lundy Ave and Trade Zone Blvd	Signal	AM	5/2/19	D	30.3	C	32.2	C	3.5	0.045
		PM	5/2/19	D	41.8	D	44.0	D	4.10	0.048
2. Lundy Ave and Tarob Ct	SSSC [b]	AM	5/2/19	N/A	4.8/8.9	A	5.2/8.7	A	N/A	N/A
		PM	5/2/19	N/A	6.2/8.6	A	6.4/8.6	A	N/A	N/A
3. Project Driveway and Tarob Ct	SSSC [b]	AM	5/2/19	N/A	1.2/8.4	A	2.1/8.4	A	N/A	N/A
		PM	5/2/19	N/A	1.3/8.5	A	2.3/8.5	A	N/A	N/A

Source: Hexagon Transportation Consultants, Inc. (2019).

[a] Signalized intersection level of service is based on the Highway Capacity Manual (HCM) methodology, using average control delay for the entire intersection.

[b] Side Street Stop Controlled intersection. Delays are reported for both the overall average delay/the approach with highest delay.

[c] For the signalized intersection at Lundy Ave and Trade Zone Boulevard, the increase in delay shown here represents increase in critical delay

Table BG: Background Plus Project Intersection Level of Service Summary

Intersection	Control	Peak Hour	Count Date	LOS Standard	Background		Background Plus Project			
					Avg Delay[a] (sec/veh)	LOS	Avg Delay[a] (sec/veh)	LOS	Increase in	
									Delay [c]	V/C
1. Lundy Ave and Trade Zone Blvd	Signal	AM	5/2/19	D	35.4	D	35.6	D	0.0	0.001
		PM	5/2/19	D	44.7	D	44.7	D	0.0	0.000
2. Lundy Ave and Tarob Ct	SSSC [b]	AM	5/2/19	N/A	4.9/8.9	A	5.1/8.9	A	N/A	N/A
		PM	5/2/19	N/A	57/8.8	A	5.9/8.8	A	N/A	N/A
3. Project Driveway and Tarob Ct	SSSC [b]	AM	5/2/19	N/A	0.7/8.6	A	1.3/8.6	A	N/A	N/A
		PM	5/2/19	N/A	0.8/8.7	A	1.4/8.7	A	N/A	N/A

Source: Hexagon Transportation Consultants, Inc. (2019).

[a] Signalized intersection level of service is based on the Highway Capacity Manual (HCM) methodology, using average control delay for the entire intersection.

[b] Side Street Stop Controlled intersection. Delays are reported for both the overall average delay/the approach with highest delay.

[c] For the signalized intersection at Lundy Ave and Trade Zone Boulevard, the increase in delay shown here represents increase in critical delay

As shown in Tables BE and BG above, the results of the LOS analysis show that the signalized intersection at Trade Zone Boulevard and Lundy Avenue would operate at LOS D or better under existing and background conditions with or without the proposed project. According to the City of San Jose LOS standards, the proposed project would therefore have no impacts on intersection LOS.

The study intersections of Lundy Avenue/Tarob Court and Project Driveway/Tarob Court are unsignalized and under the jurisdiction of City of Milpitas. Unlike signalized intersections, which

typically represent constraint points for the roadway network, unsignalized intersections rarely limit the potential capacity of a roadway. The determination of appropriate improvements to unsignalized intersections typically includes a qualitative and quantitative analysis of movement delay, traffic signal warrants, movement traffic volumes, availability of alternate routes, and intersection safety. For this reason, improvements to unsignalized intersections are frequently determined on the basis of professional judgment. The City of Milpitas does not apply significance thresholds to unsignalized intersections. Both unsignalized study intersections are projected to operate at LOS A under existing and background conditions, with or without the proposed project.

An assessment was conducted to determine whether the traffic volumes at the Lundy Avenue/Tarob Court intersection would warrant the installation of a traffic signal. This assessment was based on the Peak Hour Volume Signal Warrant (Warrant #3) described in the California Manual on Uniform Traffic Control Devices (CA MUTCD). This method makes no evaluation of intersection level of service, but simply provides an indication whether peak hour traffic volumes would be sufficient to justify installation of a traffic signal. The signal warrant analysis sheets are included in the Appendix to the Traffic Study. The analysis showed that the peak hour volume warrant would not be satisfied at the Lundy Avenue/Tarob Court intersection under any study scenarios during the AM and PM peak hours.

Vehicle Queuing

A vehicle queuing analysis was conducted for the eastbound left-turn movement at the Trade Zone Boulevard/Lundy Avenue intersection and the northbound left-turn at the Tarob Court/Lundy Avenue intersection. The queuing analysis was conducted for both background and background plus project conditions. Vehicle queues were estimated using a Poisson probability distribution. The basis of the analysis is as follows: 1) the Poisson probability distribution is used to estimate the 95th percentile maximum number of queued vehicles per signal cycle for a particular movement; 2) the estimated maximum number of vehicles in the queue is translated into a queue length, assuming 25 feet per vehicle; and 3) the estimated maximum queue length is compared to the existing or planned available storage capacity for the movement. This analysis thus provides a basis for estimating future storage requirements at intersections. The analysis, which is summarized in Table 3 in the Traffic Study, indicates that, with the addition of project traffic, the 95th percentile vehicle queues could be accommodated by the storage provided at the subject locations.

Site Circulation and Access

The project site would be accessed by one driveway on Tarob Court on the west end of the site, about 200 feet west of the intersection at Lundy Place and Tarob Court. The proposed driveway would be located at approximately the same location as the existing driveway on Tarob Court for the existing building at the project site. The width of the driveway entry would be 22 feet, which meets the minimum City standard for driveways. Under project conditions, it is anticipated that this driveway would serve approximately 20 AM peak hour project trips and 26 PM peak hour project trips.

There are existing driveways serving other parcels on Tarob Court adjacent to and opposite of the project frontage. The site driveway does not align with the existing driveway on the opposite side of

Tarob Court, but is offset about 25 feet. There is also another existing driveway beside the site driveway on Tarob Court about 50 feet to the west. The spacing of the site driveway, and its location relative to existing driveways, would be acceptable given the relatively low traffic volumes at the nearby driveways and Tarob Court.

According to the LOS and queuing calculations, the site driveway would operate at LOS A with queues rarely exceeding one or two vehicles during the AM and PM peak hours. The vehicle queues at the site driveway could be accommodated in the storage space provided, and the onsite queues would generally not interfere with traffic operations on Tarob Court and Lundy Avenue.

Pedestrian access to the project site is provided at locations along the frontage on Tarob Court and Lundy Place. Primary pedestrian access is provided via the main entry facing the sidewalks on Tarob Court. Besides the primary access on Tarob Court, there would be walking paths connecting the parking garage with the existing sidewalks on Lundy Place on the east side of the property. New sidewalks with curb extensions would also be installed on the project frontage on Tarob Court, providing a continuous pedestrian pathway to existing sidewalks on Trade Zone Boulevard via Lundy Place. Overall, the network of pedestrian paths and the sidewalk improvements on the project frontages would provide adequate access to the existing sidewalk network in the project vicinity.

In order to accommodate pedestrians, the following would be incorporated into the project via conditions of approval:

- One new ADA-compliant curb ramp should be added at the existing northwest curb return at Tarob Court and Lundy Place (along the project frontage). A striped crosswalk should also be provided when the opposite side of the curb return is upgraded along with the redevelopment of the parcel at 1996 Tarob Court.

The sight distance at the project driveway on Tarob Court was checked and determined to be adequate. Because the project would install a curb extension, which includes adding sidewalks on the Tarob Court frontage, the site driveway would be shifted closer to the centerline of Tarob Court, thereby further improving the sight distance for vehicles exiting the site driveway. As part of the project improvements, the radius of the existing curb return along the project frontage at the Lundy Place/Tarob Court intersection would be reduced. This improvement would help reduce vehicle speeds on Tarob Court, and therefore, improve the sight distance required for vehicles entering and exiting the driveways.

Circulation on-site would consist of an open parking lot and a parking garage on the ground level. Onsite parking areas would be accessed by one site driveway on Tarob Court. Both the open parking lot and parking garage follow a standard 90-degree parking layout. The main parking aisle and the two east-west feeder parking aisles inside the garage would be 26 and 24 feet wide, respectively, which meets the City's standard for 90-degree parking. However, the north-south parking aisle connecting the two east-west parking aisle is not dimensioned. The dimensions of the regular and compact parking spaces are 9 feet by 18 feet and 8 feet by 15 feet, respectively. Both parking space dimensions meet the minimum City standards. However, the widths of the parking garage entrances are not dimensioned.

Upon entering the garage, vehicles would follow the main drive aisle through the open parking lot and arrive at a roundabout at the southern end of the aisle. The two feeder drive aisles, which are connected at right angles to the main drive aisle, would provide access to the parking garage east of the main drive aisle. The ends of the two feeder drive aisles are connected by another drive aisle, forming a U-shape circulation pattern which makes a complete loop around of the parking garage. The layout shows no dead-end aisles.

The last two parking spaces (numbered 67 and 68) in the open parking lot located off the main drive aisle are approximately 20 feet south of the sidewalk on Tarob Court, and approximately 30 feet south of the beginning of the site driveway. Vehicles parked in these spaces would have to back out directly into the main site access aisle, potentially into the line of incoming traffic on the aisle just turning into the site driveway. However, given the low traffic volumes at the site driveway and on Tarob Court, the design would be acceptable.

The site plan shows one elevator at the front lobby that would provide residents access to the parking garage. The sidewalk on Tarob Court would be accessed directly from the front lobby while the sidewalk on Lundy Avenue would be accessed from pedestrian pathways connecting with the parking garage.

A trash collection room would be located adjacent to the roundabout at the southern entrance of the parking garage. The roundabout would have an 80-foot outside diameter and a 26-foot wide lane that would allow turnaround maneuvers of garbage trucks as noted on the site plan. Therefore, garbage trucks would perform their operations onsite within the development.

Given the above, the proposed project would not result in any new or more significant impacts beyond those identified in the TASP FEIR.

Pedestrian, Bicycle, and Transit Facilities

According to the Valley Transit Authority (who administers the Santa Clara County Congestion Management Plan) Transportation Impact Analysis Technical Guidelines, a project would create an impact on pedestrian and bike circulation if: 1) it would reduce, sever or eliminate existing or planned bike/pedestrian access and circulation in the area; 2) it would preclude, modify, or otherwise affect proposed bicycle and pedestrian projects and/or policies identified in the Lead Agency's adopted bicycle/pedestrian plan, or the plans of other agencies such as the Countywide Bicycle Plan or adjacent Cities' bicycle/pedestrian plans; or 3) it would cause a change to existing bike paths such as alignment, width of the trail right of way, or length of the trail.

The project site is located within the TASP. The TASP facilitates the redevelopment of the southern portion of the City that transforms a low-density industrial area to an urban residential and mixed-use district with an emphasis on walkability and bicycling. The plan includes a new street system that promotes walking and biking as the dominant modes for short internal trips, especially with the future Milpitas BART station and VTA light rail system within close proximity to the project site. As part of the Milpitas TASP, a future street connection and pedestrian bridge across Capitol Avenue are planned to connect Tarob Court to Milpitas Boulevard and the new BART station. A proposed

Class III bike route is also planned on Tarob Court to serve this new bicycle access route to the transit center.

As part of project improvements, curb extensions with new sidewalks would be installed along the Tarob Court and Lundy Place project frontages. In addition, the two existing driveways at the project site would be reduced into one new site driveway on Tarob Court, which would reduce the number of potential vehicle-pedestrian conflict points.

The proposed project would generate pedestrian trips to/from transit stops, recreation areas, and employment centers. Overall, the volume of pedestrian trips generated by the project is expected to be relatively low and not exceed the carrying capacity of the sidewalks and crosswalks nearby. U.S. Census data indicate that bicycle trips comprise less than one percent of the total commute mode share in the City of Milpitas. For the proposed project, this would equate to approximately one new bike trip during each of the AM and PM peak hours. The low volume of bicycle trips generated by the project would not exceed the bicycle-carrying capacity of streets surrounding the site, and the increase in bicycle trips would not by itself require new off-site bicycle facilities.

The addition of the project would not remove any existing bike/pedestrian facilities, nor would it preclude any future planned improvements. Because most intersections around the project site are signalized and have very few bike/pedestrian activities, the addition of project traffic would have a negligible effect on walking and biking in the project vicinity. Therefore, the proposed project would not create an adverse impact to bike/pedestrian circulation in the area.

According to the VTA TIA Technical Guidelines, a project would create an impact on transit if: 1) it would generate a demand for additional transit services; or 2) it would cause a permanent or temporary reduction of transit availability or interference with existing transit users, e.g., relocation/closure of a transit stop or vacation of a roadway utilized by transit.

According to the TASP, transit trips would comprise approximately 9 percent of all peak hour trips. For the proposed project, assuming 9 percent of total commute trips would be transit trips, this would generate approximately one new transit trip during the AM peak hour and two new transit trips during the PM peak hour. In addition to commute trips, there would be additional transit trips to nearby schools, parks, and shopping areas. The volume of transit trips generated by the project would not exceed the carrying capacity of the existing transit service to the site.

The addition of the project would not remove any existing transit facilities, nor would it preclude any future planned improvements. As shown in the LOS calculations, the addition of project traffic would have a negligible effect on bus delays the project vicinity. Therefore, based on the VTA Technical Guidelines, the proposed project would not create an adverse impact to transit operations in the area and no improvements to existing transit service frequencies would be necessary in conjunction with the proposed project. Therefore, the proposed project would not result in any new or more significant impacts beyond those identified in the TASP FEIR.

CEQA Guidelines §15064.3

Effective December 28, 2018, the CEQA Guidelines were updated and require the evaluation of vehicle miles transportation (VMT) as the criteria for analyzing transportation impacts for land use projects. As noted in CEQA Guidelines Section 15064.3(c), the provisions of CEQA Guidelines Section 15064.3 shall apply prospectively as described in CEQA Guidelines Section 15007. A lead agency may elect to be governed by the provisions of CEQA Guidelines Section 15064.3 immediately; however, beginning on July 1, 2020, the provisions of this section shall apply Statewide. The City of Milpitas, as lead agency, has not yet elected to be governed by the provisions of CEQA Guidelines Section 15064.3. Therefore, the proposed project would neither conflict nor be inconsistent with CEQA Guidelines Section 15064.3, and there would be no new impact.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the TASP FEIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Applicable Policies

TASP Policies

- *Policy 3.12: Preserve adequate right-of-way along Capitol Avenue, Great Mall Parkway, and Montague Expressway to accommodate future regional roadway improvements. Final dimensions of right-of-way acquisition are not yet known. The detailed street sections in Chapter 5 [of the Specific Plan] include notes about right-of-way acquisition, to the extent that information is currently available.*

- *Policy 3.15: Review individual development applications to ensure that adequate street right-of-way, bicycle facilities, pedestrian facilities and landscaping are provided and are consistent with the Transit Area Plan circulation policies and street design standards in Chapter 5 [of the Specific Plan].*

- *Policy 3.16: Establish and implement a travel demand management (TDM) program in order to encourage alternate modes of travel and thereby reduce automobile trips. Establish a funding mechanism to pay for the costs of the program, including the cost of a transportation coordinator to administer the program. The program would include a ride-matching program, coordination with regional ride-sharing organizations, and provision of transit information; and could also include sale of discounted transit passes and provision of shuttle service to major destinations.*

- *Policy 3.17: New streets shall be located as generally shown on the Street System Map, Figure 3-2.*

- *Policy 3.18: New development must dedicate land for new public streets and pay for their construction.*

- *Policy 3.21: Provide continuous pedestrian sidewalks and safe bike travel routes throughout the entire Transit Area and within development projects.*

- *Policy 3.22: Private development shall provide direct walking and biking routes to schools and major destinations, such as parks and shopping, through their property.*

- *Policy 3.28: Provide continuous bicycle circulation through the project site and to adjacent areas by closing existing gaps in bicycle lanes and bicycle routes, per Figure 3-5 [of the Specific Plan]. Gaps exist on Capitol Avenue between Montague Expressway and Trimble Road, and on Trade Zone Boulevard between Montague Expressway and Lundy Place. Capitol Avenue only needs to be re-striped to add a bike lane. Trade Zone Boulevard generally contains sufficient width to accommodate two travel lanes and bike lanes in each direction; however, the westbound lanes on Trade Zone jog south slightly, so right-of-way acquisition will likely be required to push the curb further north to maintain a consistent section and to add bike lanes. Bike routes should be upgraded to bike lanes as part of any Montague widening project.*

- *Policy 3.29: A Class III bicycle route shall be created on the internal roadways (from the Milpitas Boulevard Extension/Capitol Avenue intersection to Tarob Court) to provide a continuous bicycle connection between Milpitas Boulevard and the existing bicycle lanes on Lundy Street, as indicated on Figure 3-5 [of the Specific Plan].*

- *Policy 3.32: Coordinate with VTA to provide sufficient amenities (such as transit shelters) at all transit stops within the Transit Area.*

- *Policy 6.32: The City shall establish and assess a transportation impact fee program, known as the Regional Traffic Fee, to contribute toward traffic improvements to be undertaken in whole or in part by the County of Santa Clara or City of San Jose. This fee will go toward the East/West Corridor Study, Montague Expressway Widening project, and Calaveras Boulevard (SR 237) Overpass Widening project, as well as other local and regional improvements.*

- *Policy 6.33: The City shall establish and assess a transportation impact fee program to provide improvements to mitigate future traffic operations on the roadway segments within the City of Milpitas. All projects within the Transit Area Plan will be required to pay this fee.*

- *Policy 6.34: The new traffic impact fee program should include fair-share payments toward the following improvement: At the West Calaveras Boulevard/I-880 northbound ramps, convert the northbound center left turn lane to a shared left-turn/right-turn lane. The City of Milpitas will coordinate with Caltrans to implement this improvement.*

- *Policy 6.35: The new traffic impact fee program should include fair-share payments toward the following improvement: At the intersection of Tasman Drive/McCarthy Boulevard, the southbound (McCarthy Boulevard) shared through/right-turn lane will be converted to an exclusive right-turn lane with overlap signal phasing. The southbound right-turn will have a green arrow and enter the intersection at the same time as the eastbound left-turn movement. Eastbound left-turns will be prohibited. The City of Milpitas will implement this improvement.*

- *Policy 6.36: The new traffic impact fee program should include fair-share payments toward the following improvement: Coordinate the traffic signals at the Tasman Drive / I-880 southbound ramps and the Great Mall Parkway/I-880 northbound ramps with one another as well as adjacent intersections, particularly Tasman Drive/Alder Drive, in order to improve operations in the Great Mall Parkway/Tasman Drive corridor north of the Transit Area. The City of Milpitas will coordinate with Caltrans to implement this improvement.*

Conclusion

The TASP FEIR adequately evaluated the transportation impacts of the proposed project. The proposed project would be required to comply with TASP policies related to transportation including traffic impact fees and City of Milpitas 2008 CFD (TASP Area) tax rates. Therefore, the proposed project would not create any new impacts related to transportation and additional mitigation is not required.

18. TRIBAL CULTURAL RESOURCES

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code Section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:				
i. Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code Section 5020.1(k)? Or	☐	☐	☐	☒
ii. A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1? In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.	☐	☐	☐	☒

Discussion

The only site within the TASP Area that the TASP FEIR identified as potentially eligible for the California Register of Historic Resources is the Great Mall, which is not located within the project site. General Plan Policy 4.f-G-1 would reduce any potential impact to historical and cultural resources to a less-than-significant level. As previously discussed in Section 5, Cultural Resources of this checklist, the TASP FEIR determined that impacts to cultural and historic resources would be reduced to less-than-significant levels with implementation of Policy 5.34 to reduce potential impacts to previously unidentified archeological resources to a less-than-significant level through construction monitoring, and if remains are found, temporary halting of construction until development of a mitigation plan and its implementation. This finding applies to tribal cultural resources. Therefore, the proposed project would not result in any new or more severe impacts to tribal cultural resources than were identified in the TASP FEIR.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the TASP FEIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Applicable Policies

General Plan Policies

- *Policy 4.f-G-1: Preserve existing historical and cultural resources, especially those site where an Historical Park may prove feasible.*

Conclusion

The TASP FEIR adequately evaluated the potential tribal cultural resources impacts for the proposed project. Therefore, potential impacts would be less than significant and additional mitigation is not required.

19. UTILITIES AND SERVICE SYSTEMS

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Require or result in the relocation or construction of new or expanded water, wastewater treatment or stormwater drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?	☐	☐	☐	☒
b. Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years?	☐	☐	☐	☒
c. Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	☐	☐	☐	☒
d. Generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?	☐	☐	☐	☒
e. Comply with federal, state, and local management and reduction statutes and regulations related to solid waste?	☐	☐	☐	☒

Discussion

Wastewater Treatment Requirements

As the TASP FEIR describes, the City's Main Pump Station has a wet weather capacity between 42 and 45 million gallons per day (mgd) and the City does not expect buildout of the TASP, including the project site, to cause the City's overall wet weather flow to exceed this capacity (TASP Impact 3.11-3).[41] The City plans to make improvements to the Main Sewage Pump Station, not as a result of the buildout of the TASP, but as a result of overdue maintenance and seismic deficiencies. The TASP

[41] Milpitas, City of, 2008b, op. cit.

FEIR determined that the buildout of the TASP would result in an increase in wastewater flow and several new improvement projects to sewer pipelines would be required.

The TASP FEIR also determined buildout of the TASP would create sewer flows that when combined with other cumulative growth and development within the City would exceed the City's contracted capacity at the Water Pollution Control Plant. However, because the proposed project is within the level of development evaluated in the TASP FEIR, it would not result in any new or more severe impacts related to wastewater capacity and infrastructure than those previously analyzed.

Stormwater Drainage Facilities

The TASP would require the development of new storm drainage infrastructure as outlined in the 2001 Storm Drain Master Plan.[42] The majority of existing utilities within the boundary of the project site, aside from those within the public utility easement, would be removed. The proposed project would include the installation of new storm drain lines on the project site and would connect to the existing 12-inch municipal storm drain located at the northwest corner of the project site. The potential impacts associated with storm drainage facilities from the proposed project would not be greater or more severe than those identified in the TASP FEIR.

Water Supply

The TASP FEIR determined that the buildout of the TASP, including the project site, would increase water demand at buildout by 1.1 mgd. The buildout of the TASP would exceed capacity of the existing turnout delivering water from the SCVWD system during the peak hour demand period. This increase in demand would require improvements to the existing water infrastructure both within the TASP Area and affected pressure zones.

TASP Policy 6.22 would ensure that less-than-significant impacts associated with water supply would occur. The TASP FEIR concluded that this water demand will be adequately served by water supplies from current sources in addition to offsets by the supplies available from the SCVWD, the ability to run emergency wells, and an increased use of recycled water. The TASP provides policies which require the use of recycled water.

The proposed project would conform to TASP policies that would reduce the impact to a less-than-significant level and would not result in greater growth on the project site than anticipated by the TASP FEIR. Impacts of the proposed project would not result in any greater impacts than those identified by the TASP FEIR.

Solid Waste

Buildout of the TASP Area would result in an increase in the amount of solid waste due mainly to the increase in residential uses. The TASP FEIR concluded that there is sufficient capacity in the existing solid waste disposal facilities serving the TASP Area, including the project site, for at least 30 more years. The proposed project would conform to TASP policies and would not result in any new or more severe impacts beyond those identified in the TASP FEIR.

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42 Milpitas, City of, 2001. *Storm Drain Master Plan*. July.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the TASP FEIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Applicable Policies

TASP Policies

- *Policy 6.6: Construct the improvements within the Transit Area that were identified in the 2001 Storm Drainage Master Plan, and any other improvements identified in updates to the Master Plan.*
- *Policy 6.13: Provide water supply for the Specific Plan area from the Santa Clara Valley Water District.*
- *Policy 6.16: Reduce water consumption through a program of water conservation measures, such as use of recycled water, water-saving features, and drought-tolerant landscaping.*
- *Policy 6.17: The City of Milpitas will require that water saving devices, as required by the California Plumbing Code, be installed in all residential, commercial, industrial and institutional facilities within the Transit Area. Such devices are capable of reducing the amount of water used indoors, resulting in substantial wastewater flow reductions.*
- *Policy 6.19: Per the Midtown Specific Plan, require new development to include recycled water lines for irrigation.*
- *Policy 6.20: The City of Milpitas will require that recycled water be used to irrigate all parks, plazas, community facilities, linear parks, landscaped front yards and buffer zones. Recycled water may also be used for landscape irrigation on vegetated setbacks and private common areas. The City shall also require, where reasonable and feasible, that commercial uses, schools and non-residential mixed use developments be provided with dual plumbing to enable indoor recycled water use for non-potable uses to the extent feasible.*
- *Policy 6.21: Require existing irrigation users to convert to recycled water when it becomes available.*
- *Policy 6.23: All new development shall participate to the maximum extent practical in solid waste source reduction and diversion programs.*

Conclusion

The TASP FEIR adequately evaluated the potential utilities impacts for the proposed project. Therefore, potential impacts would be less than significant and additional mitigation is not required.

20. WILDFIRE

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project:				
a. Substantially impair an adopted emergency response plan or emergency evacuation plan?	☐	☐	☐	☒
b. Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?	☐	☐	☐	☒
c. Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment?	☐	☐	☐	☒
d. Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?	☐	☐	☐	☒

Discussion

Since certification of the TASP FEIR, Appendix G of the CEQA Guidelines has been revised to include a separate section for Wildfire. Effective December 28, 2018, CEQA requires the evaluation of wildfire hazards, among other changes. Because the TASP FEIR was certified prior to December 28, 2018, a separate evaluation of wildfire impacts was not included.

However, the Hazards and Hazardous Materials section of the TASP FEIR did determine that there were no Very High Fire Hazard Severity Zones within the TASP Area. In addition, the project site is not located in or near any State responsibility areas. Therefore, the proposed project would not result in any new impacts related to wildfire hazards.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the TASP FEIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Conclusion

The TASP FEIR adequately evaluated the potential impacts related to hazards (and by extension, wildfire) of the proposed project and no new impacts would result.

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APPENDIX A

CALEEMOD OUTPUT SHEETS

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2001 Tarob Court

Bay Area AQMD Air District, Annual

1.0 Project Characteristics

1.1 Land Usage

Land Uses	Size	Metric	Lot Acreage	Floor Surface Area	Population
Apartments Mid Rise	40.00	Dwelling Unit	0.77	40,000.00	114
Unenclosed Parking with Elevator	60.00	Space	0.00	24,000.00	0
Parking Lot	14.00	Space	0.10	5,600.00	0
City Park	0.44	Acre	0.44	19,166.40	0

1.2 Other Project Characteristics

Urbanization	Urban	**Wind Speed (m/s)**	2.2	**Precipitation Freq (Days)**	64
Climate Zone	4			**Operational Year**	2021
Utility Company	Pacific Gas & Electric Company				
CO2 Intensity (lb/MWhr)	328.8	**CH4 Intensity (lb/MWhr)**	0.029	**N2O Intensity (lb/MWhr)**	0.006

1.3 User Entered Comments & Non-Default Data

2001 Tarob Court - Bay Area AQMD Air District, Annual

Project Characteristics - CO2 intensity based on 5-year average, PG&E, 2015

Land Use - The project would include 40 residential units, a parking garage with 60 spaces, an additional 14 onstreet parking spaces, and 0.44 acres of open space/landscaped areas.

Construction Phase - Construction of the proposed project is anticipated to occur over approximately 16 months, starting in April 2020 and ending in August 2021.

Grading - approximately 1,410 cubic yards of soils would be excavated and exported

Demolition - The project would demolish the existing 16,463-square-foot office/light-industrial building

Vehicle Trips - Based on ITE Trip Generation Rates for land use code 220 and 9% transit trip rediction per VTA's Transportation Impact Analysis Guidelines

Water Mitigation -

Energy Mitigation -

Mobile Land Use Mitigation -

Area Mitigation -

Table Name	Column Name	Default Value	New Value
tblConstructionPhase	NumDays	10.00	20.00
tblConstructionPhase	NumDays	200.00	250.00
tblConstructionPhase	NumDays	4.00	20.00
tblConstructionPhase	NumDays	10.00	20.00
tblConstructionPhase	NumDays	2.00	20.00
tblConstructionPhase	PhaseEndDate	3/15/2021	8/6/2021
tblConstructionPhase	PhaseEndDate	2/15/2021	6/11/2021
tblConstructionPhase	PhaseEndDate	5/11/2020	6/26/2020
tblConstructionPhase	PhaseEndDate	3/1/2021	7/9/2021
tblConstructionPhase	PhaseEndDate	5/5/2020	5/29/2020
tblConstructionPhase	PhaseStartDate	3/2/2021	7/12/2021
tblConstructionPhase	PhaseStartDate	5/12/2020	6/29/2020
tblConstructionPhase	PhaseStartDate	5/6/2020	6/1/2020
tblConstructionPhase	PhaseStartDate	2/16/2021	6/14/2021

tblGrading	AcresOfGrading	7.50	1.22
tblGrading	AcresOfGrading	10.00	1.22
tblGrading	MaterialExported	0.00	1,410.00
tblLandUse	LotAcreage	1.05	0.77
tblLandUse	LotAcreage	0.54	0.00
tblLandUse	LotAcreage	0.13	0.10
tblProjectCharacteristics	CO2IntensityFactor	641.35	328.8
tblVehicleTrips	ST_TR	6.39	6.05
tblVehicleTrips	ST_TR	22.75	0.00
tblVehicleTrips	SU_TR	5.86	6.05
tblVehicleTrips	SU_TR	16.74	0.00
tblVehicleTrips	WD_TR	6.65	6.05
tblVehicleTrips	WD_TR	1.89	0.00

2.0 Emissions Summary

2.1 Overall Construction

Unmitigated Construction

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Year	tons/yr										MT/yr					
2020	0.2031	1.6725	1.2903	2.6200e-003	0.1430	0.0807	0.2236	0.0648	0.0768	0.1416	0.0000	225.6204	225.6204	0.0391	0.0000	226.5973
2021	0.4146	0.9628	0.9420	1.8600e-003	0.0288	0.0451	0.0739	7.7800e-003	0.0434	0.0512	0.0000	158.1868	158.1868	0.0241	0.0000	158.7881
Maximum	**0.4146**	**1.6725**	**1.2903**	**2.6200e-003**	**0.1430**	**0.0807**	**0.2236**	**0.0648**	**0.0768**	**0.1416**	**0.0000**	**225.6204**	**225.6204**	**0.0391**	**0.0000**	**226.5973**

Mitigated Construction

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Year	tons/yr										MT/yr					
2020	0.2031	1.6725	1.2903	2.6200e-003	0.1430	0.0807	0.2236	0.0648	0.0768	0.1416	0.0000	225.6202	225.6202	0.0391	0.0000	226.5971
2021	0.4146	0.9628	0.9420	1.8600e-003	0.0288	0.0451	0.0739	7.7800e-003	0.0434	0.0512	0.0000	158.1867	158.1867	0.0241	0.0000	158.7880
Maximum	**0.4146**	**1.6725**	**1.2903**	**2.6200e-003**	**0.1430**	**0.0807**	**0.2236**	**0.0648**	**0.0768**	**0.1416**	**0.0000**	**225.6202**	**225.6202**	**0.0391**	**0.0000**	**226.5971**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio-CO2	Total CO2	CH4	N20	CO2e
Percent Reduction	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

Quarter	Start Date	End Date	Maximum Unmitigated ROG + NOX (tons/quarter)	Maximum Mitigated ROG + NOX (tons/quarter)
1	4-6-2020	7-5-2020	0.6488	0.6488
2	7-6-2020	10-5-2020	0.6081	0.6081
3	10-6-2020	1-5-2021	0.6070	0.6070
4	1-6-2021	4-5-2021	0.5470	0.5470
5	4-6-2021	7-5-2021	0.4737	0.4737
6	7-6-2021	9-30-2021	0.2962	0.2962
		Highest	0.6488	0.6488

2.2 Overall Operational

Unmitigated Operational

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Area	0.2885	5.5700e-003	0.4254	2.7000e-004		0.0198	0.0198		0.0198	0.0198	1.8236	1.2355	3.0591	3.4000e-003	1.2000e-004	3.1799
Energy	1.8600e-003	0.0159	6.7800e-003	1.0000e-004		1.2900e-003	1.2900e-003		1.2900e-003	1.2900e-003	0.0000	50.3060	50.3060	3.1600e-003	9.2000e-004	50.6591
Mobile	0.0646	0.3124	0.7294	2.4800e-003	0.2080	2.3100e-003	0.2103	0.0558	2.1600e-003	0.0580	0.0000	227.1256	227.1256	8.6500e-003	0.0000	227.3418
Waste						0.0000	0.0000		0.0000	0.0000	3.7432	0.0000	3.7432	0.2212	0.0000	9.2735
Water						0.0000	0.0000		0.0000	0.0000	0.8268	3.2345	4.0613	0.0852	2.0600e-003	6.8066
Total	**0.3550**	**0.3339**	**1.1616**	**2.8500e-003**	**0.2080**	**0.0234**	**0.2314**	**0.0558**	**0.0233**	**0.0791**	**6.3936**	**281.9016**	**288.2951**	**0.3216**	**3.1000e-003**	**297.2609**

2.2 Overall Operational

Mitigated Operational

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Area	0.1962	3.4400e-003	0.2983	2.0000e-005		1.6400e-003	1.6400e-003		1.6400e-003	1.6400e-003	0.0000	0.4865	0.4865	4.7000e-004	0.0000	0.4983
Energy	1.8600e-003	0.0159	6.7800e-003	1.0000e-004		1.2900e-003	1.2900e-003		1.2900e-003	1.2900e-003	0.0000	50.2800	50.2800	3.1600e-003	9.2000e-004	50.6329
Mobile	0.0514	0.2139	0.4253	1.1500e-003	0.0881	1.1400e-003	0.0892	0.0236	1.0600e-003	0.0247	0.0000	105.6893	105.6893	5.1700e-003	0.0000	105.8186
Waste						0.0000	0.0000		0.0000	0.0000	3.7432	0.0000	3.7432	0.2212	0.0000	9.2735
Water						0.0000	0.0000		0.0000	0.0000	0.6615	2.7023	3.3638	0.0682	1.6500e-003	5.5609
Total	**0.2495**	**0.2333**	**0.7304**	**1.2700e-003**	**0.0881**	**4.0700e-003**	**0.0922**	**0.0236**	**3.9900e-003**	**0.0276**	**4.4046**	**159.1581**	**163.5627**	**0.2982**	**2.5700e-003**	**171.7843**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio-CO2	Total CO2	CH4	N20	CO2e
Percent Reduction	**29.72**	**30.13**	**37.12**	**55.44**	**57.66**	**82.61**	**60.18**	**57.66**	**82.85**	**65.06**	**31.11**	**43.54**	**43.27**	**7.29**	**17.10**	**42.21**

3.0 Construction Detail

Construction Phase

2001 Tarob Court - Bay Area AQMD Air District, Annual

Phase Number	Phase Name	Phase Type	Start Date	End Date	Num Days Week	Num Days	Phase Description
1	Demolition	Demolition	4/6/2020	5/1/2020	5	20	
2	Site Preparation	Site Preparation	5/2/2020	5/29/2020	5	20	
3	Grading	Grading	6/1/2020	6/26/2020	5	20	
4	Building Construction	Building Construction	6/29/2020	6/11/2021	5	250	
5	Paving	Paving	6/14/2021	7/9/2021	5	20	
6	Architectural Coating	Architectural Coating	7/12/2021	8/6/2021	5	20	

Acres of Grading (Site Preparation Phase): 1.22

Acres of Grading (Grading Phase): 1.22

Acres of Paving: 0.1

Residential Indoor: 81,000; Residential Outdoor: 27,000; Non-Residential Indoor: 0; Non-Residential Outdoor: 0; Striped Parking Area: 1,776 (Architectural Coating – sqft)

OffRoad Equipment

Phase Name	Offroad Equipment Type	Amount	Usage Hours	Horse Power	Load Factor
Architectural Coating	Air Compressors	1	6.00	78	0.48
Paving	Cement and Mortar Mixers	1	6.00	9	0.56
Demolition	Concrete/Industrial Saws	1	8.00	81	0.73
Building Construction	Generator Sets	1	8.00	84	0.74
Building Construction	Cranes	1	6.00	231	0.29
Building Construction	Forklifts	1	6.00	89	0.20
Site Preparation	Graders	1	8.00	187	0.41
Paving	Pavers	1	6.00	130	0.42
Paving	Rollers	1	7.00	80	0.38
Demolition	Rubber Tired Dozers	1	8.00	247	0.40
Grading	Rubber Tired Dozers	1	6.00	247	0.40
Building Construction	Tractors/Loaders/Backhoes	1	6.00	97	0.37
Demolition	Tractors/Loaders/Backhoes	3	8.00	97	0.37
Grading	Tractors/Loaders/Backhoes	1	7.00	97	0.37
Paving	Tractors/Loaders/Backhoes	1	8.00	97	0.37
Site Preparation	Tractors/Loaders/Backhoes	1	8.00	97	0.37
Grading	Graders	1	6.00	187	0.41
Paving	Paving Equipment	1	8.00	132	0.36
Site Preparation	Rubber Tired Dozers	1	7.00	247	0.40
Building Construction	Welders	3	8.00	46	0.45

Trips and VMT

Phase Name	Offroad Equipment Count	Worker Trip Number	Vendor Trip Number	Hauling Trip Number	Worker Trip Length	Vendor Trip Length	Hauling Trip Length	Worker Vehicle Class	Vendor Vehicle Class	Hauling Vehicle Class
Demolition	5	13.00	0.00	75.00	10.80	7.30	20.00	LD_Mix	HDT_Mix	HHDT
Site Preparation	3	8.00	0.00	0.00	10.80	7.30	20.00	LD_Mix	HDT_Mix	HHDT
Grading	3	8.00	0.00	176.00	10.80	7.30	20.00	LD_Mix	HDT_Mix	HHDT
Building Construction	7	49.00	12.00	0.00	10.80	7.30	20.00	LD_Mix	HDT_Mix	HHDT
Paving	5	13.00	0.00	0.00	10.80	7.30	20.00	LD_Mix	HDT_Mix	HHDT
Architectural Coating	1	10.00	0.00	0.00	10.80	7.30	20.00	LD_Mix	HDT_Mix	HHDT

3.1 Mitigation Measures Construction

3.2 Demolition - 2020

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					8.1000e-003	0.0000	8.1000e-003	1.2300e-003	0.0000	1.2300e-003	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	0.0213	0.2095	0.1466	2.4000e-004		0.0115	0.0115		0.0108	0.0108	0.0000	21.0677	21.0677	5.4200e-003	0.0000	21.2031
Total	**0.0213**	**0.2095**	**0.1466**	**2.4000e-004**	**8.1000e-003**	**0.0115**	**0.0196**	**1.2300e-003**	**0.0108**	**0.0120**	**0.0000**	**21.0677**	**21.0677**	**5.4200e-003**	**0.0000**	**21.2031**

3.2 Demolition - 2020

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	3.1000e-004	0.0110	2.2000e-003	3.0000e-005	6.3000e-004	4.0000e-005	6.7000e-004	1.7000e-004	3.0000e-005	2.1000e-004	0.0000	2.8739	2.8739	1.5000e-004	0.0000	2.8776
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	4.3000e-004	3.1000e-004	3.1900e-003	1.0000e-005	1.0300e-003	1.0000e-005	1.0300e-003	2.7000e-004	1.0000e-005	2.8000e-004	0.0000	0.9000	0.9000	2.0000e-005	0.0000	0.9005
Total	**7.4000e-004**	**0.0113**	**5.3900e-003**	**4.0000e-005**	**1.6600e-003**	**5.0000e-005**	**1.7000e-003**	**4.4000e-004**	**4.0000e-005**	**4.9000e-004**	**0.0000**	**3.7739**	**3.7739**	**1.7000e-004**	**0.0000**	**3.7781**

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					8.1000e-003	0.0000	8.1000e-003	1.2300e-003	0.0000	1.2300e-003	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	0.0213	0.2095	0.1466	2.4000e-004		0.0115	0.0115		0.0108	0.0108	0.0000	21.0676	21.0676	5.4200e-003	0.0000	21.2030
Total	**0.0213**	**0.2095**	**0.1466**	**2.4000e-004**	**8.1000e-003**	**0.0115**	**0.0196**	**1.2300e-003**	**0.0108**	**0.0120**	**0.0000**	**21.0676**	**21.0676**	**5.4200e-003**	**0.0000**	**21.2030**

3.2 Demolition - 2020

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	3.1000e-004	0.0110	2.2000e-003	3.0000e-005	6.3000e-004	4.0000e-005	6.7000e-004	1.7000e-004	3.0000e-005	2.1000e-004	0.0000	2.8739	2.8739	1.5000e-004	0.0000	2.8776
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	4.3000e-004	3.1000e-004	3.1900e-003	1.0000e-005	1.0300e-003	1.0000e-005	1.0300e-003	2.7000e-004	1.0000e-005	2.8000e-004	0.0000	0.9000	0.9000	2.0000e-005	0.0000	0.9005
Total	**7.4000e-004**	**0.0113**	**5.3900e-003**	**4.0000e-005**	**1.6600e-003**	**5.0000e-005**	**1.7000e-003**	**4.4000e-004**	**4.0000e-005**	**4.9000e-004**	**0.0000**	**3.7739**	**3.7739**	**1.7000e-004**	**0.0000**	**3.7781**

3.3 Site Preparation - 2020

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					0.0533	0.0000	0.0533	0.0290	0.0000	0.0290	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	0.0163	0.1835	0.0771	1.7000e-004		8.2100e-003	8.2100e-003		7.5500e-003	7.5500e-003	0.0000	15.1265	15.1265	4.8900e-003	0.0000	15.2488
Total	**0.0163**	**0.1835**	**0.0771**	**1.7000e-004**	**0.0533**	**8.2100e-003**	**0.0616**	**0.0290**	**7.5500e-003**	**0.0366**	**0.0000**	**15.1265**	**15.1265**	**4.8900e-003**	**0.0000**	**15.2488**

3.3 Site Preparation - 2020

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	2.7000e-004	1.9000e-004	1.9600e-003	1.0000e-005	6.3000e-004	0.0000	6.4000e-004	1.7000e-004	0.0000	1.7000e-004	0.0000	0.5538	0.5538	1.0000e-005	0.0000	0.5542
Total	**2.7000e-004**	**1.9000e-004**	**1.9600e-003**	**1.0000e-005**	**6.3000e-004**	**0.0000**	**6.4000e-004**	**1.7000e-004**	**0.0000**	**1.7000e-004**	**0.0000**	**0.5538**	**0.5538**	**1.0000e-005**	**0.0000**	**0.5542**

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					0.0533	0.0000	0.0533	0.0290	0.0000	0.0290	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	0.0163	0.1835	0.0771	1.7000e-004		8.2100e-003	8.2100e-003		7.5500e-003	7.5500e-003	0.0000	15.1265	15.1265	4.8900e-003	0.0000	15.2488
Total	**0.0163**	**0.1835**	**0.0771**	**1.7000e-004**	**0.0533**	**8.2100e-003**	**0.0616**	**0.0290**	**7.5500e-003**	**0.0366**	**0.0000**	**15.1265**	**15.1265**	**4.8900e-003**	**0.0000**	**15.2488**

3.3 Site Preparation - 2020

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	2.7000e-004	1.9000e-004	1.9600e-003	1.0000e-005	6.3000e-004	0.0000	6.4000e-004	1.7000e-004	0.0000	1.7000e-004	0.0000	0.5538	0.5538	1.0000e-005	0.0000	0.5542
Total	**2.7000e-004**	**1.9000e-004**	**1.9600e-003**	**1.0000e-005**	**6.3000e-004**	**0.0000**	**6.4000e-004**	**1.7000e-004**	**0.0000**	**1.7000e-004**	**0.0000**	**0.5538**	**0.5538**	**1.0000e-005**	**0.0000**	**0.5542**

3.4 Grading - 2020

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					0.0459	0.0000	0.0459	0.0249	0.0000	0.0249	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	0.0135	0.1509	0.0645	1.4000e-004		6.8400e-003	6.8400e-003		6.3000e-003	6.3000e-003	0.0000	12.3896	12.3896	4.0100e-003	0.0000	12.4898
Total	**0.0135**	**0.1509**	**0.0645**	**1.4000e-004**	**0.0459**	**6.8400e-003**	**0.0527**	**0.0249**	**6.3000e-003**	**0.0312**	**0.0000**	**12.3896**	**12.3896**	**4.0100e-003**	**0.0000**	**12.4898**

3.4 Grading - 2020

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	7.3000e-004	0.0257	5.1700e-003	7.0000e-005	1.4900e-003	8.0000e-005	1.5700e-003	4.1000e-004	8.0000e-005	4.9000e-004	0.0000	6.7441	6.7441	3.5000e-004	0.0000	6.7528
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	2.7000e-004	1.9000e-004	1.9600e-003	1.0000e-005	6.3000e-004	0.0000	6.4000e-004	1.7000e-004	0.0000	1.7000e-004	0.0000	0.5538	0.5538	1.0000e-005	0.0000	0.5542
Total	**1.0000e-003**	**0.0259**	**7.1300e-003**	**8.0000e-005**	**2.1200e-003**	**8.0000e-005**	**2.2100e-003**	**5.8000e-004**	**8.0000e-005**	**6.6000e-004**	**0.0000**	**7.2979**	**7.2979**	**3.6000e-004**	**0.0000**	**7.3069**

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					0.0459	0.0000	0.0459	0.0249	0.0000	0.0249	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	0.0135	0.1509	0.0645	1.4000e-004		6.8400e-003	6.8400e-003		6.3000e-003	6.3000e-003	0.0000	12.3896	12.3896	4.0100e-003	0.0000	12.4898
Total	**0.0135**	**0.1509**	**0.0645**	**1.4000e-004**	**0.0459**	**6.8400e-003**	**0.0527**	**0.0249**	**6.3000e-003**	**0.0312**	**0.0000**	**12.3896**	**12.3896**	**4.0100e-003**	**0.0000**	**12.4898**

3.4 Grading - 2020

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	7.3000e-004	0.0257	5.1700e-003	7.0000e-005	1.4900e-003	8.0000e-005	1.5700e-003	4.1000e-004	8.0000e-005	4.9000e-004	0.0000	6.7441	6.7441	3.5000e-004	0.0000	6.7528
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	2.7000e-004	1.9000e-004	1.9600e-003	1.0000e-005	6.3000e-004	0.0000	6.4000e-004	1.7000e-004	0.0000	1.7000e-004	0.0000	0.5538	0.5538	1.0000e-005	0.0000	0.5542
Total	**1.0000e-003**	**0.0259**	**7.1300e-003**	**8.0000e-005**	**2.1200e-003**	**8.0000e-005**	**2.2100e-003**	**5.8000e-004**	**8.0000e-005**	**6.6000e-004**	**0.0000**	**7.2979**	**7.2979**	**3.6000e-004**	**0.0000**	**7.3069**

3.5 Building Construction - 2020

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	0.1360	0.9908	0.8836	1.4800e-003		0.0533	0.0533		0.0515	0.0515	0.0000	121.6332	121.6332	0.0226	0.0000	122.1977
Total	**0.1360**	**0.9908**	**0.8836**	**1.4800e-003**		**0.0533**	**0.0533**		**0.0515**	**0.0515**	**0.0000**	**121.6332**	**121.6332**	**0.0226**	**0.0000**	**122.1977**

3.5 Building Construction - 2020

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	3.1100e-003	0.0928	0.0233	2.2000e-004	5.2700e-003	4.5000e-004	5.7200e-003	1.5200e-003	4.3000e-004	1.9600e-003	0.0000	21.0503	21.0503	1.0900e-003	0.0000	21.0774
Worker	0.0109	7.7900e-003	0.0806	2.5000e-004	0.0259	1.7000e-004	0.0261	6.9000e-003	1.6000e-004	7.0600e-003	0.0000	22.7276	22.7276	5.5000e-004	0.0000	22.7413
Total	**0.0140**	**0.1006**	**0.1040**	**4.7000e-004**	**0.0312**	**6.2000e-004**	**0.0318**	**8.4200e-003**	**5.9000e-004**	**9.0200e-003**	**0.0000**	**43.7779**	**43.7779**	**1.6400e-003**	**0.0000**	**43.8188**

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	0.1360	0.9908	0.8836	1.4800e-003		0.0533	0.0533		0.0515	0.0515	0.0000	121.6331	121.6331	0.0226	0.0000	122.1976
Total	**0.1360**	**0.9908**	**0.8836**	**1.4800e-003**		**0.0533**	**0.0533**		**0.0515**	**0.0515**	**0.0000**	**121.6331**	**121.6331**	**0.0226**	**0.0000**	**122.1976**

3.5 Building Construction - 2020

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	3.1100e-003	0.0928	0.0233	2.2000e-004	5.2700e-003	4.5000e-004	5.7200e-003	1.5200e-003	4.3000e-004	1.9600e-003	0.0000	21.0503	21.0503	1.0900e-003	0.0000	21.0774
Worker	0.0109	7.7900e-003	0.0806	2.5000e-004	0.0259	1.7000e-004	0.0261	6.9000e-003	1.6000e-004	7.0600e-003	0.0000	22.7276	22.7276	5.5000e-004	0.0000	22.7413
Total	**0.0140**	**0.1006**	**0.1040**	**4.7000e-004**	**0.0312**	**6.2000e-004**	**0.0318**	**8.4200e-003**	**5.9000e-004**	**9.0200e-003**	**0.0000**	**43.7779**	**43.7779**	**1.6400e-003**	**0.0000**	**43.8188**

3.5 Building Construction - 2021

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	0.1051	0.7909	0.7482	1.2800e-003		0.0397	0.0397		0.0383	0.0383	0.0000	105.2976	105.2976	0.0188	0.0000	105.7676
Total	**0.1051**	**0.7909**	**0.7482**	**1.2800e-003**		**0.0397**	**0.0397**		**0.0383**	**0.0383**	**0.0000**	**105.2976**	**105.2976**	**0.0188**	**0.0000**	**105.7676**

3.5 Building Construction - 2021

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	2.2100e-003	0.0727	0.0182	1.9000e-004	4.5600e-003	1.6000e-004	4.7200e-003	1.3200e-003	1.5000e-004	1.4700e-003	0.0000	18.0503	18.0503	8.9000e-004	0.0000	18.0725
Worker	8.7200e-003	6.0200e-003	0.0637	2.1000e-004	0.0225	1.5000e-004	0.0226	5.9700e-003	1.4000e-004	6.1100e-003	0.0000	18.9843	18.9843	4.3000e-004	0.0000	18.9949
Total	**0.0109**	**0.0787**	**0.0819**	**4.0000e-004**	**0.0270**	**3.1000e-004**	**0.0273**	**7.2900e-003**	**2.9000e-004**	**7.5800e-003**	**0.0000**	**37.0346**	**37.0346**	**1.3200e-003**	**0.0000**	**37.0674**

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	0.1051	0.7909	0.7482	1.2800e-003		0.0397	0.0397		0.0383	0.0383	0.0000	105.2975	105.2975	0.0188	0.0000	105.7675
Total	**0.1051**	**0.7909**	**0.7482**	**1.2800e-003**		**0.0397**	**0.0397**		**0.0383**	**0.0383**	**0.0000**	**105.2975**	**105.2975**	**0.0188**	**0.0000**	**105.7675**

3.5 Building Construction - 2021

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	2.2100e-003	0.0727	0.0182	1.9000e-004	4.5600e-003	1.6000e-004	4.7200e-003	1.3200e-003	1.5000e-004	1.4700e-003	0.0000	18.0503	18.0503	8.9000e-004	0.0000	18.0725
Worker	8.7200e-003	6.0200e-003	0.0637	2.1000e-004	0.0225	1.5000e-004	0.0226	5.9700e-003	1.4000e-004	6.1100e-003	0.0000	18.9843	18.9843	4.3000e-004	0.0000	18.9949
Total	**0.0109**	**0.0787**	**0.0819**	**4.0000e-004**	**0.0270**	**3.1000e-004**	**0.0273**	**7.2900e-003**	**2.9000e-004**	**7.5800e-003**	**0.0000**	**37.0346**	**37.0346**	**1.3200e-003**	**0.0000**	**37.0674**

3.6 Paving - 2021

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	7.7400e-003	0.0774	0.0886	1.4000e-004		4.1500e-003	4.1500e-003		3.8300e-003	3.8300e-003	0.0000	11.7650	11.7650	3.7300e-003	0.0000	11.8582
Paving	1.3000e-004					0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total	**7.8700e-003**	**0.0774**	**0.0886**	**1.4000e-004**		**4.1500e-003**	**4.1500e-003**		**3.8300e-003**	**3.8300e-003**	**0.0000**	**11.7650**	**11.7650**	**3.7300e-003**	**0.0000**	**11.8582**

3.6 Paving - 2021

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	4.0000e-004	2.8000e-004	2.9200e-003	1.0000e-005	1.0300e-003	1.0000e-005	1.0300e-003	2.7000e-004	1.0000e-005	2.8000e-004	0.0000	0.8684	0.8684	2.0000e-005	0.0000	0.8689
Total	**4.0000e-004**	**2.8000e-004**	**2.9200e-003**	**1.0000e-005**	**1.0300e-003**	**1.0000e-005**	**1.0300e-003**	**2.7000e-004**	**1.0000e-005**	**2.8000e-004**	**0.0000**	**0.8684**	**0.8684**	**2.0000e-005**	**0.0000**	**0.8689**

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	7.7400e-003	0.0774	0.0886	1.4000e-004		4.1500e-003	4.1500e-003		3.8300e-003	3.8300e-003	0.0000	11.7650	11.7650	3.7300e-003	0.0000	11.8582
Paving	1.3000e-004					0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total	**7.8700e-003**	**0.0774**	**0.0886**	**1.4000e-004**		**4.1500e-003**	**4.1500e-003**		**3.8300e-003**	**3.8300e-003**	**0.0000**	**11.7650**	**11.7650**	**3.7300e-003**	**0.0000**	**11.8582**

3.6 Paving - 2021

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	4.0000e-004	2.8000e-004	2.9200e-003	1.0000e-005	1.0300e-003	1.0000e-005	1.0300e-003	2.7000e-004	1.0000e-005	2.8000e-004	0.0000	0.8684	0.8684	2.0000e-005	0.0000	0.8689
Total	**4.0000e-004**	**2.8000e-004**	**2.9200e-003**	**1.0000e-005**	**1.0300e-003**	**1.0000e-005**	**1.0300e-003**	**2.7000e-004**	**1.0000e-005**	**2.8000e-004**	**0.0000**	**0.8684**	**0.8684**	**2.0000e-005**	**0.0000**	**0.8689**

3.7 Architectural Coating - 2021

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Archit. Coating	0.2878					0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	2.1900e-003	0.0153	0.0182	3.0000e-005		9.4000e-004	9.4000e-004		9.4000e-004	9.4000e-004	0.0000	2.5533	2.5533	1.8000e-004	0.0000	2.5576
Total	**0.2899**	**0.0153**	**0.0182**	**3.0000e-005**		**9.4000e-004**	**9.4000e-004**		**9.4000e-004**	**9.4000e-004**	**0.0000**	**2.5533**	**2.5533**	**1.8000e-004**	**0.0000**	**2.5576**

3.7 Architectural Coating - 2021

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	3.1000e-004	2.1000e-004	2.2400e-003	1.0000e-005	7.9000e-004	1.0000e-005	8.0000e-004	2.1000e-004	0.0000	2.1000e-004	0.0000	0.6680	0.6680	1.0000e-005	0.0000	0.6684
Total	**3.1000e-004**	**2.1000e-004**	**2.2400e-003**	**1.0000e-005**	**7.9000e-004**	**1.0000e-005**	**8.0000e-004**	**2.1000e-004**	**0.0000**	**2.1000e-004**	**0.0000**	**0.6680**	**0.6680**	**1.0000e-005**	**0.0000**	**0.6684**

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Archit. Coating	0.2878					0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	2.1900e-003	0.0153	0.0182	3.0000e-005		9.4000e-004	9.4000e-004		9.4000e-004	9.4000e-004	0.0000	2.5533	2.5533	1.8000e-004	0.0000	2.5576
Total	**0.2899**	**0.0153**	**0.0182**	**3.0000e-005**		**9.4000e-004**	**9.4000e-004**		**9.4000e-004**	**9.4000e-004**	**0.0000**	**2.5533**	**2.5533**	**1.8000e-004**	**0.0000**	**2.5576**

3.7 Architectural Coating - 2021

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	3.1000e-004	2.1000e-004	2.2400e-003	1.0000e-005	7.9000e-004	1.0000e-005	8.0000e-004	2.1000e-004	0.0000	2.1000e-004	0.0000	0.6680	0.6680	1.0000e-005	0.0000	0.6684
Total	**3.1000e-004**	**2.1000e-004**	**2.2400e-003**	**1.0000e-005**	**7.9000e-004**	**1.0000e-005**	**8.0000e-004**	**2.1000e-004**	**0.0000**	**2.1000e-004**	**0.0000**	**0.6680**	**0.6680**	**1.0000e-005**	**0.0000**	**0.6684**

4.0 Operational Detail - Mobile

4.1 Mitigation Measures Mobile

Increase Density

Increase Diversity

Improve Walkability Design

Improve Destination Accessibility

Increase Transit Accessibility

Improve Pedestrian Network

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Mitigated	0.0514	0.2139	0.4253	1.1500e-003	0.0881	1.1400e-003	0.0892	0.0236	1.0600e-003	0.0247	0.0000	105.6893	105.6893	5.1700e-003	0.0000	105.8186
Unmitigated	0.0646	0.3124	0.7294	2.4800e-003	0.2080	2.3100e-003	0.2103	0.0558	2.1600e-003	0.0580	0.0000	227.1256	227.1256	8.6500e-003	0.0000	227.3418

4.2 Trip Summary Information

	Average Daily Trip Rate			Unmitigated	Mitigated
Land Use	Weekday	Saturday	Sunday	Annual VMT	Annual VMT
Apartments Mid Rise	242.00	242.00	242.00	558,925	236,657
City Park	0.00	0.00	0.00		
Parking Lot	0.00	0.00	0.00		
Unenclosed Parking with Elevator	0.00	0.00	0.00		
Total	242.00	242.00	242.00	558,925	236,657

4.3 Trip Type Information

	Miles			Trip %			Trip Purpose %		
Land Use	H-W or C-W	H-S or C-C	H-O or C-NW	H-W or C-W	H-S or C-C	H-O or C-NW	Primary	Diverted	Pass-by
Apartments Mid Rise	10.80	4.80	5.70	31.00	15.00	54.00	86	11	3
City Park	9.50	7.30	7.30	33.00	48.00	19.00	66	28	6
Parking Lot	9.50	7.30	7.30	0.00	0.00	0.00	0	0	0
Unenclosed Parking with	9.50	7.30	7.30	0.00	0.00	0.00	0	0	0

4.4 Fleet Mix

Land Use	LDA	LDT1	LDT2	MDV	LHD1	LHD2	MHD	HHD	OBUS	UBUS	MCY	SBUS	MH
Apartments Mid Rise	0.575198	0.040076	0.193827	0.113296	0.016988	0.005361	0.017552	0.025197	0.002581	0.002349	0.005904	0.000881	0.000789
City Park	0.575198	0.040076	0.193827	0.113296	0.016988	0.005361	0.017552	0.025197	0.002581	0.002349	0.005904	0.000881	0.000789
Parking Lot	0.575198	0.040076	0.193827	0.113296	0.016988	0.005361	0.017552	0.025197	0.002581	0.002349	0.005904	0.000881	0.000789
Unenclosed Parking with Elevator	0.575198	0.040076	0.193827	0.113296	0.016988	0.005361	0.017552	0.025197	0.002581	0.002349	0.005904	0.000881	0.000789

5.0 Energy Detail

Historical Energy Use: N

5.1 Mitigation Measures Energy

Install Energy Efficient Appliances

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Electricity Mitigated						0.0000	0.0000		0.0000	0.0000	0.0000	31.8387	31.8387	2.8100e-003	5.8000e-004	32.0820
Electricity Unmitigated						0.0000	0.0000		0.0000	0.0000	0.0000	31.8646	31.8646	2.8100e-003	5.8000e-004	32.1082
NaturalGas Mitigated	1.8600e-003	0.0159	6.7800e-003	1.0000e-004		1.2900e-003	1.2900e-003		1.2900e-003	1.2900e-003	0.0000	18.4414	18.4414	3.5000e-004	3.4000e-004	18.5510
NaturalGas Unmitigated	1.8600e-003	0.0159	6.7800e-003	1.0000e-004		1.2900e-003	1.2900e-003		1.2900e-003	1.2900e-003	0.0000	18.4414	18.4414	3.5000e-004	3.4000e-004	18.5510

5.2 Energy by Land Use - NaturalGas

Unmitigated

	NaturalGas Use	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Land Use	kBTU/yr	tons/yr										MT/yr					
Apartments Mid Rise	345578	1.8600e-003	0.0159	6.7800e-003	1.0000e-004		1.2900e-003	1.2900e-003		1.2900e-003	1.2900e-003	0.0000	18.4414	18.4414	3.5000e-004	3.4000e-004	18.5510
City Park	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Parking Lot	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Unenclosed Parking with Elevator	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total		**1.8600e-003**	**0.0159**	**6.7800e-003**	**1.0000e-004**		**1.2900e-003**	**1.2900e-003**		**1.2900e-003**	**1.2900e-003**	**0.0000**	**18.4414**	**18.4414**	**3.5000e-004**	**3.4000e-004**	**18.5510**

5.2 Energy by Land Use - NaturalGas

Mitigated

	NaturalGas Use	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Land Use	kBTU/yr	tons/yr										MT/yr					
Apartments Mid Rise	345578	1.8600e-003	0.0159	6.7800e-003	1.0000e-004		1.2900e-003	1.2900e-003		1.2900e-003	1.2900e-003	0.0000	18.4414	18.4414	3.5000e-004	3.4000e-004	18.5510
City Park	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Parking Lot	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Unenclosed Parking with Elevator	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total		**1.8600e-003**	**0.0159**	**6.7800e-003**	**1.0000e-004**		**1.2900e-003**	**1.2900e-003**		**1.2900e-003**	**1.2900e-003**	**0.0000**	**18.4414**	**18.4414**	**3.5000e-004**	**3.4000e-004**	**18.5510**

5.3 Energy by Land Use - Electricity

Unmitigated

	Electricity Use	Total CO2	CH4	N2O	CO2e
Land Use	kWh/yr	MT/yr			
Apartments Mid Rise	165134	24.6283	2.1700e-003	4.5000e-004	24.8165
City Park	0	0.0000	0.0000	0.0000	0.0000
Parking Lot	1960	0.2923	3.0000e-005	1.0000e-005	0.2946
Unenclosed Parking with Elevator	46560	6.9440	6.1000e-004	1.3000e-004	6.9971
Total		**31.8646**	**2.8100e-003**	**5.9000e-004**	**32.1082**

5.3 Energy by Land Use - Electricity

Mitigated

	Electricity Use	Total CO2	CH4	N2O	CO2e
Land Use	kWh/yr	MT/yr			
Apartments Mid Rise	164960	24.6023	2.1700e-003	4.5000e-004	24.7904
City Park	0	0.0000	0.0000	0.0000	0.0000
Parking Lot	1960	0.2923	3.0000e-005	1.0000e-005	0.2946
Unenclosed Parking with Elevator	46560	6.9440	6.1000e-004	1.3000e-004	6.9971
Total		**31.8387**	**2.8100e-003**	**5.9000e-004**	**32.0820**

6.0 Area Detail

6.1 Mitigation Measures Area

No Hearths Installed

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Mitigated	0.1962	3.4400e-003	0.2983	2.0000e-005		1.6400e-003	1.6400e-003		1.6400e-003	1.6400e-003	0.0000	0.4865	0.4865	4.7000e-004	0.0000	0.4983
Unmitigated	0.2885	5.5700e-003	0.4254	2.7000e-004		0.0198	0.0198		0.0198	0.0198	1.8236	1.2355	3.0591	3.4000e-003	1.2000e-004	3.1799

6.2 Area by SubCategory

Unmitigated

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
SubCategory	tons/yr										MT/yr					
Architectural Coating	0.0288					0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Consumer Products	0.1583					0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Hearth	0.0923	2.1200e-003	0.1271	2.5000e-004		0.0182	0.0182		0.0182	0.0182	1.8236	0.7490	2.5726	2.9300e-003	1.2000e-004	2.6815
Landscaping	9.0800e-003	3.4400e-003	0.2983	2.0000e-005		1.6400e-003	1.6400e-003		1.6400e-003	1.6400e-003	0.0000	0.4865	0.4865	4.7000e-004	0.0000	0.4983
Total	**0.2885**	**5.5600e-003**	**0.4254**	**2.7000e-004**		**0.0198**	**0.0198**		**0.0198**	**0.0198**	**1.8236**	**1.2355**	**3.0591**	**3.4000e-003**	**1.2000e-004**	**3.1799**

6.2 Area by SubCategory

Mitigated

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
SubCategory	tons/yr										MT/yr					
Architectural Coating	0.0288					0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Consumer Products	0.1583					0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Hearth	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Landscaping	9.0800e-003	3.4400e-003	0.2983	2.0000e-005		1.6400e-003	1.6400e-003		1.6400e-003	1.6400e-003	0.0000	0.4865	0.4865	4.7000e-004	0.0000	0.4983
Total	**0.1962**	**3.4400e-003**	**0.2983**	**2.0000e-005**		**1.6400e-003**	**1.6400e-003**		**1.6400e-003**	**1.6400e-003**	**0.0000**	**0.4865**	**0.4865**	**4.7000e-004**	**0.0000**	**0.4983**

7.0 Water Detail

7.1 Mitigation Measures Water

Use Reclaimed Water

Install Low Flow Bathroom Faucet

Install Low Flow Kitchen Faucet

Install Low Flow Toilet

Install Low Flow Shower

Turf Reduction

Use Water Efficient Irrigation System

Use Water Efficient Landscaping

	Total CO2	CH4	N2O	CO2e
Category	MT/yr			
Mitigated	3.3638	0.0682	1.6500e-003	5.5609
Unmitigated	4.0613	0.0852	2.0600e-003	6.8066

7.2 Water by Land Use

Unmitigated

	Indoor/Outdoor Use	Total CO2	CH4	N2O	CO2e
Land Use	Mgal	MT/yr			
Apartments Mid Rise	2.60616 / 1.64301	3.7876	0.0852	2.0600e-003	6.5309
City Park	0 / 0.524252	0.2737	2.0000e-005	0.0000	0.2758
Parking Lot	0 / 0	0.0000	0.0000	0.0000	0.0000
Unenclosed Parking with Elevator	0 / 0	0.0000	0.0000	0.0000	0.0000
Total		**4.0613**	**0.0852**	**2.0600e-003**	**6.8066**

7.2 Water by Land Use

Mitigated

	Indoor/Outdoor Use	Total CO2	CH4	N2O	CO2e
Land Use	Mgal	MT/yr			
Apartments Mid Rise	2.08493 / 1.48108	3.1171	0.0682	1.6500e-003	5.3124
City Park	0 / 0.472582	0.2467	2.0000e-005	0.0000	0.2486
Parking Lot	0 / 0	0.0000	0.0000	0.0000	0.0000
Unenclosed Parking with Elevator	0 / 0	0.0000	0.0000	0.0000	0.0000
Total		**3.3638**	**0.0682**	**1.6500e-003**	**5.5609**

8.0 Waste Detail

8.1 Mitigation Measures Waste

Category/Year

	Total CO2	CH4	N2O	CO2e
	MT/yr			
Mitigated	3.7432	0.2212	0.0000	9.2735
Unmitigated	3.7432	0.2212	0.0000	9.2735

8.2 Waste by Land Use

Unmitigated

	Waste Disposed	Total CO2	CH4	N2O	CO2e
Land Use	tons	MT/yr			
Apartments Mid Rise	18.4	3.7350	0.2207	0.0000	9.2534
City Park	0.04	8.1200e-003	4.8000e-004	0.0000	0.0201
Parking Lot	0	0.0000	0.0000	0.0000	0.0000
Unenclosed Parking with Elevator	0	0.0000	0.0000	0.0000	0.0000
Total		**3.7432**	**0.2212**	**0.0000**	**9.2735**

8.2 Waste by Land Use

Mitigated

	Waste Disposed	Total CO2	CH4	N2O	CO2e
Land Use	tons	MT/yr			
Apartments Mid Rise	18.4	3.7350	0.2207	0.0000	9.2534
City Park	0.04	8.1200e-003	4.8000e-004	0.0000	0.0201
Parking Lot	0	0.0000	0.0000	0.0000	0.0000
Unenclosed Parking with Elevator	0	0.0000	0.0000	0.0000	0.0000
Total		**3.7432**	**0.2212**	**0.0000**	**9.2735**

9.0 Operational Offroad

Equipment Type	Number	Hours/Day	Days/Year	Horse Power	Load Factor	Fuel Type

10.0 Stationary Equipment

Fire Pumps and Emergency Generators

Equipment Type	Number	Hours/Day	Hours/Year	Horse Power	Load Factor	Fuel Type

Boilers

Equipment Type	Number	Heat Input/Day	Heat Input/Year	Boiler Rating	Fuel Type

User Defined Equipment

Equipment Type	Number

11.0 Vegetation

2001 Tarob Court

Bay Area AQMD Air District, Summer

1.0 Project Characteristics

1.1 Land Usage

Land Uses	Size	Metric	Lot Acreage	Floor Surface Area	Population
Apartments Mid Rise	40.00	Dwelling Unit	0.77	40,000.00	114
Unenclosed Parking with Elevator	60.00	Space	0.00	24,000.00	0
Parking Lot	14.00	Space	0.10	5,600.00	0
City Park	0.44	Acre	0.44	19,166.40	0

1.2 Other Project Characteristics

Urbanization	Urban	**Wind Speed (m/s)**	2.2	**Precipitation Freq (Days)**	64
Climate Zone	4			**Operational Year**	2021
Utility Company	Pacific Gas & Electric Company				
CO2 Intensity (lb/MWhr)	328.8	**CH4 Intensity (lb/MWhr)**	0.029	**N2O Intensity (lb/MWhr)**	0.006

1.3 User Entered Comments & Non-Default Data

2001 Tarob Court - Bay Area AQMD Air District, Summer

Project Characteristics - CO2 intensity based on 5-year average, PG&E, 2015

Land Use - The project would include 40 residential units, a parking garage with 60 spaces, an additional 14 onstreet parking spaces, and 0.44 acres of open space/landscaped areas.

Construction Phase - Construction of the proposed project is anticipated to occur over approximately 16 months, starting in April 2020 and ending in August 2021.

Grading - approximately 1,410 cubic yards of soils would be excavated and exported

Demolition - The project would demolish the existing 16,463-square-foot office/light-industrial building

Vehicle Trips - Based on ITE Trip Generation Rates for land use code 220 and 9% transit trip rediction per VTA's Transportation Impact Analysis Guidelines

Water Mitigation -

Energy Mitigation -

Mobile Land Use Mitigation -

Area Mitigation -

Table Name	Column Name	Default Value	New Value
tblConstructionPhase	NumDays	10.00	20.00
tblConstructionPhase	NumDays	200.00	250.00
tblConstructionPhase	NumDays	4.00	20.00
tblConstructionPhase	NumDays	10.00	20.00
tblConstructionPhase	NumDays	2.00	20.00
tblConstructionPhase	PhaseEndDate	3/15/2021	8/6/2021
tblConstructionPhase	PhaseEndDate	2/15/2021	6/11/2021
tblConstructionPhase	PhaseEndDate	5/11/2020	6/26/2020
tblConstructionPhase	PhaseEndDate	3/1/2021	7/9/2021
tblConstructionPhase	PhaseEndDate	5/5/2020	5/29/2020
tblConstructionPhase	PhaseStartDate	3/2/2021	7/12/2021
tblConstructionPhase	PhaseStartDate	5/12/2020	6/29/2020
tblConstructionPhase	PhaseStartDate	5/6/2020	6/1/2020
tblConstructionPhase	PhaseStartDate	2/16/2021	6/14/2021

tblGrading	AcresOfGrading	7.50	1.22
tblGrading	AcresOfGrading	10.00	1.22
tblGrading	MaterialExported	0.00	1,410.00
tblLandUse	LotAcreage	1.05	0.77
tblLandUse	LotAcreage	0.54	0.00
tblLandUse	LotAcreage	0.13	0.10
tblProjectCharacteristics	CO2IntensityFactor	641.35	328.8
tblVehicleTrips	ST_TR	6.39	6.05
tblVehicleTrips	ST_TR	22.75	0.00
tblVehicleTrips	SU_TR	5.86	6.05
tblVehicleTrips	SU_TR	16.74	0.00
tblVehicleTrips	WD_TR	6.65	6.05
tblVehicleTrips	WD_TR	1.89	0.00

2.0 Emissions Summary

2.1 Overall Construction (Maximum Daily Emission)

Unmitigated Construction

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Year	lb/day										lb/day					
2020	2.2463	22.0478	15.2195	0.0294	5.3997	1.1567	6.2211	2.9209	1.0801	3.6765	0.0000	2,753.3897	2,753.3897	0.6155	0.0000	2,763.4444
2021	29.0261	14.9682	14.3954	0.0292	0.4838	0.6896	1.1733	0.1302	0.6657	0.7959	0.0000	2,736.0304	2,736.0304	0.4134	0.0000	2,745.5858
Maximum	**29.0261**	**22.0478**	**15.2195**	**0.0294**	**5.3997**	**1.1567**	**6.2211**	**2.9209**	**1.0801**	**3.6765**	**0.0000**	**2,753.3897**	**2,753.3897**	**0.6155**	**0.0000**	**2,763.4444**

Mitigated Construction

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Year	lb/day										lb/day					
2020	2.2463	22.0478	15.2195	0.0294	5.3997	1.1567	6.2211	2.9209	1.0801	3.6765	0.0000	2,753.3897	2,753.3897	0.6155	0.0000	2,763.4444
2021	29.0261	14.9682	14.3954	0.0292	0.4838	0.6896	1.1733	0.1302	0.6657	0.7959	0.0000	2,736.0304	2,736.0304	0.4134	0.0000	2,745.5858
Maximum	**29.0261**	**22.0478**	**15.2195**	**0.0294**	**5.3997**	**1.1567**	**6.2211**	**2.9209**	**1.0801**	**3.6765**	**0.0000**	**2,753.3897**	**2,753.3897**	**0.6155**	**0.0000**	**2,763.4444**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio-CO2	Total CO2	CH4	N20	CO2e
Percent Reduction	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

2.2 Overall Operational

Unmitigated Operational

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Area	17.5765	0.4019	25.0491	0.0421		3.1038	3.1038		3.1038	3.1038	334.8339	154.1937	489.0275	0.4640	0.0237	507.6804
Energy	0.0102	0.0873	0.0371	5.6000e-004		7.0500e-003	7.0500e-003		7.0500e-003	7.0500e-003		111.3870	111.3870	2.1300e-003	2.0400e-003	112.0489
Mobile	0.4063	1.6623	4.1560	0.0144	1.1875	0.0127	1.2002	0.3177	0.0119	0.3296		1,456.2190	1,456.2190	0.0527		1,457.5362
Total	**17.9930**	**2.1515**	**29.2422**	**0.0570**	**1.1875**	**3.1235**	**4.3110**	**0.3177**	**3.1227**	**3.4404**	**334.8339**	**1,721.7997**	**2,056.6335**	**0.5188**	**0.0257**	**2,077.2654**

Mitigated Operational

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Area	1.1261	0.0383	3.3149	1.7000e-004		0.0183	0.0183		0.0183	0.0183	0.0000	5.9584	5.9584	5.8000e-003	0.0000	6.1034
Energy	0.0102	0.0873	0.0371	5.6000e-004		7.0500e-003	7.0500e-003		7.0500e-003	7.0500e-003		111.3870	111.3870	2.1300e-003	2.0400e-003	112.0489
Mobile	0.3321	1.1530	2.2721	6.6800e-003	0.5028	6.2000e-003	0.5090	0.1345	5.8000e-003	0.1403		676.4867	676.4867	0.0306		677.2518
Total	**1.4683**	**1.2785**	**5.6241**	**7.4100e-003**	**0.5028**	**0.0315**	**0.5343**	**0.1345**	**0.0311**	**0.1657**	**0.0000**	**793.8320**	**793.8320**	**0.0385**	**2.0400e-003**	**795.4041**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio-CO2	Total CO2	CH4	N20	CO2e
Percent Reduction	**91.84**	**40.58**	**80.77**	**87.00**	**57.66**	**98.99**	**87.61**	**57.66**	**99.00**	**95.19**	**100.00**	**53.90**	**61.40**	**92.57**	**92.07**	**61.71**

3.0 Construction Detail

Construction Phase

Phase Number	Phase Name	Phase Type	Start Date	End Date	Num Days Week	Num Days	Phase Description
1	Demolition	Demolition	4/6/2020	5/1/2020	5	20	
2	Site Preparation	Site Preparation	5/2/2020	5/29/2020	5	20	
3	Grading	Grading	6/1/2020	6/26/2020	5	20	
4	Building Construction	Building Construction	6/29/2020	6/11/2021	5	250	
5	Paving	Paving	6/14/2021	7/9/2021	5	20	
6	Architectural Coating	Architectural Coating	7/12/2021	8/6/2021	5	20	

Acres of Grading (Site Preparation Phase): 1.22

Acres of Grading (Grading Phase): 1.22

Acres of Paving: 0.1

Residential Indoor: 81,000; Residential Outdoor: 27,000; Non-Residential Indoor: 0; Non-Residential Outdoor: 0; Striped Parking Area: 1,776 (Architectural Coating – sqft)

OffRoad Equipment

Phase Name	Offroad Equipment Type	Amount	Usage Hours	Horse Power	Load Factor
Architectural Coating	Air Compressors	1	6.00	78	0.48
Paving	Cement and Mortar Mixers	1	6.00	9	0.56
Demolition	Concrete/Industrial Saws	1	8.00	81	0.73
Building Construction	Generator Sets	1	8.00	84	0.74
Building Construction	Cranes	1	6.00	231	0.29
Building Construction	Forklifts	1	6.00	89	0.20
Site Preparation	Graders	1	8.00	187	0.41
Paving	Pavers	1	6.00	130	0.42
Paving	Rollers	1	7.00	80	0.38
Demolition	Rubber Tired Dozers	1	8.00	247	0.40
Grading	Rubber Tired Dozers	1	6.00	247	0.40
Building Construction	Tractors/Loaders/Backhoes	1	6.00	97	0.37
Demolition	Tractors/Loaders/Backhoes	3	8.00	97	0.37
Grading	Tractors/Loaders/Backhoes	1	7.00	97	0.37
Paving	Tractors/Loaders/Backhoes	1	8.00	97	0.37
Site Preparation	Tractors/Loaders/Backhoes	1	8.00	97	0.37
Grading	Graders	1	6.00	187	0.41
Paving	Paving Equipment	1	8.00	132	0.36
Site Preparation	Rubber Tired Dozers	1	7.00	247	0.40
Building Construction	Welders	3	8.00	46	0.45

Trips and VMT

Phase Name	Offroad Equipment Count	Worker Trip Number	Vendor Trip Number	Hauling Trip Number	Worker Trip Length	Vendor Trip Length	Hauling Trip Length	Worker Vehicle Class	Vendor Vehicle Class	Hauling Vehicle Class
Demolition	5	13.00	0.00	75.00	10.80	7.30	20.00	LD_Mix	HDT_Mix	HHDT
Site Preparation	3	8.00	0.00	0.00	10.80	7.30	20.00	LD_Mix	HDT_Mix	HHDT
Grading	3	8.00	0.00	176.00	10.80	7.30	20.00	LD_Mix	HDT_Mix	HHDT
Building Construction	7	49.00	12.00	0.00	10.80	7.30	20.00	LD_Mix	HDT_Mix	HHDT
Paving	5	13.00	0.00	0.00	10.80	7.30	20.00	LD_Mix	HDT_Mix	HHDT
Architectural Coating	1	10.00	0.00	0.00	10.80	7.30	20.00	LD_Mix	HDT_Mix	HHDT

3.1 Mitigation Measures Construction

3.2 Demolition - 2020

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Fugitive Dust					0.8103	0.0000	0.8103	0.1227	0.0000	0.1227			0.0000			0.0000
Off-Road	2.1262	20.9463	14.6573	0.0241		1.1525	1.1525		1.0761	1.0761		2,322.3127	2,322.3127	0.5970		2,337.2363
Total	**2.1262**	**20.9463**	**14.6573**	**0.0241**	**0.8103**	**1.1525**	**1.9628**	**0.1227**	**1.0761**	**1.1988**		**2,322.3127**	**2,322.3127**	**0.5970**		**2,337.2363**

3.2 Demolition - 2020

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0309	1.0742	0.2135	2.9800e-003	0.0655	3.5100e-003	0.0690	0.0180	3.3600e-003	0.0213		319.0438	319.0438	0.0160		319.4428
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Worker	0.0452	0.0274	0.3488	1.0700e-003	0.1068	6.9000e-004	0.1075	0.0283	6.4000e-004	0.0290		106.7010	106.7010	2.5700e-003		106.7652
Total	**0.0761**	**1.1015**	**0.5623**	**4.0500e-003**	**0.1723**	**4.2000e-003**	**0.1765**	**0.0463**	**4.0000e-003**	**0.0503**		**425.7448**	**425.7448**	**0.0185**		**426.2081**

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Fugitive Dust					0.8103	0.0000	0.8103	0.1227	0.0000	0.1227			0.0000			0.0000
Off-Road	2.1262	20.9463	14.6573	0.0241		1.1525	1.1525		1.0761	1.0761	0.0000	2,322.3127	2,322.3127	0.5970		2,337.2363
Total	**2.1262**	**20.9463**	**14.6573**	**0.0241**	**0.8103**	**1.1525**	**1.9628**	**0.1227**	**1.0761**	**1.1988**	**0.0000**	**2,322.3127**	**2,322.3127**	**0.5970**		**2,337.2363**

3.2 Demolition - 2020

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0309	1.0742	0.2135	2.9800e-003	0.0655	3.5100e-003	0.0690	0.0180	3.3600e-003	0.0213		319.0438	319.0438	0.0160		319.4428
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Worker	0.0452	0.0274	0.3488	1.0700e-003	0.1068	6.9000e-004	0.1075	0.0283	6.4000e-004	0.0290		106.7010	106.7010	2.5700e-003		106.7652
Total	**0.0761**	**1.1015**	**0.5623**	**4.0500e-003**	**0.1723**	**4.2000e-003**	**0.1765**	**0.0463**	**4.0000e-003**	**0.0503**		**425.7448**	**425.7448**	**0.0185**		**426.2081**

3.3 Site Preparation - 2020

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Fugitive Dust					5.3340	0.0000	5.3340	2.9034	0.0000	2.9034			0.0000			0.0000
Off-Road	1.6299	18.3464	7.7093	0.0172		0.8210	0.8210		0.7553	0.7553		1,667.4119	1,667.4119	0.5393		1,680.8937
Total	**1.6299**	**18.3464**	**7.7093**	**0.0172**	**5.3340**	**0.8210**	**6.1550**	**2.9034**	**0.7553**	**3.6587**		**1,667.4119**	**1,667.4119**	**0.5393**		**1,680.8937**

3.3 Site Preparation - 2020

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Worker	0.0278	0.0168	0.2146	6.6000e-004	0.0657	4.3000e-004	0.0661	0.0174	3.9000e-004	0.0178		65.6621	65.6621	1.5800e-003		65.7017
Total	**0.0278**	**0.0168**	**0.2146**	**6.6000e-004**	**0.0657**	**4.3000e-004**	**0.0661**	**0.0174**	**3.9000e-004**	**0.0178**		**65.6621**	**65.6621**	**1.5800e-003**		**65.7017**

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Fugitive Dust					5.3340	0.0000	5.3340	2.9034	0.0000	2.9034			0.0000			0.0000
Off-Road	1.6299	18.3464	7.7093	0.0172		0.8210	0.8210		0.7553	0.7553	0.0000	1,667.4119	1,667.4119	0.5393		1,680.8937
Total	**1.6299**	**18.3464**	**7.7093**	**0.0172**	**5.3340**	**0.8210**	**6.1550**	**2.9034**	**0.7553**	**3.6587**	**0.0000**	**1,667.4119**	**1,667.4119**	**0.5393**		**1,680.8937**

3.3 Site Preparation - 2020

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Worker	0.0278	0.0168	0.2146	6.6000e-004	0.0657	4.3000e-004	0.0661	0.0174	3.9000e-004	0.0178		65.6621	65.6621	1.5800e-003		65.7017
Total	**0.0278**	**0.0168**	**0.2146**	**6.6000e-004**	**0.0657**	**4.3000e-004**	**0.0661**	**0.0174**	**3.9000e-004**	**0.0178**		**65.6621**	**65.6621**	**1.5800e-003**		**65.7017**

3.4 Grading - 2020

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Fugitive Dust					4.5892	0.0000	4.5892	2.4909	0.0000	2.4909			0.0000			0.0000
Off-Road	1.3498	15.0854	6.4543	0.0141		0.6844	0.6844		0.6296	0.6296		1,365.7183	1,365.7183	0.4417		1,376.7609
Total	**1.3498**	**15.0854**	**6.4543**	**0.0141**	**4.5892**	**0.6844**	**5.2736**	**2.4909**	**0.6296**	**3.1205**		**1,365.7183**	**1,365.7183**	**0.4417**		**1,376.7609**

3.4 Grading - 2020

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0726	2.5207	0.5010	7.0000e-003	0.1537	8.2400e-003	0.1620	0.0421	7.8800e-003	0.0500		748.6895	748.6895	0.0375		749.6259
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Worker	0.0278	0.0168	0.2146	6.6000e-004	0.0657	4.3000e-004	0.0661	0.0174	3.9000e-004	0.0178		65.6621	65.6621	1.5800e-003		65.7017
Total	**0.1004**	**2.5375**	**0.7156**	**7.6600e-003**	**0.2195**	**8.6700e-003**	**0.2281**	**0.0596**	**8.2700e-003**	**0.0678**		**814.3516**	**814.3516**	**0.0390**		**815.3275**

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Fugitive Dust					4.5892	0.0000	4.5892	2.4909	0.0000	2.4909			0.0000			0.0000
Off-Road	1.3498	15.0854	6.4543	0.0141		0.6844	0.6844		0.6296	0.6296	0.0000	1,365.7183	1,365.7183	0.4417		1,376.7609
Total	**1.3498**	**15.0854**	**6.4543**	**0.0141**	**4.5892**	**0.6844**	**5.2736**	**2.4909**	**0.6296**	**3.1205**	**0.0000**	**1,365.7183**	**1,365.7183**	**0.4417**		**1,376.7609**

3.4 Grading - 2020

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0726	2.5207	0.5010	7.0000e-003	0.1537	8.2400e-003	0.1620	0.0421	7.8800e-003	0.0500		748.6895	748.6895	0.0375		749.6259
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Worker	0.0278	0.0168	0.2146	6.6000e-004	0.0657	4.3000e-004	0.0661	0.0174	3.9000e-004	0.0178		65.6621	65.6621	1.5800e-003		65.7017
Total	**0.1004**	**2.5375**	**0.7156**	**7.6600e-003**	**0.2195**	**8.6700e-003**	**0.2281**	**0.0596**	**8.2700e-003**	**0.0678**		**814.3516**	**814.3516**	**0.0390**		**815.3275**

3.5 Building Construction - 2020

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Off-Road	2.0305	14.7882	13.1881	0.0220		0.7960	0.7960		0.7688	0.7688		2,001.1595	2,001.1595	0.3715		2,010.4467
Total	**2.0305**	**14.7882**	**13.1881**	**0.0220**		**0.7960**	**0.7960**		**0.7688**	**0.7688**		**2,001.1595**	**2,001.1595**	**0.3715**		**2,010.4467**

3.5 Building Construction - 2020

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Vendor	0.0455	1.3676	0.3262	3.3100e-003	0.0812	6.7000e-003	0.0879	0.0234	6.4100e-003	0.0298		350.0497	350.0497	0.0172		350.4806
Worker	0.1703	0.1031	1.3147	4.0400e-003	0.4025	2.6100e-003	0.4051	0.1068	2.4000e-003	0.1092		402.1805	402.1805	9.6900e-003		402.4228
Total	**0.2158**	**1.4707**	**1.6409**	**7.3500e-003**	**0.4838**	**9.3100e-003**	**0.4931**	**0.1302**	**8.8100e-003**	**0.1390**		**752.2302**	**752.2302**	**0.0269**		**752.9034**

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Off-Road	2.0305	14.7882	13.1881	0.0220		0.7960	0.7960		0.7688	0.7688	0.0000	2,001.1595	2,001.1595	0.3715		2,010.4467
Total	**2.0305**	**14.7882**	**13.1881**	**0.0220**		**0.7960**	**0.7960**		**0.7688**	**0.7688**	**0.0000**	**2,001.1595**	**2,001.1595**	**0.3715**		**2,010.4467**

3.5 Building Construction - 2020

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Vendor	0.0455	1.3676	0.3262	3.3100e-003	0.0812	6.7000e-003	0.0879	0.0234	6.4100e-003	0.0298		350.0497	350.0497	0.0172		350.4806
Worker	0.1703	0.1031	1.3147	4.0400e-003	0.4025	2.6100e-003	0.4051	0.1068	2.4000e-003	0.1092		402.1805	402.1805	9.6900e-003		402.4228
Total	**0.2158**	**1.4707**	**1.6409**	**7.3500e-003**	**0.4838**	**9.3100e-003**	**0.4931**	**0.1302**	**8.8100e-003**	**0.1390**		**752.2302**	**752.2302**	**0.0269**		**752.9034**

3.5 Building Construction - 2021

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Off-Road	1.8125	13.6361	12.8994	0.0221		0.6843	0.6843		0.6608	0.6608		2,001.2200	2,001.2200	0.3573		2,010.1517
Total	**1.8125**	**13.6361**	**12.8994**	**0.0221**		**0.6843**	**0.6843**		**0.6608**	**0.6608**		**2,001.2200**	**2,001.2200**	**0.3573**		**2,010.1517**

3.5 Building Construction - 2021

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Vendor	0.0372	1.2401	0.2924	3.2700e-003	0.0812	2.6900e-003	0.0839	0.0234	2.5700e-003	0.0260		346.7503	346.7503	0.0163		347.1571
Worker	0.1576	0.0921	1.2036	3.8900e-003	0.4025	2.5300e-003	0.4051	0.1068	2.3300e-003	0.1091		388.0602	388.0602	8.6700e-003		388.2770
Total	**0.1948**	**1.3322**	**1.4960**	**7.1600e-003**	**0.4838**	**5.2200e-003**	**0.4890**	**0.1302**	**4.9000e-003**	**0.1351**		**734.8104**	**734.8104**	**0.0249**		**735.4341**

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Off-Road	1.8125	13.6361	12.8994	0.0221		0.6843	0.6843		0.6608	0.6608	0.0000	2,001.2200	2,001.2200	0.3573		2,010.1517
Total	**1.8125**	**13.6361**	**12.8994**	**0.0221**		**0.6843**	**0.6843**		**0.6608**	**0.6608**	**0.0000**	**2,001.2200**	**2,001.2200**	**0.3573**		**2,010.1517**

3.5 Building Construction - 2021

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Vendor	0.0372	1.2401	0.2924	3.2700e-003	0.0812	2.6900e-003	0.0839	0.0234	2.5700e-003	0.0260		346.7503	346.7503	0.0163		347.1571
Worker	0.1576	0.0921	1.2036	3.8900e-003	0.4025	2.5300e-003	0.4051	0.1068	2.3300e-003	0.1091		388.0602	388.0602	8.6700e-003		388.2770
Total	**0.1948**	**1.3322**	**1.4960**	**7.1600e-003**	**0.4838**	**5.2200e-003**	**0.4890**	**0.1302**	**4.9000e-003**	**0.1351**		**734.8104**	**734.8104**	**0.0249**		**735.4341**

3.6 Paving - 2021

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Off-Road	0.7739	7.7422	8.8569	0.0135		0.4153	0.4153		0.3830	0.3830		1,296.8664	1,296.8664	0.4111		1,307.1442
Paving	0.0131					0.0000	0.0000		0.0000	0.0000			0.0000			0.0000
Total	**0.7870**	**7.7422**	**8.8569**	**0.0135**		**0.4153**	**0.4153**		**0.3830**	**0.3830**		**1,296.8664**	**1,296.8664**	**0.4111**		**1,307.1442**

3.6 Paving - 2021

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Worker	0.0418	0.0244	0.3193	1.0300e-003	0.1068	6.7000e-004	0.1075	0.0283	6.2000e-004	0.0290		102.9547	102.9547	2.3000e-003		103.0123
Total	**0.0418**	**0.0244**	**0.3193**	**1.0300e-003**	**0.1068**	**6.7000e-004**	**0.1075**	**0.0283**	**6.2000e-004**	**0.0290**		**102.9547**	**102.9547**	**2.3000e-003**		**103.0123**

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Off-Road	0.7739	7.7422	8.8569	0.0135		0.4153	0.4153		0.3830	0.3830	0.0000	1,296.8664	1,296.8664	0.4111		1,307.1442
Paving	0.0131					0.0000	0.0000		0.0000	0.0000			0.0000			0.0000
Total	**0.7870**	**7.7422**	**8.8569**	**0.0135**		**0.4153**	**0.4153**		**0.3830**	**0.3830**	**0.0000**	**1,296.8664**	**1,296.8664**	**0.4111**		**1,307.1442**

3.6 Paving - 2021

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Worker	0.0418	0.0244	0.3193	1.0300e-003	0.1068	6.7000e-004	0.1075	0.0283	6.2000e-004	0.0290		102.9547	102.9547	2.3000e-003		103.0123
Total	**0.0418**	**0.0244**	**0.3193**	**1.0300e-003**	**0.1068**	**6.7000e-004**	**0.1075**	**0.0283**	**6.2000e-004**	**0.0290**		**102.9547**	**102.9547**	**2.3000e-003**		**103.0123**

3.7 Architectural Coating - 2021

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Archit. Coating	28.7750					0.0000	0.0000		0.0000	0.0000			0.0000			0.0000
Off-Road	0.2189	1.5268	1.8176	2.9700e-003		0.0941	0.0941		0.0941	0.0941		281.4481	281.4481	0.0193		281.9309
Total	**28.9939**	**1.5268**	**1.8176**	**2.9700e-003**		**0.0941**	**0.0941**		**0.0941**	**0.0941**		**281.4481**	**281.4481**	**0.0193**		**281.9309**

3.7 Architectural Coating - 2021

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Worker	0.0322	0.0188	0.2456	7.9000e-004	0.0822	5.2000e-004	0.0827	0.0218	4.8000e-004	0.0223		79.1960	79.1960	1.7700e-003		79.2402
Total	**0.0322**	**0.0188**	**0.2456**	**7.9000e-004**	**0.0822**	**5.2000e-004**	**0.0827**	**0.0218**	**4.8000e-004**	**0.0223**		**79.1960**	**79.1960**	**1.7700e-003**		**79.2402**

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Archit. Coating	28.7750					0.0000	0.0000		0.0000	0.0000			0.0000			0.0000
Off-Road	0.2189	1.5268	1.8176	2.9700e-003		0.0941	0.0941		0.0941	0.0941	0.0000	281.4481	281.4481	0.0193		281.9309
Total	**28.9939**	**1.5268**	**1.8176**	**2.9700e-003**		**0.0941**	**0.0941**		**0.0941**	**0.0941**	**0.0000**	**281.4481**	**281.4481**	**0.0193**		**281.9309**

3.7 Architectural Coating - 2021

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Worker	0.0322	0.0188	0.2456	7.9000e-004	0.0822	5.2000e-004	0.0827	0.0218	4.8000e-004	0.0223		79.1960	79.1960	1.7700e-003		79.2402
Total	**0.0322**	**0.0188**	**0.2456**	**7.9000e-004**	**0.0822**	**5.2000e-004**	**0.0827**	**0.0218**	**4.8000e-004**	**0.0223**		**79.1960**	**79.1960**	**1.7700e-003**		**79.2402**

4.0 Operational Detail - Mobile

4.1 Mitigation Measures Mobile

Increase Density

Increase Diversity

Improve Walkability Design

Improve Destination Accessibility

Increase Transit Accessibility

Improve Pedestrian Network

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Mitigated	0.3321	1.1530	2.2721	6.6800e-003	0.5028	6.2000e-003	0.5090	0.1345	5.8000e-003	0.1403		676.4867	676.4867	0.0306		677.2518
Unmitigated	0.4063	1.6623	4.1560	0.0144	1.1875	0.0127	1.2002	0.3177	0.0119	0.3296		1,456.2190	1,456.2190	0.0527		1,457.5362

4.2 Trip Summary Information

	Average Daily Trip Rate			Unmitigated	Mitigated
Land Use	Weekday	Saturday	Sunday	Annual VMT	Annual VMT
Apartments Mid Rise	242.00	242.00	242.00	558,925	236,657
City Park	0.00	0.00	0.00		
Parking Lot	0.00	0.00	0.00		
Unenclosed Parking with Elevator	0.00	0.00	0.00		
Total	242.00	242.00	242.00	558,925	236,657

4.3 Trip Type Information

	Miles			Trip %			Trip Purpose %		
Land Use	H-W or C-W	H-S or C-C	H-O or C-NW	H-W or C-W	H-S or C-C	H-O or C-NW	Primary	Diverted	Pass-by
Apartments Mid Rise	10.80	4.80	5.70	31.00	15.00	54.00	86	11	3
City Park	9.50	7.30	7.30	33.00	48.00	19.00	66	28	6
Parking Lot	9.50	7.30	7.30	0.00	0.00	0.00	0	0	0
Unenclosed Parking with	9.50	7.30	7.30	0.00	0.00	0.00	0	0	0

4.4 Fleet Mix

Land Use	LDA	LDT1	LDT2	MDV	LHD1	LHD2	MHD	HHD	OBUS	UBUS	MCY	SBUS	MH
Apartments Mid Rise	0.575198	0.040076	0.193827	0.113296	0.016988	0.005361	0.017552	0.025197	0.002581	0.002349	0.005904	0.000881	0.000789
City Park	0.575198	0.040076	0.193827	0.113296	0.016988	0.005361	0.017552	0.025197	0.002581	0.002349	0.005904	0.000881	0.000789
Parking Lot	0.575198	0.040076	0.193827	0.113296	0.016988	0.005361	0.017552	0.025197	0.002581	0.002349	0.005904	0.000881	0.000789
Unenclosed Parking with Elevator	0.575198	0.040076	0.193827	0.113296	0.016988	0.005361	0.017552	0.025197	0.002581	0.002349	0.005904	0.000881	0.000789

5.0 Energy Detail

Historical Energy Use: N

5.1 Mitigation Measures Energy

Install Energy Efficient Appliances

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
NaturalGas Mitigated	0.0102	0.0873	0.0371	5.6000e-004		7.0500e-003	7.0500e-003		7.0500e-003	7.0500e-003		111.3870	111.3870	2.1300e-003	2.0400e-003	112.0489
NaturalGas Unmitigated	0.0102	0.0873	0.0371	5.6000e-004		7.0500e-003	7.0500e-003		7.0500e-003	7.0500e-003		111.3870	111.3870	2.1300e-003	2.0400e-003	112.0489

5.2 Energy by Land Use - NaturalGas

Unmitigated

	NaturalGas Use	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Land Use	kBTU/yr	lb/day										lb/day					
Apartments Mid Rise	946.789	0.0102	0.0873	0.0371	5.6000e-004		7.0500e-003	7.0500e-003		7.0500e-003	7.0500e-003		111.3870	111.3870	2.1300e-003	2.0400e-003	112.0489
City Park	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000
Parking Lot	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000
Unenclosed Parking with Elevator	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000
Total		**0.0102**	**0.0873**	**0.0371**	**5.6000e-004**		**7.0500e-003**	**7.0500e-003**		**7.0500e-003**	**7.0500e-003**		**111.3870**	**111.3870**	**2.1300e-003**	**2.0400e-003**	**112.0489**

5.2 Energy by Land Use - NaturalGas

Mitigated

	NaturalGas Use	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Land Use	kBTU/yr	lb/day										lb/day					
Apartments Mid Rise	0.946789	0.0102	0.0873	0.0371	5.6000e-004		7.0500e-003	7.0500e-003		7.0500e-003	7.0500e-003		111.3870	111.3870	2.1300e-003	2.0400e-003	112.0489
City Park	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000
Parking Lot	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000
Unenclosed Parking with Elevator	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000
Total		**0.0102**	**0.0873**	**0.0371**	**5.6000e-004**		**7.0500e-003**	**7.0500e-003**		**7.0500e-003**	**7.0500e-003**		**111.3870**	**111.3870**	**2.1300e-003**	**2.0400e-003**	**112.0489**

6.0 Area Detail

6.1 Mitigation Measures Area

No Hearths Installed

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Mitigated	1.1261	0.0383	3.3149	1.7000e-004		0.0183	0.0183		0.0183	0.0183	0.0000	5.9584	5.9584	5.8000e-003	0.0000	6.1034
Unmitigated	17.5765	0.4019	25.0491	0.0421		3.1038	3.1038		3.1038	3.1038	334.8339	154.1937	489.0275	0.4640	0.0237	507.6804

6.2 Area by SubCategory

Unmitigated

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
SubCategory	lb/day										lb/day					
Architectural Coating	0.1577					0.0000	0.0000		0.0000	0.0000			0.0000			0.0000
Consumer Products	0.8675					0.0000	0.0000		0.0000	0.0000			0.0000			0.0000
Hearth	16.4504	0.3637	21.7342	0.0419		3.0855	3.0855		3.0855	3.0855	334.8339	148.2353	483.0691	0.4582	0.0237	501.5770
Landscaping	0.1009	0.0383	3.3149	1.7000e-004		0.0183	0.0183		0.0183	0.0183		5.9584	5.9584	5.8000e-003		6.1034
Total	**17.5765**	**0.4019**	**25.0491**	**0.0420**		**3.1038**	**3.1038**		**3.1038**	**3.1038**	**334.8339**	**154.1937**	**489.0275**	**0.4640**	**0.0237**	**507.6804**

6.2 Area by SubCategory

Mitigated

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
SubCategory	lb/day										lb/day					
Architectural Coating	0.1577					0.0000	0.0000		0.0000	0.0000			0.0000			0.0000
Consumer Products	0.8675					0.0000	0.0000		0.0000	0.0000			0.0000			0.0000
Hearth	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Landscaping	0.1009	0.0383	3.3149	1.7000e-004		0.0183	0.0183		0.0183	0.0183		5.9584	5.9584	5.8000e-003		6.1034
Total	**1.1261**	**0.0383**	**3.3149**	**1.7000e-004**		**0.0183**	**0.0183**		**0.0183**	**0.0183**	**0.0000**	**5.9584**	**5.9584**	**5.8000e-003**	**0.0000**	**6.1034**

7.0 Water Detail

7.1 Mitigation Measures Water

Use Reclaimed Water

Install Low Flow Bathroom Faucet

Install Low Flow Kitchen Faucet

Install Low Flow Toilet

Install Low Flow Shower

Turf Reduction

Use Water Efficient Irrigation System

Use Water Efficient Landscaping

8.0 Waste Detail

8.1 Mitigation Measures Waste

9.0 Operational Offroad

Equipment Type	Number	Hours/Day	Days/Year	Horse Power	Load Factor	Fuel Type

10.0 Stationary Equipment

Fire Pumps and Emergency Generators

Equipment Type	Number	Hours/Day	Hours/Year	Horse Power	Load Factor	Fuel Type

Boilers

Equipment Type	Number	Heat Input/Day	Heat Input/Year	Boiler Rating	Fuel Type

User Defined Equipment

Equipment Type	Number

11.0 Vegetation

2001 Tarob Court

Bay Area AQMD Air District, Winter

1.0 Project Characteristics

1.1 Land Usage

Land Uses	Size	Metric	Lot Acreage	Floor Surface Area	Population
Apartments Mid Rise	40.00	Dwelling Unit	0.77	40,000.00	114
Unenclosed Parking with Elevator	60.00	Space	0.00	24,000.00	0
Parking Lot	14.00	Space	0.10	5,600.00	0
City Park	0.44	Acre	0.44	19,166.40	0

1.2 Other Project Characteristics

Urbanization	Urban	**Wind Speed (m/s)**	2.2	**Precipitation Freq (Days)**	64
Climate Zone	4			**Operational Year**	2021
Utility Company	Pacific Gas & Electric Company				
CO2 Intensity (lb/MWhr)	328.8	**CH4 Intensity (lb/MWhr)**	0.029	**N2O Intensity (lb/MWhr)**	0.006

1.3 User Entered Comments & Non-Default Data

2001 Tarob Court - Bay Area AQMD Air District, Winter

Project Characteristics - CO2 intensity based on 5-year average, PG&E, 2015

Land Use - The project would include 40 residential units, a parking garage with 60 spaces, an additional 14 onstreet parking spaces, and 0.44 acres of open space/landscaped areas.

Construction Phase - Construction of the proposed project is anticipated to occur over approximately 16 months, starting in April 2020 and ending in August 2021.

Grading - approximately 1,410 cubic yards of soils would be excavated and exported

Demolition - The project would demolish the existing 16,463-square-foot office/light-industrial building

Vehicle Trips - Based on ITE Trip Generation Rates for land use code 220 and 9% transit trip rediction per VTA's Transportation Impact Analysis Guidelines

Water Mitigation -

Energy Mitigation -

Mobile Land Use Mitigation -

Area Mitigation -

Table Name	Column Name	Default Value	New Value
tblConstructionPhase	NumDays	10.00	20.00
tblConstructionPhase	NumDays	200.00	250.00
tblConstructionPhase	NumDays	4.00	20.00
tblConstructionPhase	NumDays	10.00	20.00
tblConstructionPhase	NumDays	2.00	20.00
tblConstructionPhase	PhaseEndDate	3/15/2021	8/6/2021
tblConstructionPhase	PhaseEndDate	2/15/2021	6/11/2021
tblConstructionPhase	PhaseEndDate	5/11/2020	6/26/2020
tblConstructionPhase	PhaseEndDate	3/1/2021	7/9/2021
tblConstructionPhase	PhaseEndDate	5/5/2020	5/29/2020
tblConstructionPhase	PhaseStartDate	3/2/2021	7/12/2021
tblConstructionPhase	PhaseStartDate	5/12/2020	6/29/2020
tblConstructionPhase	PhaseStartDate	5/6/2020	6/1/2020
tblConstructionPhase	PhaseStartDate	2/16/2021	6/14/2021

tblGrading	AcresOfGrading	7.50	1.22
tblGrading	AcresOfGrading	10.00	1.22
tblGrading	MaterialExported	0.00	1,410.00
tblLandUse	LotAcreage	1.05	0.77
tblLandUse	LotAcreage	0.54	0.00
tblLandUse	LotAcreage	0.13	0.10
tblProjectCharacteristics	CO2IntensityFactor	641.35	328.8
tblVehicleTrips	ST_TR	6.39	6.05
tblVehicleTrips	ST_TR	22.75	0.00
tblVehicleTrips	SU_TR	5.86	6.05
tblVehicleTrips	SU_TR	16.74	0.00
tblVehicleTrips	WD_TR	6.65	6.05
tblVehicleTrips	WD_TR	1.89	0.00

2.0 Emissions Summary

2.1 Overall Construction (Maximum Daily Emission)

Unmitigated Construction

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Year	lb/day										lb/day					
2020	2.2585	22.0806	15.2147	0.0290	5.3997	1.1568	6.2211	2.9209	1.0802	3.6765	0.0000	2,734.2863	2,734.2863	0.6161	0.0000	2,749.6891
2021	29.0280	15.0006	14.3616	0.0288	0.4838	0.6897	1.1734	0.1302	0.6658	0.7959	0.0000	2,696.6455	2,696.6455	0.4133	0.0000	2,706.2196
Maximum	**29.0280**	**22.0806**	**15.2147**	**0.0290**	**5.3997**	**1.1568**	**6.2211**	**2.9209**	**1.0802**	**3.6765**	**0.0000**	**2,734.2863**	**2,734.2863**	**0.6161**	**0.0000**	**2,749.6891**

Mitigated Construction

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Year	lb/day										lb/day					
2020	2.2585	22.0806	15.2147	0.0290	5.3997	1.1568	6.2211	2.9209	1.0802	3.6765	0.0000	2,734.2863	2,734.2863	0.6161	0.0000	2,749.6891
2021	29.0280	15.0006	14.3616	0.0288	0.4838	0.6897	1.1734	0.1302	0.6658	0.7959	0.0000	2,696.6455	2,696.6455	0.4133	0.0000	2,706.2196
Maximum	**29.0280**	**22.0806**	**15.2147**	**0.0290**	**5.3997**	**1.1568**	**6.2211**	**2.9209**	**1.0802**	**3.6765**	**0.0000**	**2,734.2863**	**2,734.2863**	**0.6161**	**0.0000**	**2,749.6891**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio-CO2	Total CO2	CH4	N20	CO2e
Percent Reduction	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

2.2 Overall Operational

Unmitigated Operational

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Area	17.5765	0.4019	25.0491	0.0421		3.1038	3.1038		3.1038	3.1038	334.8339	154.1937	489.0275	0.4640	0.0237	507.6804
Energy	0.0102	0.0873	0.0371	5.6000e-004		7.0500e-003	7.0500e-003		7.0500e-003	7.0500e-003		111.3870	111.3870	2.1300e-003	2.0400e-003	112.0489
Mobile	0.3529	1.7486	4.2060	0.0135	1.1875	0.0128	1.2003	0.3177	0.0120	0.3297		1,362.8204	1,362.8204	0.0538		1,364.1653
Total	**17.9396**	**2.2377**	**29.2922**	**0.0561**	**1.1875**	**3.1236**	**4.3111**	**0.3177**	**3.1228**	**3.4405**	**334.8339**	**1,628.4010**	**1,963.2349**	**0.5199**	**0.0257**	**1,983.8945**

Mitigated Operational

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Area	1.1261	0.0383	3.3149	1.7000e-004		0.0183	0.0183		0.0183	0.0183	0.0000	5.9584	5.9584	5.8000e-003	0.0000	6.1034
Energy	0.0102	0.0873	0.0371	5.6000e-004		7.0500e-003	7.0500e-003		7.0500e-003	7.0500e-003		111.3870	111.3870	2.1300e-003	2.0400e-003	112.0489
Mobile	0.2798	1.1859	2.5269	6.2500e-003	0.5028	6.3000e-003	0.5091	0.1345	5.9000e-003	0.1404		631.7799	631.7799	0.0328		632.5994
Total	**1.4160**	**1.3114**	**5.8788**	**6.9800e-003**	**0.5028**	**0.0316**	**0.5344**	**0.1345**	**0.0312**	**0.1657**	**0.0000**	**749.1252**	**749.1252**	**0.0407**	**2.0400e-003**	**750.7517**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio-CO2	Total CO2	CH4	N20	CO2e
Percent Reduction	**92.11**	**41.40**	**79.93**	**87.56**	**57.66**	**98.99**	**87.60**	**57.66**	**99.00**	**95.18**	**100.00**	**54.00**	**61.84**	**92.17**	**92.07**	**62.16**

3.0 Construction Detail

Construction Phase

Phase Number	Phase Name	Phase Type	Start Date	End Date	Num Days Week	Num Days	Phase Description
1	Demolition	Demolition	4/6/2020	5/1/2020	5	20	
2	Site Preparation	Site Preparation	5/2/2020	5/29/2020	5	20	
3	Grading	Grading	6/1/2020	6/26/2020	5	20	
4	Building Construction	Building Construction	6/29/2020	6/11/2021	5	250	
5	Paving	Paving	6/14/2021	7/9/2021	5	20	
6	Architectural Coating	Architectural Coating	7/12/2021	8/6/2021	5	20	

Acres of Grading (Site Preparation Phase): 1.22

Acres of Grading (Grading Phase): 1.22

Acres of Paving: 0.1

Residential Indoor: 81,000; Residential Outdoor: 27,000; Non-Residential Indoor: 0; Non-Residential Outdoor: 0; Striped Parking Area: 1,776 (Architectural Coating – sqft)

OffRoad Equipment

Phase Name	Offroad Equipment Type	Amount	Usage Hours	Horse Power	Load Factor
Architectural Coating	Air Compressors	1	6.00	78	0.48
Paving	Cement and Mortar Mixers	1	6.00	9	0.56
Demolition	Concrete/Industrial Saws	1	8.00	81	0.73
Building Construction	Generator Sets	1	8.00	84	0.74
Building Construction	Cranes	1	6.00	231	0.29
Building Construction	Forklifts	1	6.00	89	0.20
Site Preparation	Graders	1	8.00	187	0.41
Paving	Pavers	1	6.00	130	0.42
Paving	Rollers	1	7.00	80	0.38
Demolition	Rubber Tired Dozers	1	8.00	247	0.40
Grading	Rubber Tired Dozers	1	6.00	247	0.40
Building Construction	Tractors/Loaders/Backhoes	1	6.00	97	0.37
Demolition	Tractors/Loaders/Backhoes	3	8.00	97	0.37
Grading	Tractors/Loaders/Backhoes	1	7.00	97	0.37
Paving	Tractors/Loaders/Backhoes	1	8.00	97	0.37
Site Preparation	Tractors/Loaders/Backhoes	1	8.00	97	0.37
Grading	Graders	1	6.00	187	0.41
Paving	Paving Equipment	1	8.00	132	0.36
Site Preparation	Rubber Tired Dozers	1	7.00	247	0.40
Building Construction	Welders	3	8.00	46	0.45

Trips and VMT

Phase Name	Offroad Equipment Count	Worker Trip Number	Vendor Trip Number	Hauling Trip Number	Worker Trip Length	Vendor Trip Length	Hauling Trip Length	Worker Vehicle Class	Vendor Vehicle Class	Hauling Vehicle Class
Demolition	5	13.00	0.00	75.00	10.80	7.30	20.00	LD_Mix	HDT_Mix	HHDT
Site Preparation	3	8.00	0.00	0.00	10.80	7.30	20.00	LD_Mix	HDT_Mix	HHDT
Grading	3	8.00	0.00	176.00	10.80	7.30	20.00	LD_Mix	HDT_Mix	HHDT
Building Construction	7	49.00	12.00	0.00	10.80	7.30	20.00	LD_Mix	HDT_Mix	HHDT
Paving	5	13.00	0.00	0.00	10.80	7.30	20.00	LD_Mix	HDT_Mix	HHDT
Architectural Coating	1	10.00	0.00	0.00	10.80	7.30	20.00	LD_Mix	HDT_Mix	HHDT

3.1 Mitigation Measures Construction

3.2 Demolition - 2020

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Fugitive Dust					0.8103	0.0000	0.8103	0.1227	0.0000	0.1227			0.0000			0.0000
Off-Road	2.1262	20.9463	14.6573	0.0241		1.1525	1.1525		1.0761	1.0761		2,322.3127	2,322.3127	0.5970		2,337.2363
Total	**2.1262**	**20.9463**	**14.6573**	**0.0241**	**0.8103**	**1.1525**	**1.9628**	**0.1227**	**1.0761**	**1.1988**		**2,322.3127**	**2,322.3127**	**0.5970**		**2,337.2363**

3.2 Demolition - 2020

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0318	1.1005	0.2298	2.9300e-003	0.0655	3.5700e-003	0.0691	0.0180	3.4200e-003	0.0214		313.6851	313.6851	0.0168		314.1042
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Worker	0.0478	0.0338	0.3276	9.9000e-004	0.1068	6.9000e-004	0.1075	0.0283	6.4000e-004	0.0290		98.2885	98.2885	2.4000e-003		98.3486
Total	**0.0796**	**1.1343**	**0.5574**	**3.9200e-003**	**0.1723**	**4.2600e-003**	**0.1766**	**0.0463**	**4.0600e-003**	**0.0503**		**411.9736**	**411.9736**	**0.0192**		**412.4528**

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Fugitive Dust					0.8103	0.0000	0.8103	0.1227	0.0000	0.1227			0.0000			0.0000
Off-Road	2.1262	20.9463	14.6573	0.0241		1.1525	1.1525		1.0761	1.0761	0.0000	2,322.3127	2,322.3127	0.5970		2,337.2363
Total	**2.1262**	**20.9463**	**14.6573**	**0.0241**	**0.8103**	**1.1525**	**1.9628**	**0.1227**	**1.0761**	**1.1988**	**0.0000**	**2,322.3127**	**2,322.3127**	**0.5970**		**2,337.2363**

3.2 Demolition - 2020

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0318	1.1005	0.2298	2.9300e-003	0.0655	3.5700e-003	0.0691	0.0180	3.4200e-003	0.0214		313.6851	313.6851	0.0168		314.1042
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Worker	0.0478	0.0338	0.3276	9.9000e-004	0.1068	6.9000e-004	0.1075	0.0283	6.4000e-004	0.0290		98.2885	98.2885	2.4000e-003		98.3486
Total	**0.0796**	**1.1343**	**0.5574**	**3.9200e-003**	**0.1723**	**4.2600e-003**	**0.1766**	**0.0463**	**4.0600e-003**	**0.0503**		**411.9736**	**411.9736**	**0.0192**		**412.4528**

3.3 Site Preparation - 2020

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Fugitive Dust					5.3340	0.0000	5.3340	2.9034	0.0000	2.9034			0.0000			0.0000
Off-Road	1.6299	18.3464	7.7093	0.0172		0.8210	0.8210		0.7553	0.7553		1,667.4119	1,667.4119	0.5393		1,680.8937
Total	**1.6299**	**18.3464**	**7.7093**	**0.0172**	**5.3340**	**0.8210**	**6.1550**	**2.9034**	**0.7553**	**3.6587**		**1,667.4119**	**1,667.4119**	**0.5393**		**1,680.8937**

3.3 Site Preparation - 2020

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Worker	0.0294	0.0208	0.2016	6.1000e-004	0.0657	4.3000e-004	0.0661	0.0174	3.9000e-004	0.0178		60.4852	60.4852	1.4800e-003		60.5222
Total	**0.0294**	**0.0208**	**0.2016**	**6.1000e-004**	**0.0657**	**4.3000e-004**	**0.0661**	**0.0174**	**3.9000e-004**	**0.0178**		**60.4852**	**60.4852**	**1.4800e-003**		**60.5222**

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Fugitive Dust					5.3340	0.0000	5.3340	2.9034	0.0000	2.9034			0.0000			0.0000
Off-Road	1.6299	18.3464	7.7093	0.0172		0.8210	0.8210		0.7553	0.7553	0.0000	1,667.4119	1,667.4119	0.5393		1,680.8937
Total	**1.6299**	**18.3464**	**7.7093**	**0.0172**	**5.3340**	**0.8210**	**6.1550**	**2.9034**	**0.7553**	**3.6587**	**0.0000**	**1,667.4119**	**1,667.4119**	**0.5393**		**1,680.8937**

3.3 Site Preparation - 2020

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Worker	0.0294	0.0208	0.2016	6.1000e-004	0.0657	4.3000e-004	0.0661	0.0174	3.9000e-004	0.0178		60.4852	60.4852	1.4800e-003		60.5222
Total	**0.0294**	**0.0208**	**0.2016**	**6.1000e-004**	**0.0657**	**4.3000e-004**	**0.0661**	**0.0174**	**3.9000e-004**	**0.0178**		**60.4852**	**60.4852**	**1.4800e-003**		**60.5222**

3.4 Grading - 2020

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Fugitive Dust					4.5892	0.0000	4.5892	2.4909	0.0000	2.4909			0.0000			0.0000
Off-Road	1.3498	15.0854	6.4543	0.0141		0.6844	0.6844		0.6296	0.6296		1,365.7183	1,365.7183	0.4417		1,376.7609
Total	**1.3498**	**15.0854**	**6.4543**	**0.0141**	**4.5892**	**0.6844**	**5.2736**	**2.4909**	**0.6296**	**3.1205**		**1,365.7183**	**1,365.7183**	**0.4417**		**1,376.7609**

3.4 Grading - 2020

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0746	2.5826	0.5393	6.8800e-003	0.1537	8.3800e-003	0.1621	0.0421	8.0200e-003	0.0502		736.1144	736.1144	0.0393		737.0978
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Worker	0.0294	0.0208	0.2016	6.1000e-004	0.0657	4.3000e-004	0.0661	0.0174	3.9000e-004	0.0178		60.4852	60.4852	1.4800e-003		60.5222
Total	**0.1040**	**2.6034**	**0.7409**	**7.4900e-003**	**0.2195**	**8.8100e-003**	**0.2283**	**0.0596**	**8.4100e-003**	**0.0680**		**796.5996**	**796.5996**	**0.0408**		**797.6200**

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Fugitive Dust					4.5892	0.0000	4.5892	2.4909	0.0000	2.4909			0.0000			0.0000
Off-Road	1.3498	15.0854	6.4543	0.0141		0.6844	0.6844		0.6296	0.6296	0.0000	1,365.7183	1,365.7183	0.4417		1,376.7609
Total	**1.3498**	**15.0854**	**6.4543**	**0.0141**	**4.5892**	**0.6844**	**5.2736**	**2.4909**	**0.6296**	**3.1205**	**0.0000**	**1,365.7183**	**1,365.7183**	**0.4417**		**1,376.7609**

3.4 Grading - 2020

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0746	2.5826	0.5393	6.8800e-003	0.1537	8.3800e-003	0.1621	0.0421	8.0200e-003	0.0502		736.1144	736.1144	0.0393		737.0978
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Worker	0.0294	0.0208	0.2016	6.1000e-004	0.0657	4.3000e-004	0.0661	0.0174	3.9000e-004	0.0178		60.4852	60.4852	1.4800e-003		60.5222
Total	**0.1040**	**2.6034**	**0.7409**	**7.4900e-003**	**0.2195**	**8.8100e-003**	**0.2283**	**0.0596**	**8.4100e-003**	**0.0680**		**796.5996**	**796.5996**	**0.0408**		**797.6200**

3.5 Building Construction - 2020

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Off-Road	2.0305	14.7882	13.1881	0.0220		0.7960	0.7960		0.7688	0.7688		2,001.1595	2,001.1595	0.3715		2,010.4467
Total	**2.0305**	**14.7882**	**13.1881**	**0.0220**		**0.7960**	**0.7960**		**0.7688**	**0.7688**		**2,001.1595**	**2,001.1595**	**0.3715**		**2,010.4467**

3.5 Building Construction - 2020

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Vendor	0.0479	1.3829	0.3732	3.2200e-003	0.0812	6.8200e-003	0.0880	0.0234	6.5200e-003	0.0299		341.1927	341.1927	0.0187		341.6588
Worker	0.1802	0.1274	1.2347	3.7200e-003	0.4025	2.6100e-003	0.4051	0.1068	2.4000e-003	0.1092		370.4721	370.4721	9.0600e-003		370.6986
Total	**0.2280**	**1.5103**	**1.6079**	**6.9400e-003**	**0.4838**	**9.4300e-003**	**0.4932**	**0.1302**	**8.9200e-003**	**0.1391**		**711.6647**	**711.6647**	**0.0277**		**712.3574**

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Off-Road	2.0305	14.7882	13.1881	0.0220		0.7960	0.7960		0.7688	0.7688	0.0000	2,001.1595	2,001.1595	0.3715		2,010.4467
Total	**2.0305**	**14.7882**	**13.1881**	**0.0220**		**0.7960**	**0.7960**		**0.7688**	**0.7688**	**0.0000**	**2,001.1595**	**2,001.1595**	**0.3715**		**2,010.4467**

3.5 Building Construction - 2020

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Vendor	0.0479	1.3829	0.3732	3.2200e-003	0.0812	6.8200e-003	0.0880	0.0234	6.5200e-003	0.0299		341.1927	341.1927	0.0187		341.6588
Worker	0.1802	0.1274	1.2347	3.7200e-003	0.4025	2.6100e-003	0.4051	0.1068	2.4000e-003	0.1092		370.4721	370.4721	9.0600e-003		370.6986
Total	**0.2280**	**1.5103**	**1.6079**	**6.9400e-003**	**0.4838**	**9.4300e-003**	**0.4932**	**0.1302**	**8.9200e-003**	**0.1391**		**711.6647**	**711.6647**	**0.0277**		**712.3574**

3.5 Building Construction - 2021

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Off-Road	1.8125	13.6361	12.8994	0.0221		0.6843	0.6843		0.6608	0.6608		2,001.2200	2,001.2200	0.3573		2,010.1517
Total	**1.8125**	**13.6361**	**12.8994**	**0.0221**		**0.6843**	**0.6843**		**0.6608**	**0.6608**		**2,001.2200**	**2,001.2200**	**0.3573**		**2,010.1517**

3.5 Building Construction - 2021

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Vendor	0.0394	1.2508	0.3361	3.1900e-003	0.0812	2.7800e-003	0.0840	0.0234	2.6600e-003	0.0260		337.9526	337.9526	0.0176		338.3928
Worker	0.1669	0.1137	1.1261	3.5900e-003	0.4025	2.5300e-003	0.4051	0.1068	2.3300e-003	0.1091		357.4730	357.4730	8.0900e-003		357.6752
Total	**0.2063**	**1.3645**	**1.4622**	**6.7800e-003**	**0.4838**	**5.3100e-003**	**0.4891**	**0.1302**	**4.9900e-003**	**0.1351**		**695.4255**	**695.4255**	**0.0257**		**696.0679**

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Off-Road	1.8125	13.6361	12.8994	0.0221		0.6843	0.6843		0.6608	0.6608	0.0000	2,001.2200	2,001.2200	0.3573		2,010.1517
Total	**1.8125**	**13.6361**	**12.8994**	**0.0221**		**0.6843**	**0.6843**		**0.6608**	**0.6608**	**0.0000**	**2,001.2200**	**2,001.2200**	**0.3573**		**2,010.1517**

3.5 Building Construction - 2021

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Vendor	0.0394	1.2508	0.3361	3.1900e-003	0.0812	2.7800e-003	0.0840	0.0234	2.6600e-003	0.0260		337.9526	337.9526	0.0176		338.3928
Worker	0.1669	0.1137	1.1261	3.5900e-003	0.4025	2.5300e-003	0.4051	0.1068	2.3300e-003	0.1091		357.4730	357.4730	8.0900e-003		357.6752
Total	**0.2063**	**1.3645**	**1.4622**	**6.7800e-003**	**0.4838**	**5.3100e-003**	**0.4891**	**0.1302**	**4.9900e-003**	**0.1351**		**695.4255**	**695.4255**	**0.0257**		**696.0679**

3.6 Paving - 2021

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Off-Road	0.7739	7.7422	8.8569	0.0135		0.4153	0.4153		0.3830	0.3830		1,296.8664	1,296.8664	0.4111		1,307.1442
Paving	0.0131					0.0000	0.0000		0.0000	0.0000			0.0000			0.0000
Total	**0.7870**	**7.7422**	**8.8569**	**0.0135**		**0.4153**	**0.4153**		**0.3830**	**0.3830**		**1,296.8664**	**1,296.8664**	**0.4111**		**1,307.1442**

3.6 Paving - 2021

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Worker	0.0443	0.0302	0.2988	9.5000e-004	0.1068	6.7000e-004	0.1075	0.0283	6.2000e-004	0.0290		94.8398	94.8398	2.1500e-003		94.8934
Total	**0.0443**	**0.0302**	**0.2988**	**9.5000e-004**	**0.1068**	**6.7000e-004**	**0.1075**	**0.0283**	**6.2000e-004**	**0.0290**		**94.8398**	**94.8398**	**2.1500e-003**		**94.8934**

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Off-Road	0.7739	7.7422	8.8569	0.0135		0.4153	0.4153		0.3830	0.3830	0.0000	1,296.8664	1,296.8664	0.4111		1,307.1442
Paving	0.0131					0.0000	0.0000		0.0000	0.0000			0.0000			0.0000
Total	**0.7870**	**7.7422**	**8.8569**	**0.0135**		**0.4153**	**0.4153**		**0.3830**	**0.3830**	**0.0000**	**1,296.8664**	**1,296.8664**	**0.4111**		**1,307.1442**

3.6 Paving - 2021

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Worker	0.0443	0.0302	0.2988	9.5000e-004	0.1068	6.7000e-004	0.1075	0.0283	6.2000e-004	0.0290		94.8398	94.8398	2.1500e-003		94.8934
Total	**0.0443**	**0.0302**	**0.2988**	**9.5000e-004**	**0.1068**	**6.7000e-004**	**0.1075**	**0.0283**	**6.2000e-004**	**0.0290**		**94.8398**	**94.8398**	**2.1500e-003**		**94.8934**

3.7 Architectural Coating - 2021

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Archit. Coating	28.7750					0.0000	0.0000		0.0000	0.0000			0.0000			0.0000
Off-Road	0.2189	1.5268	1.8176	2.9700e-003		0.0941	0.0941		0.0941	0.0941		281.4481	281.4481	0.0193		281.9309
Total	**28.9939**	**1.5268**	**1.8176**	**2.9700e-003**		**0.0941**	**0.0941**		**0.0941**	**0.0941**		**281.4481**	**281.4481**	**0.0193**		**281.9309**

3.7 Architectural Coating - 2021

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Worker	0.0341	0.0232	0.2298	7.3000e-004	0.0822	5.2000e-004	0.0827	0.0218	4.8000e-004	0.0223		72.9537	72.9537	1.6500e-003		72.9949
Total	**0.0341**	**0.0232**	**0.2298**	**7.3000e-004**	**0.0822**	**5.2000e-004**	**0.0827**	**0.0218**	**4.8000e-004**	**0.0223**		**72.9537**	**72.9537**	**1.6500e-003**		**72.9949**

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Archit. Coating	28.7750					0.0000	0.0000		0.0000	0.0000			0.0000			0.0000
Off-Road	0.2189	1.5268	1.8176	2.9700e-003		0.0941	0.0941		0.0941	0.0941	0.0000	281.4481	281.4481	0.0193		281.9309
Total	**28.9939**	**1.5268**	**1.8176**	**2.9700e-003**		**0.0941**	**0.0941**		**0.0941**	**0.0941**	**0.0000**	**281.4481**	**281.4481**	**0.0193**		**281.9309**

3.7 Architectural Coating - 2021

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Worker	0.0341	0.0232	0.2298	7.3000e-004	0.0822	5.2000e-004	0.0827	0.0218	4.8000e-004	0.0223		72.9537	72.9537	1.6500e-003		72.9949
Total	**0.0341**	**0.0232**	**0.2298**	**7.3000e-004**	**0.0822**	**5.2000e-004**	**0.0827**	**0.0218**	**4.8000e-004**	**0.0223**		**72.9537**	**72.9537**	**1.6500e-003**		**72.9949**

4.0 Operational Detail - Mobile

4.1 Mitigation Measures Mobile

Increase Density

Increase Diversity

Improve Walkability Design

Improve Destination Accessibility

Increase Transit Accessibility

Improve Pedestrian Network

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Mitigated	0.2798	1.1859	2.5269	6.2500e-003	0.5028	6.3000e-003	0.5091	0.1345	5.9000e-003	0.1404		631.7799	631.7799	0.0328		632.5994
Unmitigated	0.3529	1.7486	4.2060	0.0135	1.1875	0.0128	1.2003	0.3177	0.0120	0.3297		1,362.8204	1,362.8204	0.0538		1,364.1653

4.2 Trip Summary Information

	Average Daily Trip Rate			Unmitigated	Mitigated
Land Use	Weekday	Saturday	Sunday	Annual VMT	Annual VMT
Apartments Mid Rise	242.00	242.00	242.00	558,925	236,657
City Park	0.00	0.00	0.00		
Parking Lot	0.00	0.00	0.00		
Unenclosed Parking with Elevator	0.00	0.00	0.00		
Total	242.00	242.00	242.00	558,925	236,657

4.3 Trip Type Information

	Miles			Trip %			Trip Purpose %		
Land Use	H-W or C-W	H-S or C-C	H-O or C-NW	H-W or C-W	H-S or C-C	H-O or C-NW	Primary	Diverted	Pass-by
Apartments Mid Rise	10.80	4.80	5.70	31.00	15.00	54.00	86	11	3
City Park	9.50	7.30	7.30	33.00	48.00	19.00	66	28	6
Parking Lot	9.50	7.30	7.30	0.00	0.00	0.00	0	0	0
Unenclosed Parking with	9.50	7.30	7.30	0.00	0.00	0.00	0	0	0

4.4 Fleet Mix

Land Use	LDA	LDT1	LDT2	MDV	LHD1	LHD2	MHD	HHD	OBUS	UBUS	MCY	SBUS	MH
Apartments Mid Rise	0.575198	0.040076	0.193827	0.113296	0.016988	0.005361	0.017552	0.025197	0.002581	0.002349	0.005904	0.000881	0.000789
City Park	0.575198	0.040076	0.193827	0.113296	0.016988	0.005361	0.017552	0.025197	0.002581	0.002349	0.005904	0.000881	0.000789
Parking Lot	0.575198	0.040076	0.193827	0.113296	0.016988	0.005361	0.017552	0.025197	0.002581	0.002349	0.005904	0.000881	0.000789
Unenclosed Parking with Elevator	0.575198	0.040076	0.193827	0.113296	0.016988	0.005361	0.017552	0.025197	0.002581	0.002349	0.005904	0.000881	0.000789

5.0 Energy Detail

Historical Energy Use: N

5.1 Mitigation Measures Energy

Install Energy Efficient Appliances

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
NaturalGas Mitigated	0.0102	0.0873	0.0371	5.6000e-004		7.0500e-003	7.0500e-003		7.0500e-003	7.0500e-003		111.3870	111.3870	2.1300e-003	2.0400e-003	112.0489
NaturalGas Unmitigated	0.0102	0.0873	0.0371	5.6000e-004		7.0500e-003	7.0500e-003		7.0500e-003	7.0500e-003		111.3870	111.3870	2.1300e-003	2.0400e-003	112.0489

5.2 Energy by Land Use - NaturalGas

Unmitigated

	NaturalGas Use	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Land Use	kBTU/yr	lb/day										lb/day					
Apartments Mid Rise	946.789	0.0102	0.0873	0.0371	5.6000e-004		7.0500e-003	7.0500e-003		7.0500e-003	7.0500e-003		111.3870	111.3870	2.1300e-003	2.0400e-003	112.0489
City Park	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000
Parking Lot	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000
Unenclosed Parking with Elevator	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000
Total		**0.0102**	**0.0873**	**0.0371**	**5.6000e-004**		**7.0500e-003**	**7.0500e-003**		**7.0500e-003**	**7.0500e-003**		**111.3870**	**111.3870**	**2.1300e-003**	**2.0400e-003**	**112.0489**

5.2 Energy by Land Use - NaturalGas

Mitigated

	NaturalGas Use	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Land Use	kBTU/yr	lb/day										lb/day					
Apartments Mid Rise	0.946789	0.0102	0.0873	0.0371	5.6000e-004		7.0500e-003	7.0500e-003		7.0500e-003	7.0500e-003		111.3870	111.3870	2.1300e-003	2.0400e-003	112.0489
City Park	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000
Parking Lot	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000
Unenclosed Parking with Elevator	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000
Total		**0.0102**	**0.0873**	**0.0371**	**5.6000e-004**		**7.0500e-003**	**7.0500e-003**		**7.0500e-003**	**7.0500e-003**		**111.3870**	**111.3870**	**2.1300e-003**	**2.0400e-003**	**112.0489**

6.0 Area Detail

6.1 Mitigation Measures Area

No Hearths Installed

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Mitigated	1.1261	0.0383	3.3149	1.7000e-004		0.0183	0.0183		0.0183	0.0183	0.0000	5.9584	5.9584	5.8000e-003	0.0000	6.1034
Unmitigated	17.5765	0.4019	25.0491	0.0421		3.1038	3.1038		3.1038	3.1038	334.8339	154.1937	489.0275	0.4640	0.0237	507.6804

6.2 Area by SubCategory

Unmitigated

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
SubCategory	lb/day										lb/day					
Architectural Coating	0.1577					0.0000	0.0000		0.0000	0.0000			0.0000			0.0000
Consumer Products	0.8675					0.0000	0.0000		0.0000	0.0000			0.0000			0.0000
Hearth	16.4504	0.3637	21.7342	0.0419		3.0855	3.0855		3.0855	3.0855	334.8339	148.2353	483.0691	0.4582	0.0237	501.5770
Landscaping	0.1009	0.0383	3.3149	1.7000e-004		0.0183	0.0183		0.0183	0.0183		5.9584	5.9584	5.8000e-003		6.1034
Total	**17.5765**	**0.4019**	**25.0491**	**0.0420**		**3.1038**	**3.1038**		**3.1038**	**3.1038**	**334.8339**	**154.1937**	**489.0275**	**0.4640**	**0.0237**	**507.6804**

6.2 Area by SubCategory

Mitigated

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
SubCategory	lb/day										lb/day					
Architectural Coating	0.1577					0.0000	0.0000		0.0000	0.0000			0.0000			0.0000
Consumer Products	0.8675					0.0000	0.0000		0.0000	0.0000			0.0000			0.0000
Hearth	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Landscaping	0.1009	0.0383	3.3149	1.7000e-004		0.0183	0.0183		0.0183	0.0183		5.9584	5.9584	5.8000e-003		6.1034
Total	**1.1261**	**0.0383**	**3.3149**	**1.7000e-004**		**0.0183**	**0.0183**		**0.0183**	**0.0183**	**0.0000**	**5.9584**	**5.9584**	**5.8000e-003**	**0.0000**	**6.1034**

7.0 Water Detail

7.1 Mitigation Measures Water

Use Reclaimed Water

Install Low Flow Bathroom Faucet

Install Low Flow Kitchen Faucet

Install Low Flow Toilet

Install Low Flow Shower

Turf Reduction

Use Water Efficient Irrigation System

Use Water Efficient Landscaping

8.0 Waste Detail

8.1 Mitigation Measures Waste

9.0 Operational Offroad

Equipment Type	Number	Hours/Day	Days/Year	Horse Power	Load Factor	Fuel Type

10.0 Stationary Equipment

Fire Pumps and Emergency Generators

Equipment Type	Number	Hours/Day	Hours/Year	Horse Power	Load Factor	Fuel Type

Boilers

Equipment Type	Number	Heat Input/Day	Heat Input/Year	Boiler Rating	Fuel Type

User Defined Equipment

Equipment Type	Number

11.0 Vegetation

APPENDIX B

TRAFFIC OPERATIONS REPORT

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Memorandum

Date: May 28, 2019

To: Mr. Steve Chan, P.E.

From: Brett Walinski, T.E.
Eric Tse, P.E.

Subject: Traffic Operations Report for 2001 Tarob Court, Milpitas, CA

Hexagon Transportation Consultants, Inc. has completed this traffic operations report for the proposed residential development located at 2001 Tarob Court in Milpitas, California. The site location is shown on Figure 1. The existing site is occupied by a 16,463 sq. ft. office/industrial building. The project proposes to demolish the existing building and construct 40 condominium units. Primary access to the site would be provided via a single driveway on the northern portion of the site on Tarob Court. The site plan is shown on Figure 2.

Scope of Study

The purpose of this study is to evaluate the operations at the site driveway and at key intersections near the site. The traffic study includes an analysis of AM and PM peak hour traffic conditions at the following study intersections and site driveway (See Figure 1).

1. Lundy Avenue and Trade Zone Boulevard
2. Lundy Avenue and Tarob Court (unsignalized)
3. Project Driveway and Tarob Court (unsignalized)

The impacts of the project were evaluated during the weekday AM and PM peak hours. The AM peak hour of traffic is typically between 7:00 AM and 9:00 AM and the PM peak hour is typically between 4:00 PM and 6:00 PM. It is during these periods that the most congested traffic conditions occur on an average weekday. Traffic conditions were evaluated for the following scenarios:

Scenario 1: *Existing Conditions.* Existing conditions are represented by existing peak-hour traffic volumes on the existing roadway network. Existing traffic volumes were obtained from recent traffic counts conducted in May 2019.

Scenario 2: *Existing Plus Project Conditions*. Project trips from the site were added to existing traffic volumes to estimate existing plus project conditions. Existing plus project conditions were evaluated relative to existing conditions in order to determine potential project impacts.

Scenario 3: *Background Conditions.* A list of approved and pending developments was obtained from the Cities of Milpitas and San Jose (described in greater detail in the subsequent *Intersection Level of Service Analysis* section). Approved and pending project-generated traffic volumes were added to existing traffic volumes to estimate background conditions. The roadway network was assumed to be unchanged from existing conditions for this scenario.

Scenario 4: *Background Plus Project Conditions*. Project trips from the site were added to background traffic volumes to estimate background plus project conditions. Background plus project conditions were evaluated relative to background conditions in order to determine potential project impacts.

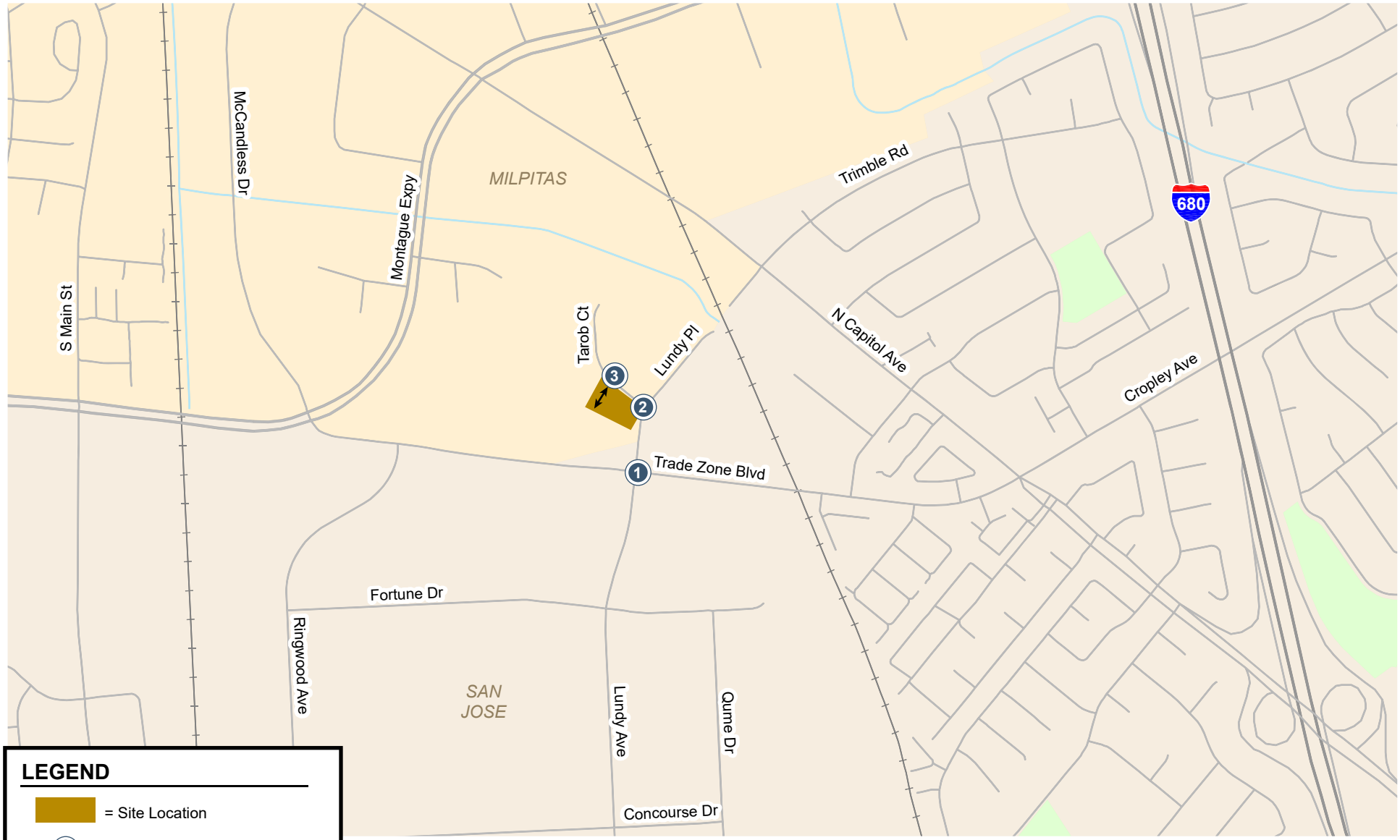
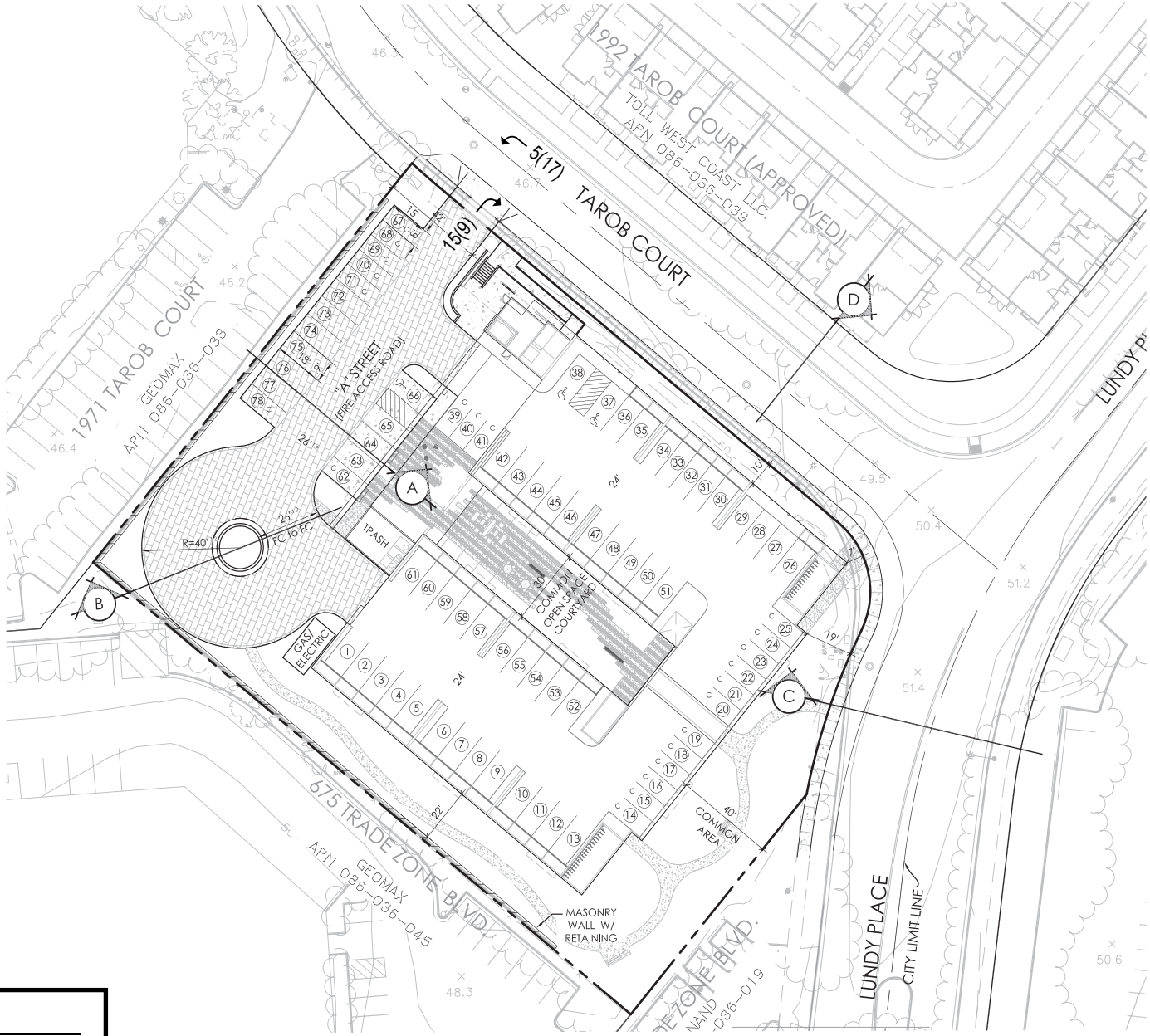


Figure 1
Site Location

NORTH
Not to Scale



LEGEND

XX(XX) = AM(PM) Peak-Hour Gross Trips

Figure 2
Site Plan

NORTH
Not to Scale

A Congestion Management Program (CMP) analysis was not required because the project is estimated to generate fewer than 100 peak-hour trips. This report also includes the following analyses:

- Vehicle queuing analysis at high demand turn movements
- Project site access and circulation evaluation
- Impacts to transit, bikes, and pedestrians

Intersection operations were evaluated using the Highway Capacity Manual (HCM) level of service methodology during the peak hours.

Existing Transportation Setting

Regional access to the project site is provided via Montague Expressway and North Capitol Avenue. Local acces to the project site is provided by Lundy Place, Trade Zone Boulevard, and Tarob Court. These roadways are described below.

> *Lundy Place* is a north-south, two-lane roadway extending from the Union Pacific Railroad tracks in the north to Trade Zone Avenue in the south, where it becomes Lundy Avenue. Lundy Place terminates in a cul-de-sac approximately 650 feet north of Tarob Court.
>
> *Trade Zone Boulevard* is an east-west, four-lane collector street extending from Montague Expressway in the west to Capitol Avenue in the east.
>
> *Tarob Court* is a two-lane roadway extending west from Lundy Place. It provides access to the office/industrial buildings located to the west of Lundy Place and terminates in a cul-de-sac approximately 800 feet west of Lundy Place. Tarob Court provides direct access to the project site via a single driveway.

Existing bicycle access to the project vicinity is provided primarily via a network of nearby Class II bike lanes and Class III bike routes which are shared with vehicular traffic. Buffered Class II bike lanes are provided along Trade Zone Boulevard from Ringwood Avenue to Lundy Avenue. Conventional Class II bike lanes are present on Lundy Avenue south of Trade Zone Boulevard, McCandless Drive, and East Capitol Avenue. Currently, there are no bike facilities on Lundy Place or on Trade Zone Boulevard between Lundy Avenue and East Capitol Avenue. Existing Class III bike routes are present on Montague Expressway and Trade Zone Boulevard between Montague Expressway and Lundy Avenue.

Majority of the streets in the project vicinity have sidewalks, except the following street sections:

- South side of Trade Zone Boulevard between Montague Expressway and Ringwood Avenue
- Both sides of Trade Zone Boulevard between Lundy Avenue and Autumnvale Drive
- West side of Lundy Place
- Both sides of Tarob Court

The signalized intersection of Trade zone Boulevard and Lundy Avenue has crosswalks on all approaches. There are no crosswalks at the unsignalized intersection of Lundy Place and Tarob Court.

Existing transit service in the area includes VTA buses and VTA light rail. One VTA bus stop is located about 500 feet south of the project site at the intersection of Trade Zone Boulevard and Lundy Avenue and is currently served by two bus routes: Route 77 and Route 831.

Route 77 is a VTA bus line that provides service between Eastridge Transit Center and Great Mall/Main Transit Center via King Road. Route 77 operates between 6:00 AM and 9:00 PM on weekdays, with headways between 15 and 20 minutes. Route 77 also provides weekend service.

Route 831 is an ACE line that provides service between the Great America ACE station and the Lundy Avenue/Commerce Drive intersection. Eastbound service is provided during weekday mornings between 6:00 AM and 9:00 AM with 45 to 60 minutes headways. Westbound service is provided during weekday afternoons between 3:00 PM and 6:00 PM with 45 to 60 minutes headways. No service is provided during weekends.

VTA light-rail runs in the median of Great Mall Parkway/North Capitol Avenue. The closest light rail station (Cropley Station) is located near the Trade Zone Boulevard and North Capitol Avenue intersection, which is only 0.6 miles east of the project site.

In the future, BART service will be provided to the study area. As part of the BART extension to the South Bay, BART will pass through Milpitas, with the Milpitas Station located at the southeast corner of the Great Mall Parkway and Montague Expressway intersection. The station will be located approximately one-half mile north of the project site.

Observed Existing Traffic Conditions

Traffic conditions in the field were observed in order to identify existing operational deficiencies and to confirm the accuracy of calculated levels of service. The purpose of this effort was (1) to identify any existing traffic problems that may not be directly related to intersection level of service, and (2) to identify any locations where the level of service calculation does not accurately reflect level of service in the field. The field observations revealed that the level of service analysis generally reflects actual existing traffic conditions. A summary of the observations is provided below.

Intersection at Lundy Avenue and Trade Zone Boulevard. During the AM peak hour, field observations showed that the queues for the westbound left-turn movement extended past the left-turn lane into the adjacent through lane on Trade Zone Boulevard. However, the long vehicular queues were able to clear in a single cycle. During the PM peak hour, long vehicular queues were observed on eastbound Trade Zone Boulevard. However, the eastbound through movement received adequate green time and all traffic was able to clear in one cycle. It should be noted that the proposed project would not add any trips to either of these movements.

Project Traffic Estimates

The magnitude of traffic produced by a new development and the locations where that traffic would appear were estimated using a three-step process: (1) trip generation, (2) trip distribution, and (3) trip assignment. In determining project trip generation, the magnitude of traffic entering and exiting the site was estimated for the AM and PM peak hours. As part of the project trip distribution step, an estimate was made of the directions to and from which the project trips would travel. In the project trip assignment step, the project trips were assigned to specific streets and intersections in the study area. These procedures are described further in the following paragraphs.

Through empirical research, data has been collected that correlate to common land uses their propensity for producing traffic. Thus, for the most common land uses there are standard trip generation rates that can be applied to help predict the future traffic increases that would result from a new development. The trip generation estimates for the proposed project are based on rates obtained from the Institute of Transportation Engineers' (ITE) publication *Trip Generation*, 10th Edition. Based on trip generation rates for low-rise multi-family housing, the project would generate 20 trips during the AM peak hour and 26 trips during the PM peak hour. The project trip generation estimates are presented in Table 1.

As stated previously, the existing site is occupied by an office/industrial building that is currently in operation. Trips generated by existing uses on site can be credited against the proposed residential development. Based on AM and PM peak hour driveway counts conducted by Hexagon in May 2019, the existing land uses generate 11 AM peak hour trips and 12 PM peak hour trips. After applying these existing trip credits, the proposed project would generate 9 net AM peak hour trips and 14 net PM peak hour trips.

Table 1
Project Trip Generation Estimates

			AM Peak Hour				PM Peak Hour			
Land Use	**Size**	**Unit**	**Rate**	**In**	**Out**	**Total**	**Rate**	**In**	**Out**	**Total**
Proposed Uses										
Multi-Family Housing[1]	40	DU	0.50	5	15	20	0.65	17	9	26
Existing Use										
Office/Light-Industrial [2]	16	ksf		9	2	11		3	9	12
Overall Net Project Trips				**-4**	**13**	**9**		**14**	**0**	**14**

Notes:
DU - Dwelling Units; ksf - 1,000 square feet
1. Based on Fitted Curved Equations for Multifamily Housing (Low-Rise, Land Use Code 220), Institute of Transportation Engineers, Trip Generation, 10th Edition.
2. Based on AM and PM peak hour driveway counts conducted on May 2, 2019.

The trip distribution pattern for the proposed project was estimated based on the City of Milpitas Transit Area Specific Plan (TASP), of which the proposed development would be a part of. Trips were assigned to the roadway network in accordance with the TASP trip distribution for residential uses. The project trip distribution and net project trip assignment are shown on Figure 3.

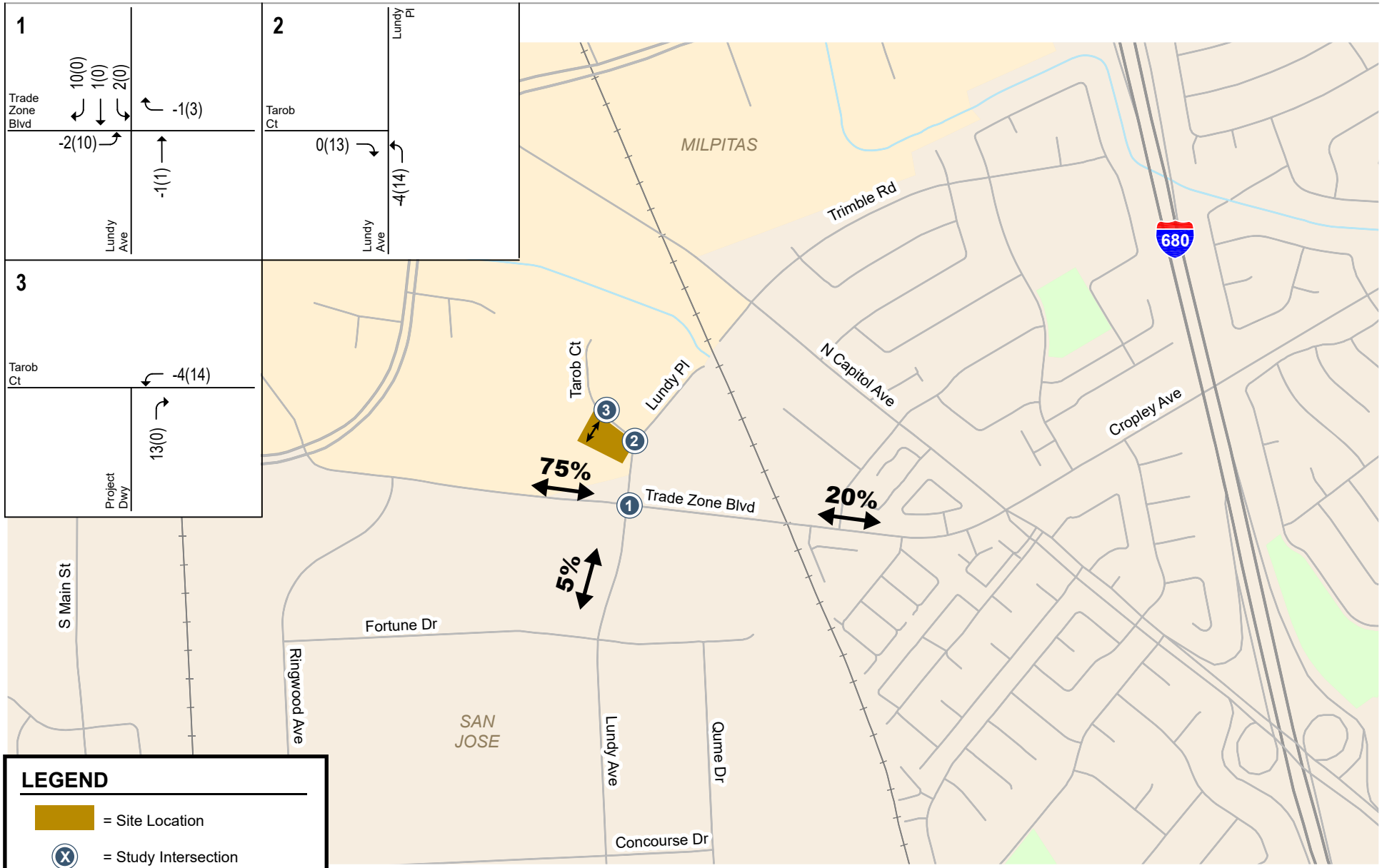


Figure 3
Project Trip Distribution and Net Project Trip Assignment

Intersection Level of Service Analysis

Traffic volumes for existing conditions were determined from existing traffic counts conducted in May 2019. Traffic volumes for background conditions were estimated by adding to the existing traffic volumes the trips generated by approved and pending developments, which were estimated using the following three components:

1. Background growth traffic volumes used in the Tarob Master Plan[1],
2. Nearby development projects, and
3. City of San Jose Approved Trips Inventory.

The traffic volumes for the study scenarios are shown in Figures 4 through 7. The roadway geometries and traffic control at the study intersections were assumed to remain unchanged under all study scenarios.

Traffic conditions at the study intersections were evaluated using level of service (LOS). *Level of Service* is a qualitative description of operating conditions ranging from LOS A, or free-flow conditions with little or no delay, to LOS F, or jammed conditions with excessive delays. The signalized intersection of Lundy Avenue and Trade Zone Boulevard is under the jurisdiction of City of San Jose. The City of San Jose utilizes TRAFFIX software and the Highway Capacity Manual (HCM) 2000 methodology to evaluate intersection operations. The HCM methodology evaluates intersection operations on the basis of average delay time for all vehicles at the intersection. This average delay can then be correlated to a level of service. In San Jose, the minimum acceptable level of service is LOS D, and project impacts at signalized intersections occur when:

1. The level of service at an intersection drops below its LOS standard when project traffic is added; or

2. An intersection that is operating worse than its level of service standard under no project conditions has an increase in critical delay of four or more seconds AND the demand-to-capacity ratio (V/C) is increased by more than 0.01 when project traffic is added.

The exception to this threshold is when the addition of project traffic reduces the amount of average delay for critical movements (i.e. the change in average delay for critical movements is negative). In this case, the threshold is when the project increases the V/C value by 0.01 or more.

A significant impact at a signalized intersection is said to be satisfactorily mitigated when measures are implemented that would restore intersection levels of service to an acceptable LOS or restore the intersection to operating levels that are better than no project conditions

The results of the intersection level of service analysis are summarized in Table 2. The level of service calculation sheets are included in Appendix B. The results show that the signalized intersection at Trade Zone Boulevard and Lundy Avenue would operate at LOS D or better under existing and background conditions with or without the proposed project. According to City of San Jose level of service standards, the project would therefore have no impacts on intersection level of service.

[1] Focused Transportation Impact Analysis for the Tarob Master Plan in Milpitas, California, dated December 16, 2016 by Fehr and Peers.

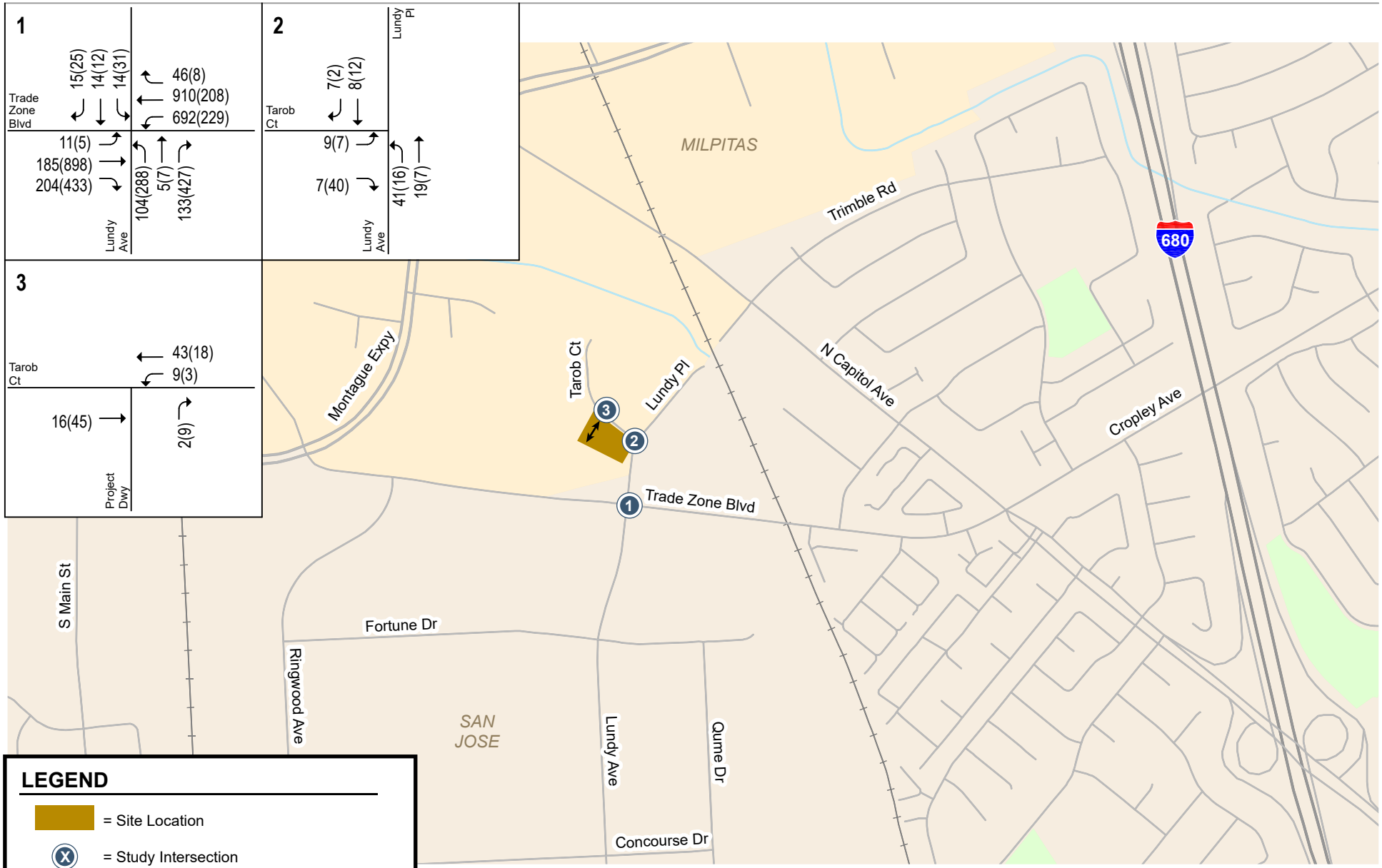


Figure 4
Existing Traffic Volumes

HEXAGON

NORTH
Not to Scale

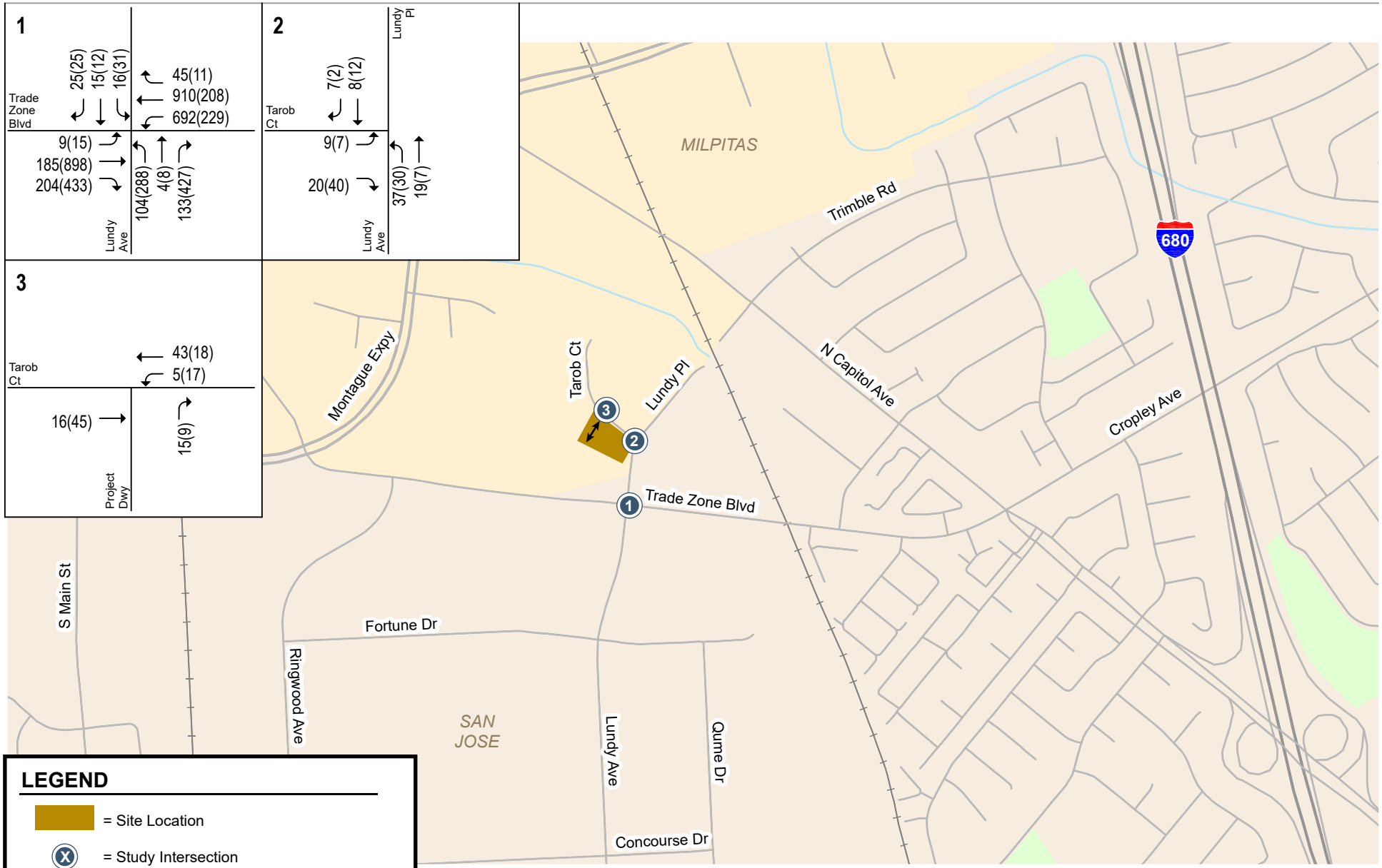


Figure 5
Existing Plus Project Traffic Volumes

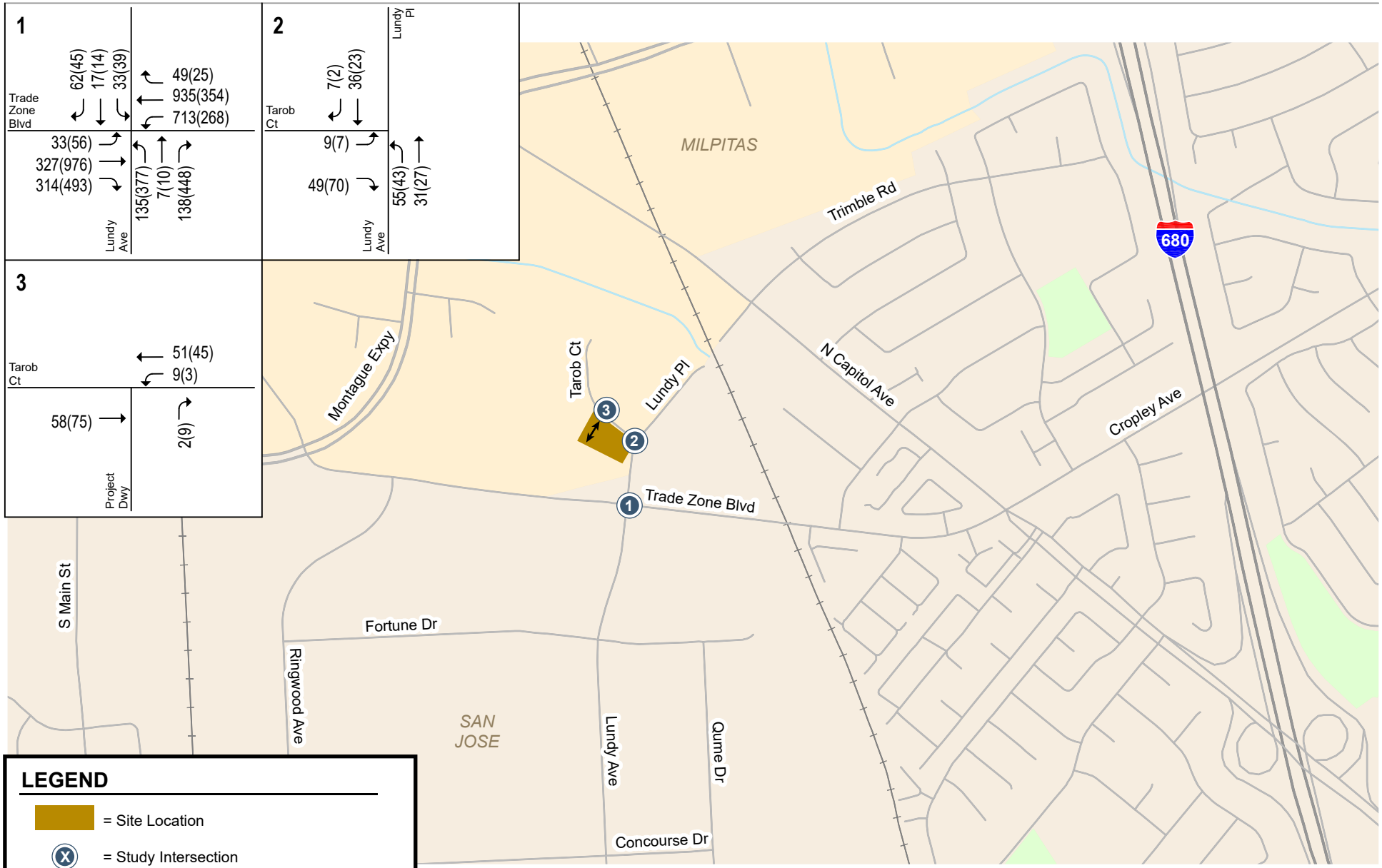


Figure 6
Background Traffic Volumes

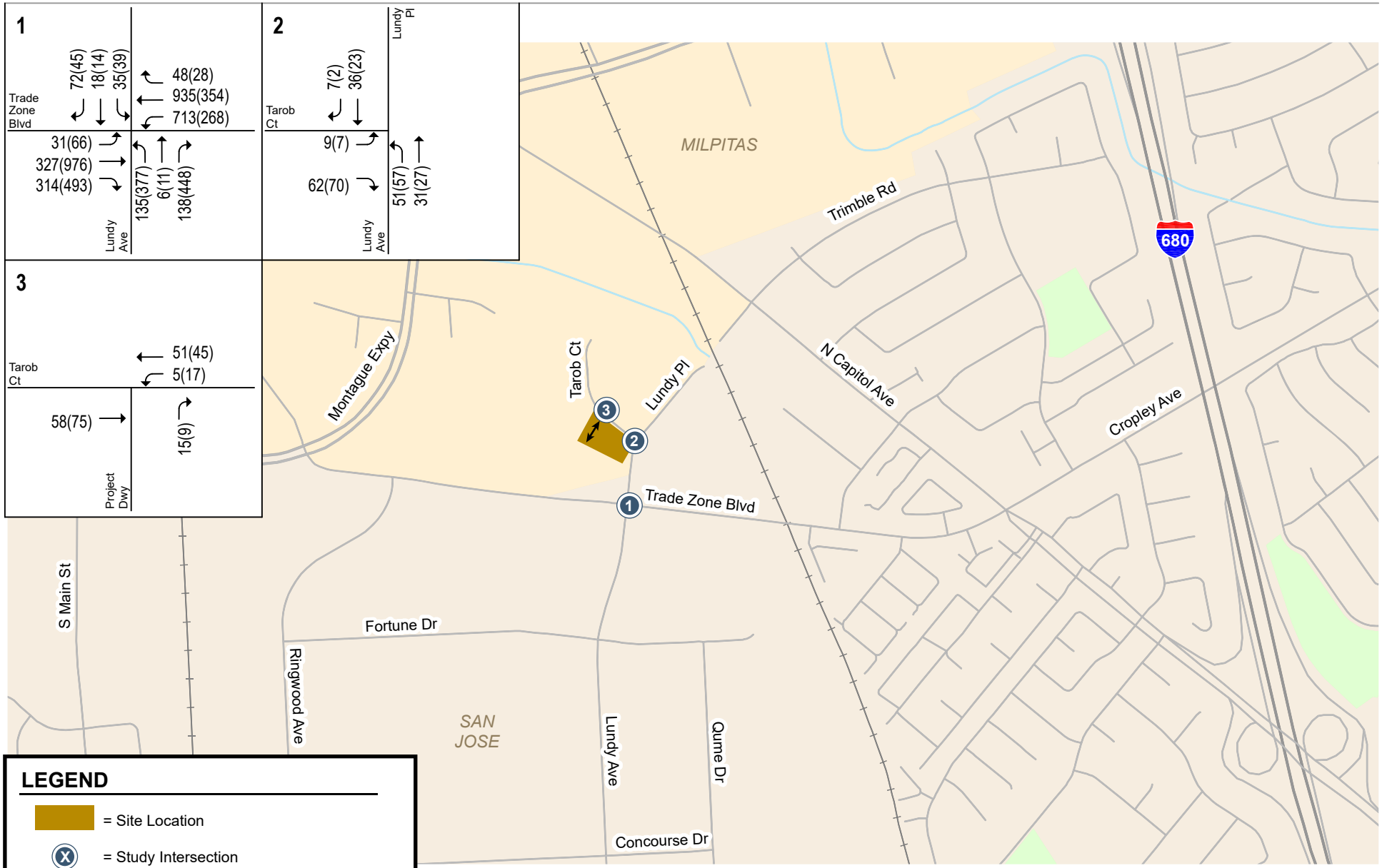


Figure 7
Background Plus Project Traffic Volumes

Table 2
Intersection Level of Service Summary

Intersection	Control	Peak Hour	Count Date	LOS Standard	Existing Avg Delay[1] (sec/veh)	Existing LOS	Existing + Project Avg Delay[1] (sec/veh)	Existing + Project LOS	Existing + Project Increase in Delay[3]	Existing + Project Increase in V/C	Background Avg Delay[1] (sec/veh)	Background LOS	Background + Project Avg Delay[1] (sec/veh)	Background + Project LOS	Background + Project Increase in Delay[3]	Background + Project Increase in V/C
1. Lundy Ave and Trade Zone Blvd	Signal	AM	05/02/19	D	30.3	C	32.2	C	3.50	0.045	35.4	D	35.6	D	0.0	0.001
		PM	05/02/19	D	41.8	D	44.0	D	4.10	0.048	44.7	D	44.7	D	0.0	0.000
2. Lundy Ave and Tarob Ct	SSSC [2]	AM	05/02/19	N/A	4.8/8.9	A	5.2/8.7	A	N/A	N/A	4.9/8.9	A	5.1/8.9	A	N/A	N/A
		PM	05/02/19	N/A	6.2/8.6	A	6.4/8.6	A	N/A	N/A	5.7/8.8	A	5.9/8.8	A	N/A	N/A
3. Project Driveway and Tarob Ct	SSSC [2]	AM	05/02/19	N/A	1.2/8.4	A	2.1/8.4	A	N/A	N/A	0.7/8.6	A	1.3/8.6	A	N/A	N/A
		PM	05/02/19	N/A	1.3/8.5	A	2.3/8.5	A	N/A	N/A	0.8/8.7	A	1.4/8.7	A	N/A	N/A

[1] Signalized intersection level of service is based on the Highway Capacity Manual (HCM) methodology, using average control delay for the entire intersection.
[2] Side Street Stop Controlled intersection. Delays are reported for both the overall average delay / the approach with highest delay.
[3] For the signalized intersection at Lundy Ave. and Trade Zone Blvd., the increase in delay shown here represents increase in critical delay.

The study intersections of Lundy Avenue/Tarob Court and Project Driveway/Tarob Court are unsignalized and under the jurisdiction of City of Milpitas. Unlike signalized intersections, which typically represent constraint points for the roadway network, unsignalized intersections rarely limit the potential capacity of a roadway. The determination of appropriate improvements to unsignalized intersections typically includes a qualitative and quantitative analysis of movement delay, traffic signal warrants, movement traffic volumes, availability of alternate routes, and intersection safety. For this reason, improvements to unsignalized intersections are frequently determined on the basis of professional judgment. The City of Milpitas does not apply significance thresholds to unsignalized intersections. Both unsignalized study intersections are projected to operate at LOS A under existing and background conditions, with or without the proposed project.

An assessment was conducted to determine whether the traffic volumes at the Lundy Avenue/Tarob Court intersection would warrant the installation of a traffic signal. This assessment was based on the Peak Hour Volume Signal Warrant (Warrant #3) described in the *California Manual on Uniform Traffic Control Devices (CA MUTCD)*. This method makes no evaluation of intersection level of service, but simply provides an indication whether peak hour traffic volumes would be sufficient to justify installation of a traffic signal. The signal warrant analysis sheets are included in the Appendix. The analysis showed that the peak hour volume warrant would not be satisfied at the Lundy Avenue/Tarob Court intersection under any study scenarios during the AM and PM peak hours.

Vehicle Queuing Analysis

A vehicle queuing analysis was conducted for the eastbound left-turn movement at the Trade Zone Boulevard/Lundy Avenue intersection and the northbound left-turn at the Tarob Court/Lundy Avenue intersection. The queuing analysis was conducted for both background and background plus project conditions. Vehicle queues were estimated using a Poisson probability distribution. The basis of the analysis is as follows: (1) the Poisson probability distribution is used to estimate the 95th percentile maximum number of queued vehicles per signal cycle for a particular movement; (2) the estimated maximum number of vehicles in the queue is translated into a queue length, assuming 25 feet per vehicle; and (3) the estimated maximum queue length is compared to the existing or planned available storage capacity for the movement. This analysis thus provides a basis for estimating future storage requirements at intersections. The results of this analysis are summarized below and in Table 3 for the AM and PM peak hours. The analysis indicates that, with the addition of project traffic, the 95th percentile vehicle queues could be accommodated by the storage provided at the subject locations.

Table 3
Vehicle Queuing Analysis

Measurement	Trade Zone Blvd and Lundy Ave EB Left Turn	Lundy Place and Tarob Ct NB Left Turn
Background (AM)		
Cycle/Delay[1] (sec)	116	7.4
Volume (vph)	33	55
Avg. Queue (veh)	1.1	0.1
Avg. Queue (ft.) [2]	27	3
95th %. Queue (veh)	3	1
95th %. Queue (ft.) [2]	75	25
Storage	130	125
Adequate (Y/N)	Y	Y
Background (PM)		
Cycle/Delay[1] (sec)	116	7.3
Volume (vph)	56	43
Avg. Queue (veh)	1.8	0.1
Avg. Queue (ft.) [2]	45	2
95th %. Queue (veh)	4	1
95th %. Queue (ft.) [2]	100	25
Storage	130	125
Adequate (Y/N)	Y	Y
Background + Project (AM)		
Cycle/Delay[1] (sec)	116	7.4
Volume (vph)	31	51
Avg. Queue (veh)	1.0	0.1
Avg. Queue (ft.) [2]	25	3
95th %. Queue (veh)	3	1
95th %. Queue (ft.) [2]	75	25
Storage	130	125
Adequate (Y/N)	Y	Y
Background + Project (PM)		
Cycle/Delay[1] (sec)	116	7.3
Volume (vph)	66	57
Avg. Queue (veh)	2.1	0.1
Avg. Queue (ft.) [2]	53	3
95th %. Queue (veh)	5	1
95th %. Queue (ft.) [2]	125	25
Storage	130	125
Adequate (Y/N)	Y	Y

[1] Vehicle queue calculations based on signal cycle length for signalized intersections and average movement delay for unsignalized intersections.

[2] Assumes 25 feet per vehicle queued

Impacts to Transit, Bikes, and Pedestrians

According to the VTA (Santa Clara County CMP) Transportation Impact Analysis Technical Guidelines, a project would create an impact on pedestrian and bike circulation if: (1) it would reduce, sever or eliminate existing or planned bike/pedestrian access and circulation in the area; (2) it would preclude, modify, or otherwise affect proposed bicycle and pedestrian projects and/or policies identified in the Lead Agency's adopted bicycle/pedestrian plan, or the plans of other agencies such as the Countywide Bicycle Plan or adjacent Cities' bicycle/pedestrian plans; or (3) it would cause a change to existing bike paths such as alignment, width of the trail ROW, or length of the trail.

The project site is located within the City of Milpitas Transit Area Specific Plan (TASP). The plan oversees the redevelopment of the southern portion of the City that transforms a low-density industrial area to an urban residential and mixed-use district with an emphasis on walkability and bicycling. The plan includes a new street system that promotes walking and biking as the dominant modes for short internal trips, especially with the future Milpitas BART station and VTA light rail system within close proximity to the project site. As part of the Milpitas TASP, a future street connection and pedestrian bridge across Capitol Avenue are planned to connect Tarob Court to Milpitas Boulevard and the new BART station. A proposed Class III bike route is also planned on Tarob Court to serve this new bicycle access route to the transit center.

As part of project improvements, curb extensions with new sidewalks would be installed along the Tarob Court and Lundy Place project frontages. In addition, the two existing driveways at the project site will be reduced into one new site driveway on Tarob Court, which would reduce the number of potential vehicle-pedestrian conflict points.

The proposed project would generate pedestrian trips to/from transit stops, recreation areas, and employment centers. Overall, the volume of pedestrian trips generated by the project is expected to be relatively low and not exceed the carrying capacity of the sidewalks and crosswalks nearby. U.S. Census data indicate that bicycle trips comprise less than one percent of the total commute mode share in the City of Milpitas. For the proposed project, this would equate to approximately one new bike trip during each of the AM and PM peak hours. The low volume of bicycle trips generated by the project would not exceed the bicycle-carrying capacity of streets surrounding the site, and the increase in bicycle trips would not by itself require new off-site bicycle facilities.

The addition of the project would not remove any existing bike/pedestrian facilities, nor would it preclude any future planned improvements. Because most intersections around the project site are signalized and have very few bike/pedestrian activities, the addition of project traffic would have a negligible effect on walking and biking in the project vicinity. Therefore, the proposed project would not create an adverse impact to bike/pedestrian circulation in the area.

According to the VTA TIA Technical Guidelines, a project would create an impact on transit if: (1) it would generate a demand for additional transit services; or (2) it would cause a permanent or temporary reduction of transit availability or interference with existing transit users, e.g., relocation/closure of a transit stop or vacation of a roadway utilized by transit.

According to the Milpitas TASP, transit trips would comprise approximately 9% of all peak hour trips. For the proposed project, assuming 9 percent of total commute trips would be transit trips, this would generate approximately 1 new transit trip during the AM peak hour and 2 new transit trips during the PM peak hour. In addition to commute trips, there will be additional transit trips to nearby schools, parks, and shopping areas. The volume of transit trips generated by the project would not exceed the carrying capacity of the existing transit service to the site.

The addition of the project would not remove any existing transit facilities, nor would it preclude any future planned improvements. As shown in the LOS calculations, the addition of project traffic would have a negligible effect on bus delays the project vicinity. Therefore, based on the VTA Technical Guidelines, the proposed project would not create an adverse impact to transit operations in the area and no

improvements to existing transit service frequencies would be necessary in conjunction with the proposed project.

Site Access

This site access and circulation review is based on the site plan (dated October 2018) provided to Hexagon (see Figure 2). The site would be accessed by one driveway on Tarob Court on the west end of the property, about 200 feet west of the intersection at Lundy Place and Tarob Court. The proposed site driveway would be located at approximately the same location as the existing driveway on Tarob Court for the existing building at the project site. The width of the site driveway entry is 22 feet, which meets the minimum City standard for driveways. Under project conditions, it is anticipated that this driveway would serve approximately 20 AM peak hour project trips and 26 PM peak hour project trips. The project condition traffic volumes at the site driveway are shown on Figure 2.

There are existing driveways serving other parcels on Tarob Court adjacent to and opposite of the project frontage. The site driveway does not align with the existing driveway on the opposite side of Tarob Court, but is offset about 25 feet. There is also another existing driveway beside the site driveway on Tarob Court about 50 feet to the west. The spacing of the site driveway, and its location relative to existing driveways, are acceptable given the relatively low traffic volumes at the nearby driveways and Tarob Court.

According to the level of service and queuing calculations, the site driveway would operate at LOS A with queues rarely exceed one or two vehicles during the AM and PM peak hours. The vehicle queues at the site driveway could be accommodated in the storage space provided, and the onsite queues would generally not interfere with traffic operations on Tarob Court and Lundy Avenue.

Pedestrian access to the project site is provided at locations along the frontage on Tarob Court and Lundy Place. Primary pedestrian access is provided via the main entry facing the sidewalks on Tarob Court. Besides the primary access on Tarob Court, there would be walking paths connecting the parking garage with the existing sidewalks on Lundy Place on the east side of the property. As mentioned previously, new sidewalks with curb extensions will also be installed on the project frontage on Tarob Court, providing a continuous pedestrian pathway to existing sidewalks on Trade Zone Boulevard via Lundy Place. Overall, the network of pedestrian paths and the sidewalk improvements on the project frontages provide adequate access to the existing sidewalk network in the project vicinity.

> **Recommendation 1:** To accommodate pedestrians, the project should consider adding one new ADA-compliant curb ramp at the existing northwest curb return at Tarob Court and Lundy Place (along the project frontage). A striped crosswalk is also recommended when the opposite side of the curb return would be upgraded with a new curb ramp along with the redevelopment of the parcel at 1996 Tarob Court.

Currently, the Tarob Court approach at the Tarob Court/Lundy Place intersection is yield controlled. If the striped crosswalk described above were to be added, the Tarob Court approach should also be converted to a stop-controlled approach in order to improve safety for crossing pedestrians.

The sight distance at the project driveway on Tarob Court was checked and determined to be adequate. Because the project would install a curb extension, which includes adding sidewalks on the Tarob Court frontage, the site driveway would be shifted closer to the centerline of Tarob Court, thereby further improving the sight distance for vehicles exiting the site driveway. As part of the project improvements, the radius of the existing curb return along the project frontage at the Lundy Place/Tarob Court intersection would be reduced. This improvement would help reduce vehicle speeds on Tarob Court, and therefore, improve the sight distance required for vehicles entering and exiting the driveways.

> **Recommendation 2:** Prior to final design, the placement of any landscaping, monuments, and signs within the sight triangles of the site driveway should be reviewed by Public Works staff to ensure adequate corner sight distance.

Recommendation 3: As a result of the proposed curb extensions on Tarob Court and Lundy Avenue, the cross-section widths for both streets would be reduced and on-street parking would not be able to be accommodated. Therefore, on-street parking along the project frontages on Tarob Court and Lundy Avenue should be restricted.

Site Circulation

The project site includes an open parking lot and a parking garage on the ground level. Onsite parking areas would be accessed by one site driveway on Tarob Court. Both the open parking lot and parking garage follow a standard 90-degree parking layout. The main parking aisle and the two east-west feeder parking aisles inside the garage are 26 and 24 feet wide, respectively, which meets the City's standard for 90-degree parking. However, the north-south parking aisle connecting the two east-west parking aisle is not dimensioned. The dimensions of the regular and compact parking spaces are 9 feet by 18 feet and 8 feet by 15 feet, respectively. Both parking space dimensions meet the minimum City standards. However, the widths of the parking garage entrances are not dimensioned.

Upon entering the garage, vehicles would follow the main drive aisle through the open parking lot and arrive at a roundabout at the southern end of the aisle. The two feeder drive aisles, which are connected at right angles to the main drive aisle, would provide access to the parking garage east of the main drive aisle. The ends of the two feeder drive aisles are connected by another drive aisle, forming a U-shape circulation pattern which makes a complete loop around of the parking garage. The layout shows no dead-end aisles.

Recommendation 4: Because the proposed site plan is conceptual, prior to final design, the design and layout of the parking garage, drive aisles and driveways, should be reviewed by Public Works staff.

The last two parking spaces (numbered 67 and 68) in the open parking lot located off the main drive aisle are approximately 20 feet south of the sidewalk on Tarob Court, and approximately 30 feet south of the beginning of the site driveway. Vehicles parked in these spaces would have to back out directly into the main site access aisle, potentially into the line of incoming traffic on the aisle just turning into the site driveway. However, given the low traffic volumes at the site driveway and on Tarob Court, the design is acceptable.

The site plan shows one elevator at the front lobby that would provide residents access to the parking garage. The sidewalk on Tarob Court would be accessed directly from the front lobby while the sidewalk on Lundy Avenue would be accessed from pedestrian pathways connecting with the parking garage. No bicycle parking facilities are shown on the site plan.

Recommendation 5: The project applicant should demonstrate that adequate short term and long term bicycle parking is provided in accordance with City of Milpitas parking code requirements.

A trash collection room is located adjacent to the roundabout at the southern entrance of the parking garage. The roundabout has a 80-foot outside diameter and a 26 feet wide lane that would allow turnaround maneuvers of garbage trucks as noted on the site plan. Therefore, garbage trucks would perform their operations onsite within the development. The site plan does not show a designated loading area for delivery trucks.

Recommendation 6: The project should indicate on the site plan loading locations for delivery trucks.

Conclusions & Recommendations

The impacts of the proposed project were evaluated in accordance with the procedures and guidelines specified by the City of Milpitas. The analysis resulted in the following key findings:

- The proposed project would not result in any level of service impacts to the study intersections.
- The proposed project would not result in any queuing storage deficiencies at the study intersections.
- The project would not create any impacts on pedestrian, bike, or transit facilities.

The analysis also produced the following recommendations:

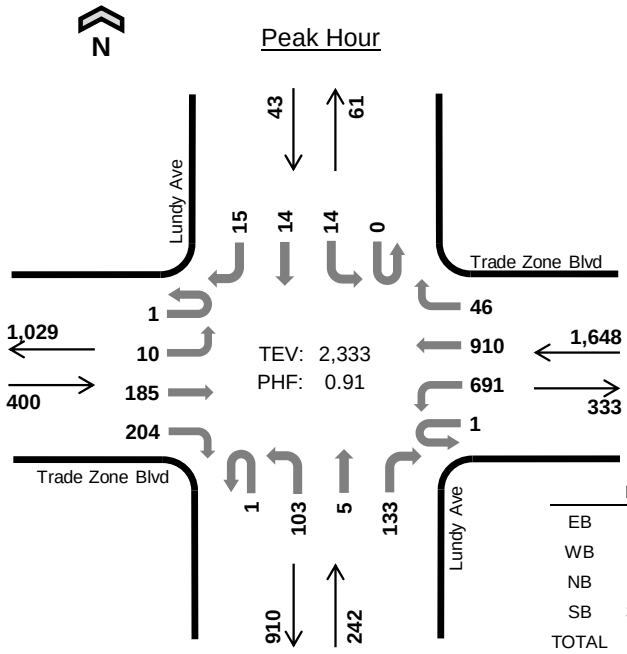
- To accommodate pedestrians, the project should consider adding one new ADA-compliant curb ramp along the project frontage curb return at the Tarob Court and Lundy Place intersection. A striped crosswalk is also recommended when the opposite side of the curb return would be upgraded with a new curb ramp along with the redevelopment of the parcel at 1996 Tarob Court.
- Prior to final design, the placement of any landscaping, monuments, and signs within the sight triangles of the site driveway should be reviewed by Public Works staff to ensure adequate corner sight distance.
- As a result of the proposed curb extensions on Tarob Court and Lundy Place, the cross-section widths for both streets would be reduced and on-street parking would not be able to be accommodated. Therefore, on-street parking along the project frontages on Tarob Court and Lundy Place should be restricted.
- Because the proposed site plan is conceptual, prior to final design, the design and layout of the parking garage, drive aisles and driveways, should be reviewed by Public Works staff.
- The project applicant should demonstrate that adequate short term and long term bicycle parking is provided in accordance with City of Milpitas parking code requirements.
- The project should indicate on the site plan loading locations for delivery trucks.

APPENDIX

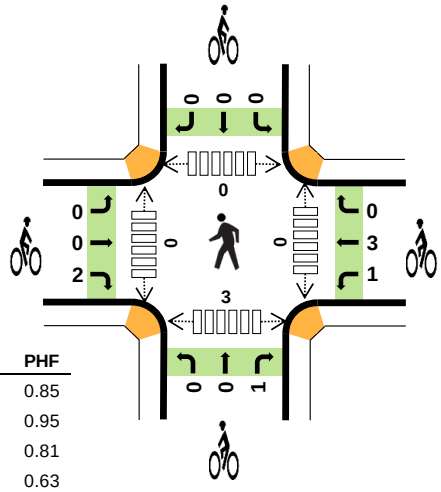
Traffic Counts

Lundy Ave
Trade Zone Blvd

Date: 05-02-2019
Count Period: 7:00 AM to 9:00 AM
Peak Hour: 8:00 AM to 9:00 AM



	HV %:	PHF
EB	4.0%	0.85
WB	1.5%	0.95
NB	5.0%	0.81
SB	34.9%	0.63
TOTAL	2.9%	0.91



Two-Hour Count Summaries

Interval Start		Trade Zone Blvd Eastbound				Trade Zone Blvd Westbound				Lundy Ave Northbound				Lundy Ave Southbound				15-min Total	Rolling One Hour
		UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT		
7:00 AM		1	2	43	27	0	46	207	9	0	27	3	29	0	1	1	3	399	0
7:15 AM		0	7	36	40	0	76	216	13	0	15	1	25	0	0	0	3	432	0
7:30 AM		0	5	46	39	0	102	207	7	0	36	0	34	0	0	0	3	479	0
7:45 AM		0	1	43	54	0	135	214	14	0	22	2	33	0	4	0	2	524	1,834
8:00 AM		**0**	**3**	**40**	**44**	**0**	**140**	**225**	**13**	**0**	**27**	**2**	**42**	**0**	**2**	**2**	**3**	**543**	1,978
8:15 AM		**0**	**2**	**41**	**45**	**1**	**176**	**249**	**9**	**1**	**21**	**0**	**25**	**0**	**3**	**3**	**3**	**579**	2,125
8:30 AM		**0**	**2**	**48**	**57**	**0**	**184**	**217**	**6**	**0**	**21**	**2**	**26**	**0**	**3**	**2**	**5**	**573**	2,219
8:45 AM		**1**	**3**	**56**	**58**	**0**	**191**	**219**	**18**	**0**	**34**	**1**	**40**	**0**	**6**	**7**	**4**	**638**	**2,333**
Count Total		2	25	353	364	1	1,050	1,754	89	1	203	11	254	0	19	15	26	4,167	0
Peak Hour	**All**	**1**	**10**	**185**	**204**	**1**	**691**	**910**	**46**	**1**	**103**	**5**	**133**	**0**	**14**	**14**	**15**	**2,333**	**0**
	HV	**0**	**2**	**2**	**12**	**0**	**4**	**10**	**11**	**0**	**8**	**1**	**3**	**0**	**7**	**1**	**7**	**68**	**0**
	HV%	**0%**	**20%**	**1%**	**6%**	**0%**	**1%**	**1%**	**24%**	**0%**	**8%**	**20%**	**2%**	**-**	**50%**	**7%**	**47%**	**3%**	**0**

Note: Two-hour count summary volumes include heavy vehicles but exclude bicycles in overall count.

Interval Start	Heavy Vehicle Totals					Bicycles					Pedestrians (Crossing Leg)				
	EB	WB	NB	SB	Total	EB	WB	NB	SB	Total	East	West	North	South	Total
7:00 AM	4	2	3	1	*10*	0	0	0	0	*0*	0	0	0	0	*0*
7:15 AM	3	2	3	1	*9*	0	0	0	0	*0*	1	0	0	2	*3*
7:30 AM	4	5	5	1	*15*	1	0	0	0	*1*	0	1	1	0	*2*
7:45 AM	4	8	3	2	*17*	0	0	0	0	*0*	0	0	0	0	*0*
8:00 AM	**4**	**7**	**1**	**2**	***14***	**0**	**1**	**0**	**0**	***1***	**0**	**0**	**0**	**0**	*0*
8:15 AM	**3**	**4**	**3**	**3**	***13***	**0**	**2**	**0**	**0**	***2***	**0**	**0**	**0**	**1**	*1*
8:30 AM	**5**	**6**	**3**	**5**	***19***	**0**	**0**	**0**	**0**	***0***	**0**	**0**	**0**	**2**	*2*
8:45 AM	**4**	**8**	**5**	**5**	***22***	**2**	**1**	**1**	**0**	***4***	**0**	**0**	**0**	**0**	***0***
Count Total	31	42	26	20	*119*	3	4	1	0	*8*	1	1	1	5	*8*
Peak Hour	**16**	**25**	**12**	**15**	***68***	**2**	**4**	**1**	**0**	***7***	**0**	**0**	**0**	**3**	***3***

Project Manager: (415) 310-6469
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Two-Hour Count Summaries - Heavy Vehicles

Interval Start	Trade Zone Blvd				Trade Zone Blvd				Lundy Ave				Lundy Ave				15-min Total	Rolling One Hour
	Eastbound				Westbound				Northbound				Southbound					
	UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT		
7:00 AM	0	1	2	1	0	0	2	0	0	1	0	2	0	0	0	1	10	0
7:15 AM	0	2	0	1	0	0	1	1	0	1	0	2	0	0	0	1	9	0
7:30 AM	0	0	1	3	0	1	3	1	0	5	0	0	0	0	0	1	15	0
7:45 AM	0	0	3	1	0	1	3	4	0	1	0	2	0	2	0	0	17	51
8:00 AM	**0**	**0**	**1**	**3**	**0**	**2**	**1**	**4**	**0**	**1**	**0**	**0**	**0**	**2**	**0**	**0**	**14**	55
8:15 AM	**0**	**1**	**1**	**1**	**0**	**0**	**3**	**1**	**0**	**2**	**0**	**1**	**0**	**1**	**1**	**1**	**13**	59
8:30 AM	**0**	**1**	**0**	**4**	**0**	**1**	**3**	**2**	**0**	**1**	**1**	**1**	**0**	**2**	**0**	**3**	**19**	63
8:45 AM	**0**	**0**	**0**	**4**	**0**	**1**	**3**	**4**	**0**	**4**	**0**	**1**	**0**	**2**	**0**	**3**	**22**	**68**
Count Total	0	5	8	18	0	6	19	17	0	16	1	9	0	9	1	10	119	0
Peak Hour	**0**	**2**	**2**	**12**	**0**	**4**	**10**	**11**	**0**	**8**	**1**	**3**	**0**	**7**	**1**	**7**	**68**	**0**

Two-Hour Count Summaries - Bikes

Interval Start	Trade Zone Blvd			Trade Zone Blvd			Lundy Ave			Lundy Ave			15-min Total	Rolling One Hour
	Eastbound			Westbound			Northbound			Southbound				
	LT	TH	RT	LT	TH	RT	LT	TH	RT	LT	TH	RT		
7:00 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7:15 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7:30 AM	0	0	1	0	0	0	0	0	0	0	0	0	1	0
7:45 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	1
8:00 AM	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	2
8:15 AM	**0**	**0**	**0**	**0**	**2**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2**	4
8:30 AM	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	3
8:45 AM	**0**	**0**	**2**	**1**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**4**	**7**
Count Total	0	0	3	1	3	0	0	0	1	0	0	0	8	0
Peak Hour	**0**	**0**	**2**	**1**	**3**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**7**	**0**

Note: U-Turn volumes for bikes are included in Left-Turn, if any.

Project Manager: (415) 310-6469

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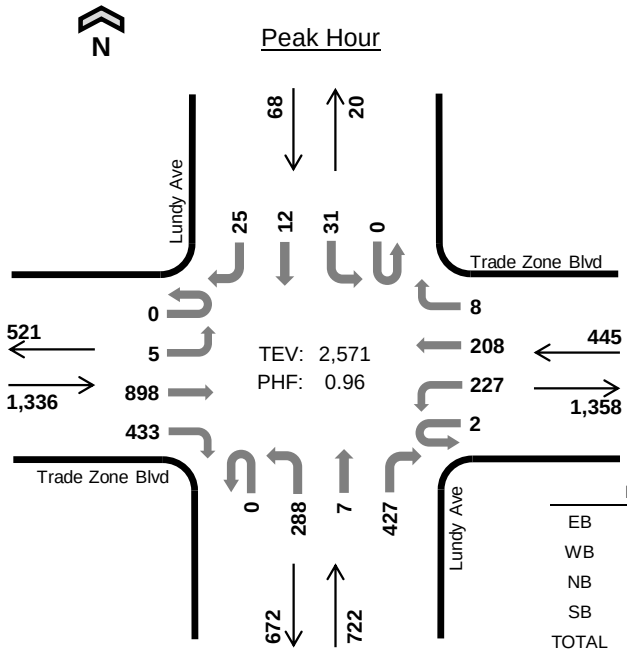
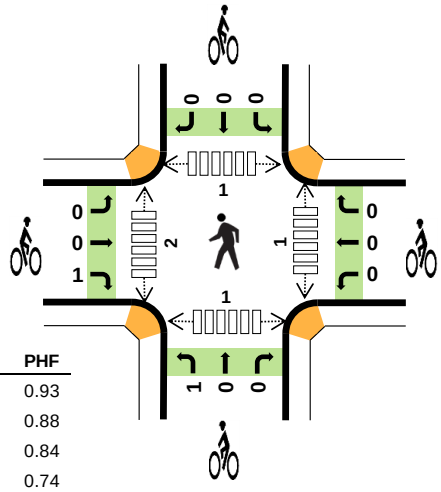
Lundy Ave
Trade Zone Blvd

Date: 05-02-2019
Count Period: 4:00 PM to 6:00 PM
Peak Hour: 5:00 PM to 6:00 PM



	HV %:	PHF
EB	1.2%	0.93
WB	0.9%	0.88
NB	1.2%	0.84
SB	2.9%	0.74
TOTAL	1.2%	0.96



Two-Hour Count Summaries

Interval Start	Trade Zone Blvd Eastbound				Trade Zone Blvd Westbound				Lundy Ave Northbound				Lundy Ave Southbound				15-min Total	Rolling One Hour
	UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT		
4:00 PM	0	4	176	93	0	47	36	3	0	51	1	89	0	6	5	8	519	0
4:15 PM	0	4	214	100	0	49	42	2	0	63	3	91	0	4	4	8	584	0
4:30 PM	1	2	248	102	0	60	47	2	0	65	0	102	0	7	1	2	639	0
4:45 PM	1	4	230	106	0	41	58	1	1	64	0	102	0	6	1	4	619	2,361
5:00 PM	**0**	**1**	**186**	**105**	**0**	**54**	**47**	**3**	**0**	**97**	**2**	**117**	**0**	**15**	**3**	**4**	**634**	2,476
5:15 PM	**0**	**2**	**241**	**116**	**1**	**45**	**46**	**1**	**0**	**51**	**0**	**95**	**0**	**10**	**5**	**8**	**621**	2,513
5:30 PM	**0**	**0**	**226**	**118**	**0**	**63**	**62**	**1**	**0**	**80**	**2**	**104**	**0**	**4**	**2**	**7**	**669**	2,543
5:45 PM	**0**	**2**	**245**	**94**	**1**	**65**	**53**	**3**	**0**	**60**	**3**	**111**	**0**	**2**	**2**	**6**	**647**	**2,571**
Count Total	2	19	1,766	834	2	424	391	16	1	531	11	811	0	54	23	47	4,932	0
Peak Hour All	**0**	**5**	**898**	**433**	**2**	**227**	**208**	**8**	**0**	**288**	**7**	**427**	**0**	**31**	**12**	**25**	**2,571**	**0**
Peak Hour HV	**0**	**1**	**4**	**11**	**0**	**2**	**2**	**0**	**0**	**8**	**0**	**1**	**0**	**0**	**0**	**2**	**31**	**0**
Peak Hour HV%	**-**	**20%**	**0%**	**3%**	**0%**	**1%**	**1%**	**0%**	**-**	**3%**	**0%**	**0%**	**-**	**0%**	**0%**	**8%**	**1%**	**0**

Note: Two-hour count summary volumes include heavy vehicles but exclude bicycles in overall count.

Interval Start	Heavy Vehicle Totals					Bicycles					Pedestrians (Crossing Leg)				
	EB	WB	NB	SB	Total	EB	WB	NB	SB	Total	East	West	North	South	Total
4:00 PM	4	1	7	1	*13*	0	0	0	0	*0*	0	0	0	0	*0*
4:15 PM	5	2	3	2	*12*	0	0	0	0	*0*	0	0	0	0	*0*
4:30 PM	7	4	2	0	*13*	0	0	0	0	*0*	0	0	0	0	*0*
4:45 PM	2	3	4	1	*10*	0	0	0	0	*0*	0	0	0	0	*0*
5:00 PM	**6**	**2**	**2**	**0**	***10***	**0**	**0**	**0**	**0**	***0***	**0**	**0**	**0**	**0**	*0*
5:15 PM	**5**	**2**	**3**	**0**	***10***	**1**	**0**	**0**	**0**	***1***	**1**	**1**	**0**	**0**	*2*
5:30 PM	**0**	**0**	**1**	**1**	***2***	**0**	**0**	**1**	**0**	***1***	**0**	**1**	**0**	**1**	*2*
5:45 PM	**5**	**0**	**3**	**1**	***9***	**0**	**0**	**0**	**0**	***0***	**0**	**0**	**1**	**0**	***1***
Count Total	34	14	25	6	*79*	1	0	1	0	*2*	1	2	1	1	*5*
Peak Hour	**16**	**4**	**9**	**2**	***31***	**1**	**0**	**1**	**0**	***2***	**1**	**2**	**1**	**1**	***5***

Project Manager: (415) 310-6469
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Two-Hour Count Summaries - Heavy Vehicles

Interval Start	Trade Zone Blvd				Trade Zone Blvd				Lundy Ave				Lundy Ave				15-min Total	Rolling One Hour
	Eastbound				Westbound				Northbound				Southbound					
	UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT		
4:00 PM	0	0	0	4	0	0	0	1	0	6	0	1	0	0	0	1	13	0
4:15 PM	0	0	2	3	0	0	2	0	0	2	0	1	0	0	0	2	12	0
4:30 PM	0	1	2	4	0	3	0	1	0	1	0	1	0	0	0	0	13	0
4:45 PM	0	0	0	2	0	0	3	0	0	4	0	0	0	0	0	1	10	48
5:00 PM	**0**	**0**	**2**	**4**	**0**	**1**	**1**	**0**	**0**	**2**	**0**	**0**	**0**	**0**	**0**	**0**	**10**	45
5:15 PM	**0**	**0**	**1**	**4**	**0**	**1**	**1**	**0**	**0**	**2**	**0**	**1**	**0**	**0**	**0**	**0**	**10**	43
5:30 PM	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**1**	**2**	32
5:45 PM	**0**	**1**	**1**	**3**	**0**	**0**	**0**	**0**	**0**	**3**	**0**	**0**	**0**	**0**	**0**	**1**	**9**	**31**
Count Total	0	2	8	24	0	5	7	2	0	21	0	4	0	0	0	6	79	0
Peak Hour	**0**	**1**	**4**	**11**	**0**	**2**	**2**	**0**	**0**	**8**	**0**	**1**	**0**	**0**	**0**	**2**	**31**	**0**

Two-Hour Count Summaries - Bikes

Interval Start	Trade Zone Blvd			Trade Zone Blvd			Lundy Ave			Lundy Ave			15-min Total	Rolling One Hour
	Eastbound			Westbound			Northbound			Southbound				
	LT	TH	RT	LT	TH	RT	LT	TH	RT	LT	TH	RT		
4:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4:45 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5:00 PM	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0
5:15 PM	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	1
5:30 PM	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**1**	2
5:45 PM	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2**
Count Total	0	0	1	0	0	0	1	0	0	0	0	0	2	0
Peak Hour	**0**	**0**	**1**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**2**	**0**

Note: U-Turn volumes for bikes are included in Left-Turn, if any.

Project Manager: (415) 310-6469

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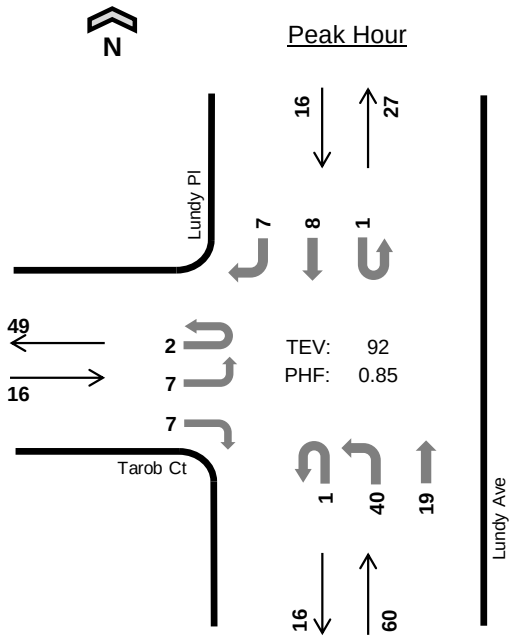
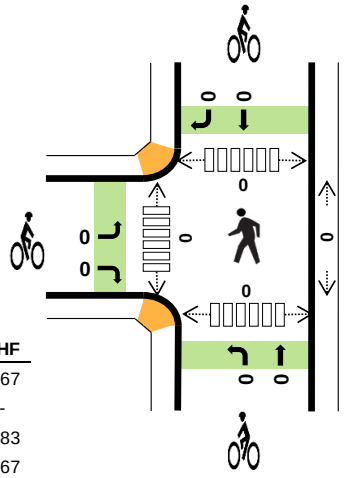
Lundy Ave
Tarob Ct

Date: 05-02-2019
Count Period: 7:00 AM to 9:00 AM
Peak Hour: 7:15 AM to 8:15 AM





	HV %:	PHF
EB	37.5%	0.67
WB	-	-
NB	20.0%	0.83
SB	31.3%	0.67
TOTAL	25.0%	0.85

Two-Hour Count Summaries

Interval Start		Tarob Ct Eastbound				n/a Westbound				Lundy Ave Northbound				Lundy Pl Southbound				15-min Total	Rolling One Hour
		UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT		
7:00 AM		0	1	0	2	0	0	0	0	0	8	5	0	0	0	1	1	18	0
7:15 AM		**0**	**2**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**11**	**7**	**0**	**0**	**0**	**0**	**6**	**27**	0
7:30 AM		**0**	**2**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**7**	**4**	**0**	**0**	**0**	**1**	**1**	**16**	0
7:45 AM		**1**	**1**	**0**	**2**	**0**	**0**	**0**	**0**	**0**	**13**	**4**	**0**	**1**	**0**	**5**	**0**	**27**	88
8:00 AM		**1**	**2**	**0**	**3**	**0**	**0**	**0**	**0**	**1**	**9**	**4**	**0**	**0**	**0**	**2**	**0**	**22**	**92**
8:15 AM		0	0	0	2	0	0	0	0	0	3	3	0	0	0	5	0	13	78
8:30 AM		0	0	0	2	0	0	0	0	0	8	3	0	0	0	7	2	22	84
8:45 AM		0	1	0	3	0	0	0	0	0	5	6	0	0	0	3	0	18	75
Count Total		2	9	0	16	0	0	0	0	1	64	36	0	1	0	24	10	163	0
Peak Hour	**All**	**2**	**7**	**0**	**7**	**0**	**0**	**0**	**0**	**1**	**40**	**19**	**0**	**1**	**0**	**8**	**7**	**92**	**0**
	HV	**2**	**2**	**0**	**2**	**0**	**0**	**0**	**0**	**0**	**6**	**6**	**0**	**1**	**0**	**4**	**0**	**23**	**0**
	HV%	**100%**	**29%**	**-**	**29%**	**-**	**-**	**-**	**-**	**0%**	**15%**	**32%**	**-**	**100%**	**-**	**50%**	**0%**	**25%**	**0**

Note: Two-hour count summary volumes include heavy vehicles but exclude bicycles in overall count.

Interval Start	Heavy Vehicle Totals					Bicycles					Pedestrians (Crossing Leg)				
	EB	WB	NB	SB	Total	EB	WB	NB	SB	Total	East	West	North	South	Total
7:00 AM	1	0	1	2	*4*	0	0	0	0	*0*	0	0	0	0	*0*
7:15 AM	**1**	**0**	**3**	**0**	***4***	**0**	**0**	**0**	**0**	***0***	**0**	**0**	**0**	**0**	*0*
7:30 AM	**2**	**0**	**1**	**0**	***3***	**0**	**0**	**0**	**0**	***0***	**0**	**0**	**0**	**0**	*0*
7:45 AM	**1**	**0**	**4**	**3**	***8***	**0**	**0**	**0**	**0**	***0***	**0**	**0**	**0**	**0**	*0*
8:00 AM	**2**	**0**	**4**	**2**	***8***	**0**	**0**	**0**	**0**	***0***	**0**	**0**	**0**	**0**	***0***
8:15 AM	0	0	1	4	*5*	0	0	0	0	*0*	0	0	0	0	*0*
8:30 AM	0	0	5	8	*13*	0	0	0	0	*0*	1	0	0	0	*1*
8:45 AM	3	0	3	2	*8*	0	0	0	0	*0*	0	0	1	0	*1*
Count Total	10	0	22	21	*53*	0	0	0	0	*0*	1	0	1	0	*2*
Peak Hr	**6**	**0**	**12**	**5**	***23***	**0**	**0**	**0**	**0**	***0***	**0**	**0**	**0**	**0**	***0***

Project Manager: (415) 310-6469
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Two-Hour Count Summaries - Heavy Vehicles

Interval Start	Tarob Ct				n/a				Lundy Ave				Lundy Pl				15-min Total	Rolling One Hour
	Eastbound				Westbound				Northbound				Southbound					
	UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT		
7:00 AM	0	1	0	0	0	0	0	0	0	1	0	0	0	0	1	1	4	0
7:15 AM	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**3**	**0**	**0**	**0**	**0**	**0**	**0**	**4**	0
7:30 AM	**0**	**1**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**3**	0
7:45 AM	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**3**	**0**	**1**	**0**	**2**	**0**	**8**	19
8:00 AM	**1**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**3**	**0**	**0**	**0**	**2**	**0**	**8**	**23**
8:15 AM	0	0	0	0	0	0	0	0	0	0	1	0	0	0	4	0	5	24
8:30 AM	0	0	0	0	0	0	0	0	0	2	3	0	0	0	6	2	13	34
8:45 AM	0	1	0	2	0	0	0	0	0	0	3	0	0	0	2	0	8	34
Count Total	2	4	0	4	0	0	0	0	0	9	13	0	1	0	17	3	53	0
Peak Hour	**2**	**2**	**0**	**2**	**0**	**0**	**0**	**0**	**0**	**6**	**6**	**0**	**1**	**0**	**4**	**0**	**23**	**0**

Two-Hour Count Summaries - Bikes

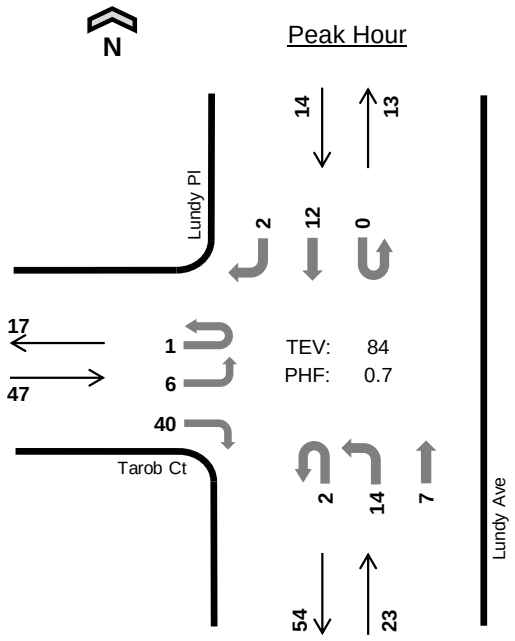
Interval Start	Tarob Ct			0			Lundy Ave			Lundy Pl			15-min Total	Rolling One Hour
	Eastbound			Westbound			Northbound			Southbound				
	LT	TH	RT	LT	TH	RT	LT	TH	RT	LT	TH	RT		
7:00 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7:15 AM	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0
7:30 AM	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0
7:45 AM	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0
8:00 AM	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
8:15 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8:30 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8:45 AM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Count Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Peak Hour	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Note: U-Turn volumes for bikes are included in Left-Turn, if any.

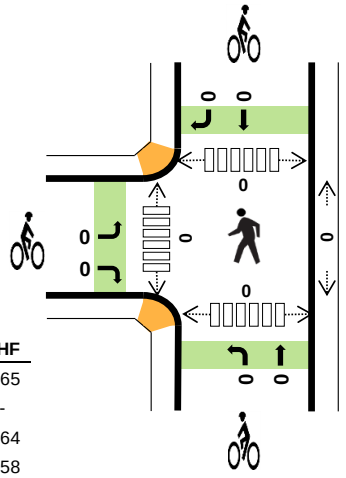
Project Manager: (415) 310-6469 project.manager.ca@idaxdata.com

Lundy Ave
Tarob Ct

Peak Hour



Date: 05-02-2019
Count Period: 4:00 PM to 6:00 PM
Peak Hour: 4:00 PM to 5:00 PM



	HV %:	PHF
EB	10.6%	0.65
WB	-	-
NB	13.0%	0.64
SB	14.3%	0.58
TOTAL	11.9%	0.70

Two-Hour Count Summaries

Interval Start		Tarob Ct Eastbound				n/a Westbound				Lundy Ave Northbound				Lundy Pl Southbound				15-min Total	Rolling One Hour
		UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT		
4:00 PM		**0**	**3**	**0**	**15**	**0**	**0**	**0**	**0**	**0**	**3**	**4**	**0**	**0**	**0**	**5**	**0**	**30**	0
4:15 PM		**0**	**1**	**0**	**11**	**0**	**0**	**0**	**0**	**1**	**7**	**1**	**0**	**0**	**0**	**2**	**0**	**23**	0
4:30 PM		**0**	**1**	**0**	**6**	**0**	**0**	**0**	**0**	**0**	**3**	**1**	**0**	**0**	**0**	**4**	**2**	**17**	0
4:45 PM		**1**	**1**	**0**	**8**	**0**	**0**	**0**	**0**	**1**	**1**	**1**	**0**	**0**	**0**	**1**	**0**	**14**	**84**
5:00 PM		0	1	0	15	0	0	0	0	1	2	1	0	0	0	4	3	27	81
5:15 PM		1	1	0	13	0	0	0	0	0	3	0	0	0	0	5	1	24	82
5:30 PM		0	0	0	10	0	0	0	0	0	0	2	0	0	0	1	0	13	78
5:45 PM		0	1	0	8	0	0	0	0	1	4	2	0	0	0	1	1	18	82
Count Total		2	9	0	86	0	0	0	0	4	23	12	0	0	0	23	7	166	0
Peak Hour	**All**	**1**	**6**	**0**	**40**	**0**	**0**	**0**	**0**	**2**	**14**	**7**	**0**	**0**	**0**	**12**	**2**	**84**	**0**
	HV	**0**	**2**	**0**	**3**	**0**	**0**	**0**	**0**	**0**	**1**	**2**	**0**	**0**	**0**	**1**	**1**	**10**	**0**
	HV%	**0%**	**33%**	**-**	**8%**	**-**	**-**	**-**	**-**	**0%**	**7%**	**29%**	**-**	**-**	**-**	**8%**	**50%**	**12%**	**0**

Note: Two-hour count summary volumes include heavy vehicles but exclude bicycles in overall count.

Interval Start	Heavy Vehicle Totals					Bicycles					Pedestrians (Crossing Leg)				
	EB	WB	NB	SB	Total	EB	WB	NB	SB	Total	East	West	North	South	Total
4:00 PM	**2**	**0**	**1**	**1**	***4***	**0**	**0**	**0**	**0**	***0***	**0**	**0**	**0**	**0**	*0*
4:15 PM	**1**	**0**	**0**	**0**	***1***	**0**	**0**	**0**	**0**	***0***	**0**	**0**	**0**	**0**	*0*
4:30 PM	**1**	**0**	**2**	**1**	***4***	**0**	**0**	**0**	**0**	***0***	**0**	**0**	**0**	**0**	*0*
4:45 PM	**1**	**0**	**0**	**0**	***1***	**0**	**0**	**0**	**0**	***0***	**0**	**0**	**0**	**0**	***0***
5:00 PM	1	0	0	1	*2*	0	0	0	0	*0*	0	0	0	0	*0*
5:15 PM	0	0	0	0	*0*	0	0	0	0	*0*	1	0	0	0	*1*
5:30 PM	1	0	0	0	*1*	0	0	0	0	*0*	0	0	0	0	*0*
5:45 PM	0	0	1	1	*2*	0	0	0	0	*0*	0	0	0	0	*0*
Count Total	7	0	4	4	*15*	0	0	0	0	*0*	1	0	0	0	*1*
Peak Hr	**5**	**0**	**3**	**2**	***10***	**0**	**0**	**0**	**0**	***0***	**0**	**0**	**0**	**0**	***0***

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Two-Hour Count Summaries - Heavy Vehicles

Interval Start	Tarob Ct				n/a				Lundy Ave				Lundy Pl				15-min Total	Rolling One Hour
	Eastbound				Westbound				Northbound				Southbound					
	UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT		
4:00 PM	**0**	**1**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**1**	**0**	**4**	0
4:15 PM	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	0
4:30 PM	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**1**	**0**	**0**	**0**	**0**	**1**	**4**	0
4:45 PM	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**10**
5:00 PM	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	2	8
5:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7
5:30 PM	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	4
5:45 PM	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	2	5
Count Total	0	3	0	4	0	0	0	0	0	1	3	0	0	0	2	2	15	0
Peak Hour	**0**	**2**	**0**	**3**	**0**	**0**	**0**	**0**	**0**	**1**	**2**	**0**	**0**	**0**	**1**	**1**	**10**	**0**

Two-Hour Count Summaries - Bikes

Interval Start	Tarob Ct			0			Lundy Ave			Lundy Pl			15-min Total	Rolling One Hour
	Eastbound			Westbound			Northbound			Southbound				
	LT	TH	RT	LT	TH	RT	LT	TH	RT	LT	TH	RT		
4:00 PM	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0
4:15 PM	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0
4:30 PM	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0
4:45 PM	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
5:00 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5:15 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5:30 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5:45 PM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Count Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Peak Hour	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Note: U-Turn volumes for bikes are included in Left-Turn, if any.

Project Manager: (415) 310-6469

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IDAX Data Solutions
19205 - Milpitas - Tarob Court Counts
5/2/2019

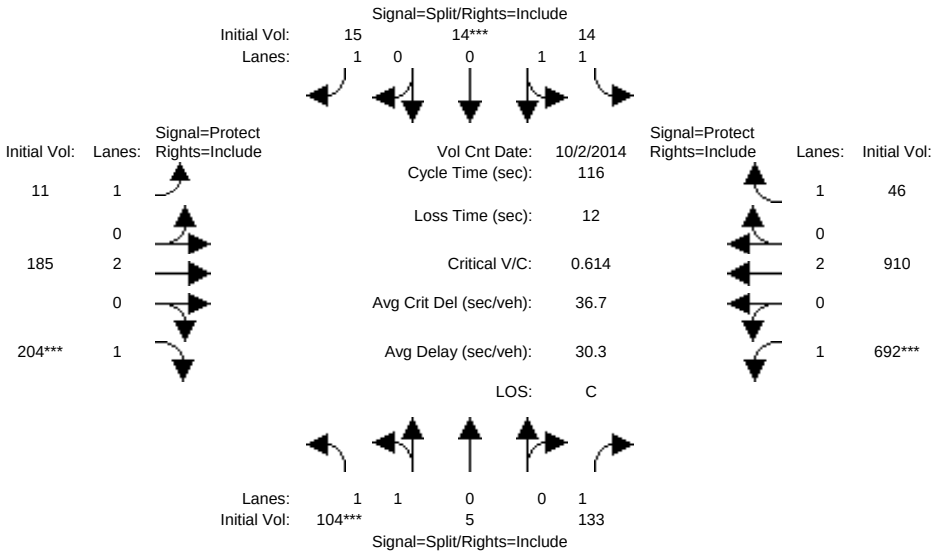
	Driveway 1: Lundy Ave			
	In		Out	
Time:	NB L	SB R	EB R	EB L
7:00	1	0	0	0
7:15	1	0	2	0
7:30	1	0	0	0
7:45	1	0	0	0
8:00	0	0	0	0
8:15	1	1	1	0
8:30	0	0	0	0
8:45	0	0	1	0
16:00	0	0	1	0
16:15	0	0	0	0
16:30	0	0	0	0
16:45	1	0	2	0
17:00	1	0	2	0
17:15	0	0	2	0
17:30	0	1	1	0
17:45	1	0	1	0
AM Peak	4	0	2	0
PM Peak	2	1	7	0
Total:	6	1	9	0

	Driveway 2: Tarob Ct			
	In		Out	
Time:	EB R	WB L	NB R	NB L
7:00	0	0	0	0
7:15	0	4	0	0
7:30	0	0	0	0
7:45	0	1	0	0
8:00	0	0	0	0
8:15	0	0	1	0
8:30	0	0	1	0
8:45	0	1	0	0
16:00	0	0	1	0
16:15	0	0	0	0
16:30	0	0	1	0
16:45	0	0	0	0
17:00	0	0	2	0
17:15	0	0	0	0
17:30	0	0	0	0
17:45	0	0	0	0
AM Peak	0	5	0	0
PM Peak	0	0	2	0
Total:	0	5	2	0

LOS Calculations

Level Of Service Computation Report
2000 HCM Operations (Future Volume Alternative)
Existing AM

Intersection #1: LUNDY/TRADE ZONE



Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L -	T -	R	L -	T -	R	L -	T -	R	L -	T -	R
Min. Green:	10	10	10	10	10	10	7	10	10	7	10	10
Y+R:	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Volume Module: >> Count Date: 2 Oct 2014 << 7:50-8:50												
Base Vol:	104	5	133	14	14	15	11	185	204	692	910	46
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Initial Bse:	104	5	133	14	14	15	11	185	204	692	910	46
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0
PasserByVol:	0	0	0	0	0	0	0	0	0	0	0	0
Initial Fut:	104	5	133	14	14	15	11	185	204	692	910	46
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Volume:	104	5	133	14	14	15	11	185	204	692	910	46
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0
Reduced Vol:	104	5	133	14	14	15	11	185	204	692	910	46
PCE Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
MLF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
FinalVolume:	104	5	133	14	14	15	11	185	204	692	910	46
Saturation Flow Module:												
Sat/Lane:	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900
Adjustment:	0.92	1.00	0.92	0.92	1.00	0.92	0.92	1.00	0.92	0.92	1.00	0.92
Lanes:	1.92	0.08	1.00	1.04	0.96	1.00	1.00	2.00	1.00	1.00	2.00	1.00
Final Sat.:	3352	161	1750	1822	1822	1750	1750	3800	1750	1750	3800	1750
Capacity Analysis Module:												
Vol/Sat:	0.03	0.03	0.08	0.01	0.01	0.01	0.01	0.05	0.12	0.40	0.24	0.03
Crit Moves:	****				****				****	****		
Green/Cycle:	0.12	0.12	0.12	0.09	0.09	0.09	0.14	0.16	0.16	0.53	0.55	0.55
Volume/Cap:	0.25	0.25	0.61	0.09	0.09	0.10	0.05	0.31	0.75	0.75	0.44	0.05
Delay/Veh:	47.3	47.3	60.6	49.4	49.4	50.2	43.7	44.8	63.6	26.6	16.2	12.2
User DelAdj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
AdjDel/Veh:	47.3	47.3	60.6	49.4	49.4	50.2	43.7	44.8	63.6	26.6	16.2	12.2
LOS by Move:	D	D	E	D	D	D	D	D	E	C	B	B
HCM2kAvgQ:	2	2	6	1	1	1	0	3	9	22	9	1

Note: Queue reported is the number of cars per lane.

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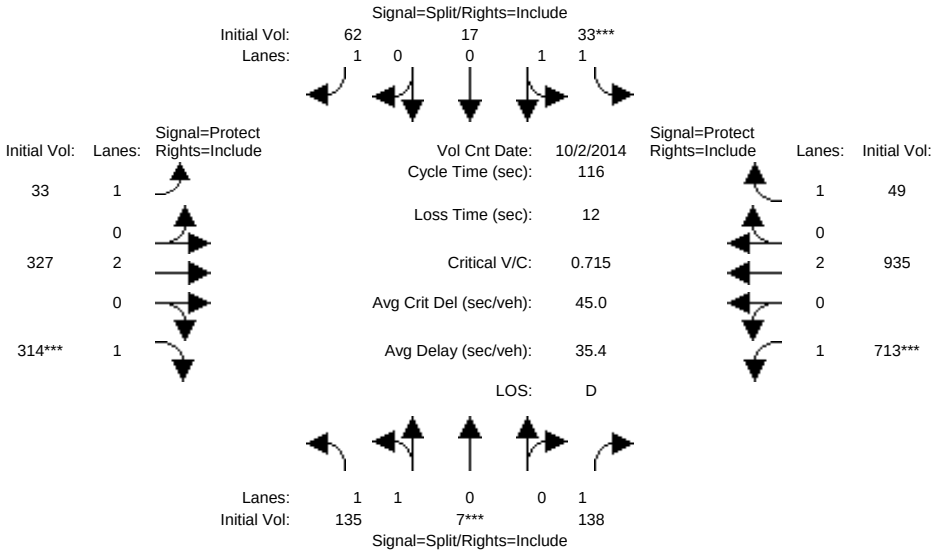
2001 Tarob Court

Level Of Service Computation Report
2000 HCM Operations (Future Volume Alternative)
Background AM

Intersection #1: LUNDY/TRADE ZONE



Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L	T	R	L	T	R	L	T	R	L	T	R
Min. Green:	10	10	10	10	10	10	7	10	10	7	10	10
Y+R:	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Volume Module: >> Count Date: 2 Oct 2014 << 7:50-8:50												
Base Vol:	135	7	138	33	17	62	33	327	314	713	935	49
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Initial Bse:	135	7	138	33	17	62	33	327	314	713	935	49
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0
PasserByVol:	0	0	0	0	0	0	0	0	0	0	0	0
Initial Fut:	135	7	138	33	17	62	33	327	314	713	935	49
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Volume:	135	7	138	33	17	62	33	327	314	713	935	49
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0
Reduced Vol:	135	7	138	33	17	62	33	327	314	713	935	49
PCE Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
MLF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
FinalVolume:	135	7	138	33	17	62	33	327	314	713	935	49
Saturation Flow Module:												
Sat/Lane:	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900
Adjustment:	0.92	1.00	0.92	0.92	1.00	0.92	0.92	1.00	0.92	0.92	1.00	0.92
Lanes:	1.91	0.09	1.00	1.36	0.64	1.00	1.00	2.00	1.00	1.00	2.00	1.00
Final Sat.:	3340	173	1750	2374	1223	1750	1750	3800	1750	1750	3800	1750
Capacity Analysis Module:												
Vol/Sat:	0.04	0.04	0.08	0.01	0.01	0.04	0.02	0.09	0.18	0.41	0.25	0.03
Crit Moves:		****		****					****	****		
Green/Cycle:	0.11	0.11	0.11	0.09	0.09	0.09	0.14	0.21	0.21	0.49	0.56	0.56
Volume/Cap:	0.37	0.37	0.72	0.16	0.16	0.41	0.14	0.40	0.84	0.84	0.44	0.05
Delay/Veh:	50.5	50.5	70.1	50.2	50.2	58.3	45.1	40.7	63.3	35.5	15.4	11.5
User DelAdj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
AdjDel/Veh:	50.5	50.5	70.1	50.2	50.2	58.3	45.1	40.7	63.3	35.5	15.4	11.5
LOS by Move:	D	D	E	D	D	E	D	D	E	D	B	B
HCM2kAvgQ:	3	3	7	1	1	3	1	5	14	26	10	1

Note: Queue reported is the number of cars per lane.

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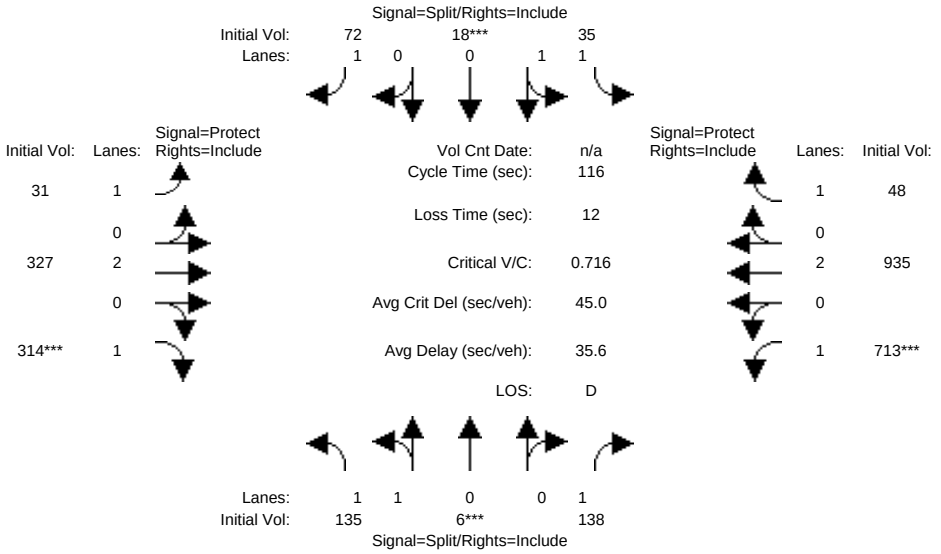
2001 Tarob Court

Level Of Service Computation Report
2000 HCM Operations (Future Volume Alternative)
Background + Project AM

Intersection #1: LUNDY/TRADE ZONE



Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L -	T -	R	L -	T -	R	L -	T -	R	L -	T -	R
Min. Green:	10	10	10	10	10	10	7	10	10	7	10	10
Y+R:	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Volume Module:												
Base Vol:	135	6	138	35	18	72	31	327	314	713	935	48
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Initial Bse:	135	6	138	35	18	72	31	327	314	713	935	48
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0
PasserByVol:	0	0	0	0	0	0	0	0	0	0	0	0
Initial Fut:	135	6	138	35	18	72	31	327	314	713	935	48
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Volume:	135	6	138	35	18	72	31	327	314	713	935	48
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0
Reduced Vol:	135	6	138	35	18	72	31	327	314	713	935	48
PCE Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
MLF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
FinalVolume:	135	6	138	35	18	72	31	327	314	713	935	48
Saturation Flow Module:												
Sat/Lane:	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900
Adjustment:	0.92	1.00	0.92	0.92	1.00	0.92	0.92	1.00	0.92	0.92	1.00	0.92
Lanes:	1.92	0.08	1.00	1.36	0.64	1.00	1.00	2.00	1.00	1.00	2.00	1.00
Final Sat.:	3362	149	1750	2375	1221	1750	1750	3800	1750	1750	3800	1750
Capacity Analysis Module:												
Vol/Sat:	0.04	0.04	0.08	0.01	0.01	0.04	0.02	0.09	0.18	0.41	0.25	0.03
Crit Moves:		****			****				****	****		
Green/Cycle:	0.11	0.11	0.11	0.09	0.09	0.09	0.14	0.21	0.21	0.49	0.56	0.56
Volume/Cap:	0.36	0.36	0.72	0.17	0.17	0.48	0.13	0.40	0.84	0.84	0.44	0.05
Delay/Veh:	50.5	50.5	70.1	50.3	50.3	60.9	45.0	40.7	63.3	35.5	15.4	11.5
User DelAdj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
AdjDel/Veh:	50.5	50.5	70.1	50.3	50.3	60.9	45.0	40.7	63.3	35.5	15.4	11.5
LOS by Move:	D	D	E	D	D	E	D	D	E	D	B	B
HCM2kAvgQ:	3	3	7	1	1	3	1	5	14	26	10	1

Note: Queue reported is the number of cars per lane.

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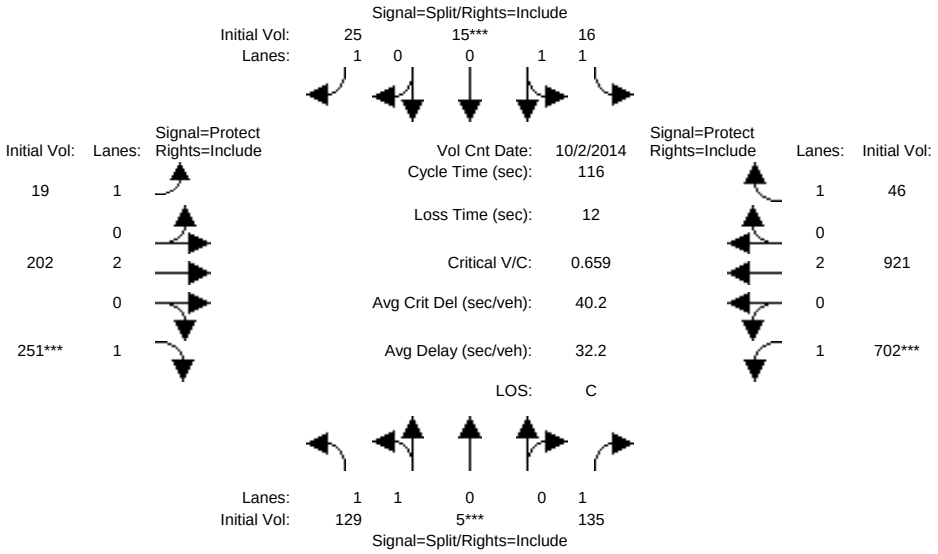
Level Of Service Computation Report
2000 HCM Operations (Future Volume Alternative)
Existing+Project AM

Intersection #1: LUNDY/TRADE ZONE



Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L -	T -	R	L -	T -	R	L -	T -	R	L -	T -	R
Min. Green:	10	10	10	10	10	10	7	10	10	7	10	10
Y+R:	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Volume Module: >> Count Date: 2 Oct 2014 << 7:50-8:50												
Base Vol:	104	4	133	16	15	25	9	185	204	692	910	45
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Initial Bse:	104	4	133	16	15	25	9	185	204	692	910	45
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0
PasserByVol:	25	1	2	0	0	0	10	17	47	10	11	1
Initial Fut:	129	5	135	16	15	25	19	202	251	702	921	46
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Volume:	129	5	135	16	15	25	19	202	251	702	921	46
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0
Reduced Vol:	129	5	135	16	15	25	19	202	251	702	921	46
PCE Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
MLF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
FinalVolume:	129	5	135	16	15	25	19	202	251	702	921	46
Saturation Flow Module:												
Sat/Lane:	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900
Adjustment:	0.92	1.00	0.92	0.92	1.00	0.92	0.92	1.00	0.92	0.92	1.00	0.92
Lanes:	1.93	0.07	1.00	1.07	0.93	1.00	1.00	2.00	1.00	1.00	2.00	1.00
Final Sat.:	3379	131	1750	1878	1761	1750	1750	3800	1750	1750	3800	1750
Capacity Analysis Module:												
Vol/Sat:	0.04	0.04	0.08	0.01	0.01	0.01	0.01	0.05	0.14	0.40	0.24	0.03
Crit Moves:		****			****				****	****		
Green/Cycle:	0.12	0.12	0.12	0.09	0.09	0.09	0.14	0.18	0.18	0.51	0.56	0.56
Volume/Cap:	0.33	0.33	0.66	0.10	0.10	0.17	0.08	0.29	0.79	0.79	0.44	0.05
Delay/Veh:	49.1	49.1	64.5	49.5	49.5	51.5	44.2	42.0	62.7	30.1	15.8	11.9
User DelAdj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
AdjDel/Veh:	49.1	49.1	64.5	49.5	49.5	51.5	44.2	42.0	62.7	30.1	15.8	11.9
LOS by Move:	D	D	E	D	D	D	D	D	E	C	B	B
HCM2kAvgQ:	3	3	6	1	1	1	1	3	11	23	9	1

Note: Queue reported is the number of cars per lane.

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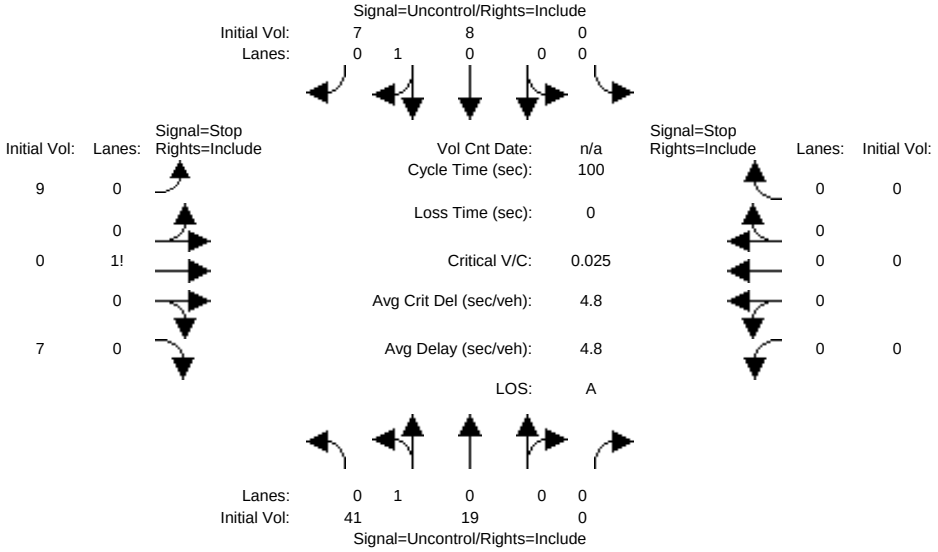
Level Of Service Computation Report
2000 HCM Unsignalized (Future Volume Alternative)
Existing AM

Intersection #2: LUNDY/TAROB CT



Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L	T	R	L	T	R	L	T	R	L	T	R
Volume Module:												
Base Vol:	41	19	0	0	8	7	9	0	7	0	0	0
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Initial Bse:	41	19	0	0	8	7	9	0	7	0	0	0
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0
PasserByVol:	0	0	0	0	0	0	0	0	0	0	0	0
Initial Fut:	41	19	0	0	8	7	9	0	7	0	0	0
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Volume:	41	19	0	0	8	7	9	0	7	0	0	0
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0
FinalVolume:	41	19	0	0	8	7	9	0	7	0	0	0
Critical Gap Module:												
Critical Gp:	4.1	xxxx	xxxxx	xxxxx	xxxx	xxxxx	6.4	6.5	6.2	xxxxx	xxxx	xxxxx
FollowUpTim:	2.2	xxxx	xxxxx	xxxxx	xxxx	xxxxx	3.5	4.0	3.3	xxxxx	xxxx	xxxxx
Capacity Module:												
Cnflict Vol:	15	xxxx	xxxxx	xxxx	xxxx	xxxxx	113	113	12	xxxx	xxxx	xxxxx
Potent Cap.:	1616	xxxx	xxxxx	xxxx	xxxx	xxxxx	889	781	1075	xxxx	xxxx	xxxxx
Move Cap.:	1616	xxxx	xxxxx	xxxx	xxxx	xxxxx	871	761	1075	xxxx	xxxx	xxxxx
Volume/Cap:	0.03	xxxx	xxxx	xxxx	xxxx	xxxx	0.01	0.00	0.01	xxxx	xxxx	xxxx
Level Of Service Module:												
2Way95thQ:	0.1	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx
Control Del:	7.3	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx
LOS by Move:	A	*	*	*	*	*	*	*	*	*	*	*
Movement:	LT	LTR	RT	LT	LTR	RT	LT	LTR	RT	LT	LTR	RT
Shared Cap.:	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	950	xxxxx	xxxx	xxxx	xxxxx
SharedQueue:	0.1	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	0.1	xxxxx	xxxxx	xxxx	xxxxx
Shrd ConDel:	7.3	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	8.9	xxxxx	xxxxx	xxxx	xxxxx
Shared LOS:	A	*	*	*	*	*	*	A	*	*	*	*
ApproachDel:	xxxxxx			xxxxxx			8.9			xxxxxx		
ApproachLOS:	*			*			A			*		

Note: Queue reported is the number of cars per lane.

Peak Hour Delay Signal Warrant Report

****

Intersection #2 LUNDY/TAROB CT

****

Future Volume Alternative: Peak Hour Warrant NOT Met

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```
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:       Uncontrolled     Uncontrolled      Stop Sign        Stop Sign
Lanes:        0  1  0  0  0    0  0  0  1  0    0  0  1! 0  0    0  0  0  0  0
Initial Vol:   41   19     0     0    8     7     9    0     7     0    0     0
ApproachDel:    xxxxxx           xxxxxx              8.9           xxxxxx
------------|---------------||---------------||---------------||---------------|
Approach[eastbound][lanes=1][control=Stop Sign]
Signal Warrant Rule #1: [vehicle-hours=0.0]
   FAIL - Vehicle-hours less than 4 for one lane approach.
Signal Warrant Rule #2: [approach volume=16]
   FAIL - Approach volume less than 100 for one lane approach.
Signal Warrant Rule #3: [approach count=3][total volume=91]
   FAIL - Total volume less than 650 for intersection
          with less than four approaches.
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

The peak hour warrant analysis in this report is not intended to replace
a rigorous and complete traffic signal warrant analysis by the responsible
jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
                Peak Hour Volume Signal Warrant Report [Urban]
********************************************************************************
Intersection #2 LUNDY/TAROB CT
********************************************************************************
Future Volume Alternative: Peak Hour Warrant NOT Met
------------|---------------||---------------||---------------||---------------|
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:       Uncontrolled     Uncontrolled      Stop Sign        Stop Sign
Lanes:        0  1  0  0  0    0  0  0  1  0    0  0  1! 0  0    0  0  0  0  0
Initial Vol:   41   19     0     0    8     7     9    0     7     0    0     0
------------|---------------||---------------||---------------||---------------|
Major Street Volume:              75
Minor Approach Volume:            16
Minor Approach Volume Threshold: 910
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

The peak hour warrant analysis in this report is not intended to replace
a rigorous and complete traffic signal warrant analysis by the responsible
jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
```


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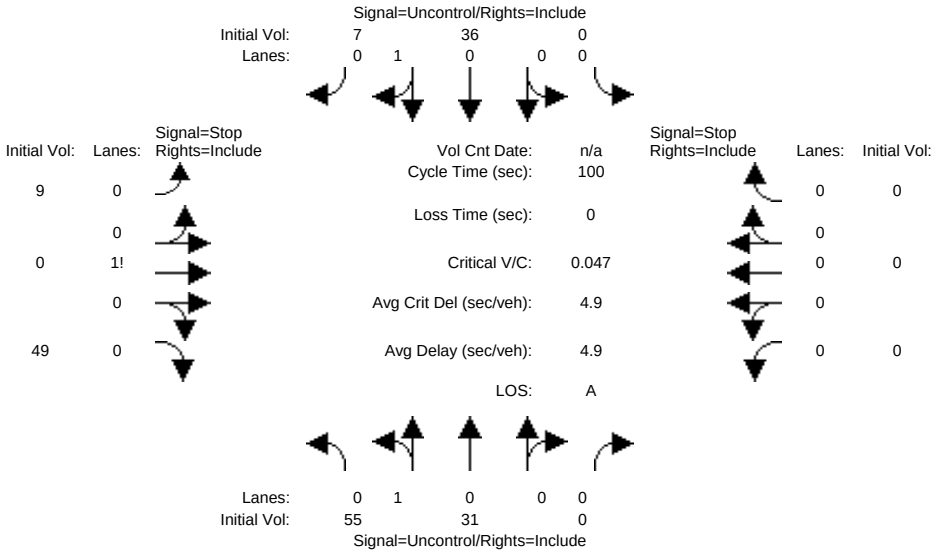
Level Of Service Computation Report
2000 HCM Unsignalized (Future Volume Alternative)
Background AM

Intersection #2: LUNDY/TAROB CT



Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L	T	R	L	T	R	L	T	R	L	T	R
Volume Module:												
Base Vol:	55	31	0	0	36	7	9	0	49	0	0	0
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Initial Bse:	55	31	0	0	36	7	9	0	49	0	0	0
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0
PasserByVol:	0	0	0	0	0	0	0	0	0	0	0	0
Initial Fut:	55	31	0	0	36	7	9	0	49	0	0	0
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Volume:	55	31	0	0	36	7	9	0	49	0	0	0
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0
FinalVolume:	55	31	0	0	36	7	9	0	49	0	0	0
Critical Gap Module:												
Critical Gp:	4.1	xxxx	xxxxx	xxxxx	xxxx	xxxxx	6.4	6.5	6.2	xxxxx	xxxx	xxxxx
FollowUpTim:	2.2	xxxx	xxxxx	xxxxx	xxxx	xxxxx	3.5	4.0	3.3	xxxxx	xxxx	xxxxx
Capacity Module:												
Cnflict Vol:	43	xxxx	xxxxx	xxxx	xxxx	xxxxx	181	181	40	xxxx	xxxx	xxxxx
Potent Cap.:	1579	xxxx	xxxxx	xxxx	xxxx	xxxxx	814	717	1038	xxxx	xxxx	xxxxx
Move Cap.:	1579	xxxx	xxxxx	xxxx	xxxx	xxxxx	791	691	1038	xxxx	xxxx	xxxxx
Volume/Cap:	0.03	xxxx	xxxx	xxxx	xxxx	xxxx	0.01	0.00	0.05	xxxx	xxxx	xxxx
Level Of Service Module:												
2Way95thQ:	0.1	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx
Control Del:	7.4	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx
LOS by Move:	A	*	*	*	*	*	*	*	*	*	*	*
Movement:	LT -	LTR -	RT	LT -	LTR -	RT	LT -	LTR -	RT	LT -	LTR -	RT
Shared Cap.:	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	990	xxxxx	xxxx	xxxx	xxxxx
SharedQueue:	0.1	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	0.2	xxxxx	xxxxx	xxxx	xxxxx
Shrd ConDel:	7.4	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	8.9	xxxxx	xxxxx	xxxx	xxxxx
Shared LOS:	A	*	*	*	*	*	*	A	*	*	*	*
ApproachDel:	xxxxxx			xxxxxx			8.9			xxxxxx		
ApproachLOS:	*			*			A			*		

Note: Queue reported is the number of cars per lane.

Peak Hour Delay Signal Warrant Report

****

Intersection #2 LUNDY/TAROB CT

****

Future Volume Alternative: Peak Hour Warrant NOT Met

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```
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:       Uncontrolled     Uncontrolled      Stop Sign        Stop Sign
Lanes:        0  1  0  0  0    0  0  0  1  0    0  0  1! 0  0    0  0  0  0  0
Initial Vol:   55   31     0     0   36     7     9    0    49     0    0     0
ApproachDel:    xxxxxx           xxxxxx              8.9           xxxxxx
------------|---------------||---------------||---------------||---------------|
Approach[eastbound][lanes=1][control=Stop Sign]
Signal Warrant Rule #1: [vehicle-hours=0.1]
   FAIL - Vehicle-hours less than 4 for one lane approach.
Signal Warrant Rule #2: [approach volume=58]
   FAIL - Approach volume less than 100 for one lane approach.
Signal Warrant Rule #3: [approach count=3][total volume=187]
   FAIL - Total volume less than 650 for intersection
          with less than four approaches.
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

The peak hour warrant analysis in this report is not intended to replace
a rigorous and complete traffic signal warrant analysis by the responsible
jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
                Peak Hour Volume Signal Warrant Report [Urban]
********************************************************************************
Intersection #2 LUNDY/TAROB CT
********************************************************************************
Future Volume Alternative: Peak Hour Warrant NOT Met
------------|---------------||---------------||---------------||---------------|
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:       Uncontrolled     Uncontrolled      Stop Sign        Stop Sign
Lanes:        0  1  0  0  0    0  0  0  1  0    0  0  1! 0  0    0  0  0  0  0
Initial Vol:   55   31     0     0   36     7     9    0    49     0    0     0
------------|---------------||---------------||---------------||---------------|
Major Street Volume:              129
Minor Approach Volume:            58
Minor Approach Volume Threshold: 766
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

The peak hour warrant analysis in this report is not intended to replace
a rigorous and complete traffic signal warrant analysis by the responsible
jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
```


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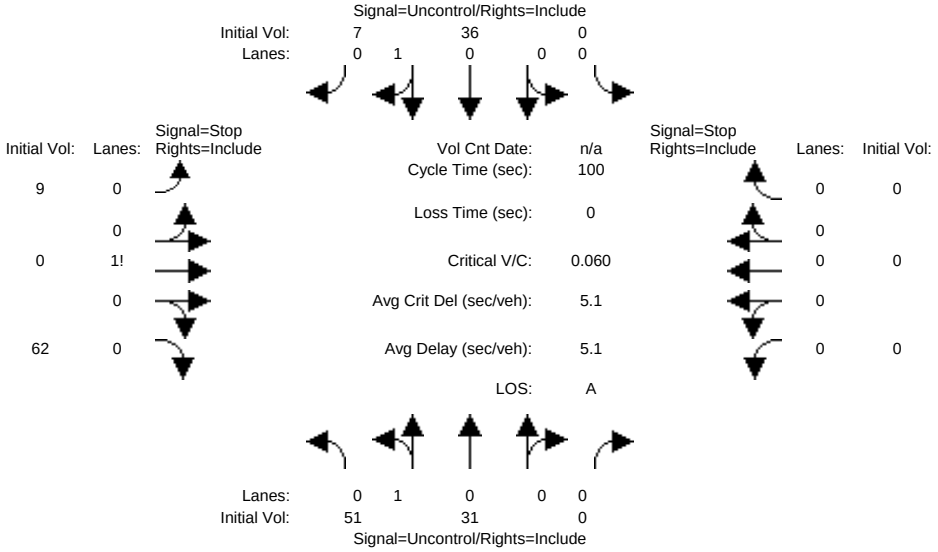
Level Of Service Computation Report
2000 HCM Unsignalized (Future Volume Alternative)
Background + Project AM

Intersection #2: LUNDY/TAROB CT



Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L -	T -	R	L -	T -	R	L -	T -	R	L -	T -	R
Volume Module:												
Base Vol:	51	31	0	0	36	7	9	0	62	0	0	0
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Initial Bse:	51	31	0	0	36	7	9	0	62	0	0	0
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0
PasserByVol:	0	0	0	0	0	0	0	0	0	0	0	0
Initial Fut:	51	31	0	0	36	7	9	0	62	0	0	0
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Volume:	51	31	0	0	36	7	9	0	62	0	0	0
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0
FinalVolume:	51	31	0	0	36	7	9	0	62	0	0	0
Critical Gap Module:												
Critical Gp:	4.1	xxxx	xxxxx	xxxxx	xxxx	xxxxx	6.4	6.5	6.2	xxxxx	xxxx	xxxxx
FollowUpTim:	2.2	xxxx	xxxxx	xxxxx	xxxx	xxxxx	3.5	4.0	3.3	xxxxx	xxxx	xxxxx
Capacity Module:												
Cnflict Vol:	43	xxxx	xxxxx	xxxx	xxxx	xxxxx	173	173	40	xxxx	xxxx	xxxxx
Potent Cap.:	1579	xxxx	xxxxx	xxxx	xxxx	xxxxx	822	724	1038	xxxx	xxxx	xxxxx
Move Cap.:	1579	xxxx	xxxxx	xxxx	xxxx	xxxxx	801	700	1038	xxxx	xxxx	xxxxx
Volume/Cap:	0.03	xxxx	xxxx	xxxx	xxxx	xxxx	0.01	0.00	0.06	xxxx	xxxx	xxxx
Level Of Service Module:												
2Way95thQ:	0.1	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx
Control Del:	7.4	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx
LOS by Move:	A	*	*	*	*	*	*	*	*	*	*	*
Movement:	LT -	LTR -	RT	LT -	LTR -	RT	LT -	LTR -	RT	LT -	LTR -	RT
Shared Cap.:	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	1000	xxxxx	xxxx	xxxx	xxxxx
SharedQueue:	0.1	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	0.2	xxxxx	xxxxx	xxxx	xxxxx
Shrd ConDel:	7.4	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	8.9	xxxxx	xxxxx	xxxx	xxxxx
Shared LOS:	A	*	*	*	*	*	*	A	*	*	*	*
ApproachDel:	xxxxxx			xxxxxx			8.9			xxxxxx		
ApproachLOS:	*			*			A			*		

Note: Queue reported is the number of cars per lane.

Peak Hour Delay Signal Warrant Report

****

Intersection #2 LUNDY/TAROB CT

****

Future Volume Alternative: Peak Hour Warrant NOT Met

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```
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:       Uncontrolled     Uncontrolled      Stop Sign        Stop Sign
Lanes:        0  1  0  0  0    0  0  0  1  0    0  0  1! 0  0    0  0  0  0  0
Initial Vol:   51   31     0     0   36     7     9    0    62     0    0     0
ApproachDel:    xxxxxx           xxxxxx              8.9           xxxxxx
------------|---------------||---------------||---------------||---------------|
Approach[eastbound][lanes=1][control=Stop Sign]
Signal Warrant Rule #1: [vehicle-hours=0.2]
   FAIL - Vehicle-hours less than 4 for one lane approach.
Signal Warrant Rule #2: [approach volume=71]
   FAIL - Approach volume less than 100 for one lane approach.
Signal Warrant Rule #3: [approach count=3][total volume=196]
   FAIL - Total volume less than 650 for intersection
          with less than four approaches.
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

The peak hour warrant analysis in this report is not intended to replace
a rigorous and complete traffic signal warrant analysis by the responsible
jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
                Peak Hour Volume Signal Warrant Report [Urban]
********************************************************************************
Intersection #2 LUNDY/TAROB CT
********************************************************************************
Future Volume Alternative: Peak Hour Warrant NOT Met
------------|---------------||---------------||---------------||---------------|
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:       Uncontrolled     Uncontrolled      Stop Sign        Stop Sign
Lanes:        0  1  0  0  0    0  0  0  1  0    0  0  1! 0  0    0  0  0  0  0
Initial Vol:   51   31     0     0   36     7     9    0    62     0    0     0
------------|---------------||---------------||---------------||---------------|
Major Street Volume:             125
Minor Approach Volume:           71
Minor Approach Volume Threshold: 774
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

The peak hour warrant analysis in this report is not intended to replace
a rigorous and complete traffic signal warrant analysis by the responsible
jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
```


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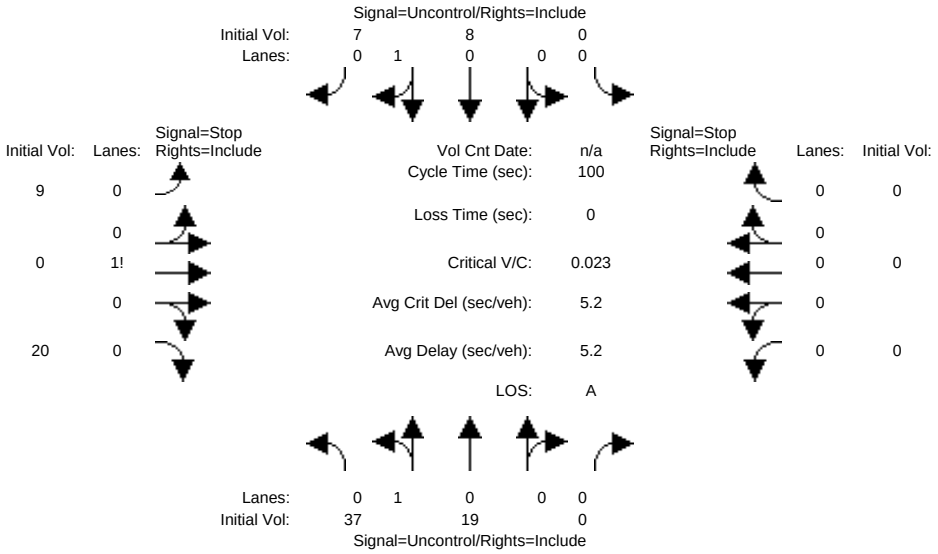
Level Of Service Computation Report
2000 HCM Unsignalized (Future Volume Alternative)
Existing+Project AM

Intersection #2: LUNDY/TAROB CT



Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L	T	R	L	T	R	L	T	R	L	T	R
Volume Module:												
Base Vol:	37	19	0	0	8	7	9	0	20	0	0	0
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Initial Bse:	37	19	0	0	8	7	9	0	20	0	0	0
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0
PasserByVol:	0	0	0	0	0	0	0	0	0	0	0	0
Initial Fut:	37	19	0	0	8	7	9	0	20	0	0	0
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Volume:	37	19	0	0	8	7	9	0	20	0	0	0
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0
FinalVolume:	37	19	0	0	8	7	9	0	20	0	0	0
Critical Gap Module:												
Critical Gp:	4.1	xxxx	xxxxx	xxxxx	xxxx	xxxxx	6.4	6.5	6.2	xxxxx	xxxx	xxxxx
FollowUpTim:	2.2	xxxx	xxxxx	xxxxx	xxxx	xxxxx	3.5	4.0	3.3	xxxxx	xxxx	xxxxx
Capacity Module:												
Cnflict Vol:	15	xxxx	xxxxx	xxxx	xxxx	xxxxx	105	105	12	xxxx	xxxx	xxxxx
Potent Cap.:	1616	xxxx	xxxxx	xxxx	xxxx	xxxxx	898	789	1075	xxxx	xxxx	xxxxx
Move Cap.:	1616	xxxx	xxxxx	xxxx	xxxx	xxxxx	882	771	1075	xxxx	xxxx	xxxxx
Volume/Cap:	0.02	xxxx	xxxx	xxxx	xxxx	xxxx	0.01	0.00	0.02	xxxx	xxxx	xxxx
Level Of Service Module:												
2Way95thQ:	0.1	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx
Control Del:	7.3	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx
LOS by Move:	A	*	*	*	*	*	*	*	*	*	*	*
Movement:	LT - LTR - RT			LT - LTR - RT			LT - LTR - RT			LT - LTR - RT		
Shared Cap.:	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	1007	xxxxx	xxxx	xxxx	xxxxx
SharedQueue:	0.1	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	0.1	xxxxx	xxxxx	xxxx	xxxxx
Shrd ConDel:	7.3	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	8.7	xxxxx	xxxxx	xxxx	xxxxx
Shared LOS:	A	*	*	*	*	*	*	A	*	*	*	*
ApproachDel:	xxxxxx			xxxxxx			8.7			xxxxxx		
ApproachLOS:	*			*			A			*		

Note: Queue reported is the number of cars per lane.

Peak Hour Delay Signal Warrant Report

****

Intersection #2 LUNDY/TAROB CT

****

Future Volume Alternative: Peak Hour Warrant NOT Met

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```
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:       Uncontrolled     Uncontrolled      Stop Sign        Stop Sign
Lanes:        0  1  0  0  0    0  0  0  1  0    0  0  1! 0  0    0  0  0  0  0
Initial Vol:   37   19     0     0    8     7     9    0    20     0    0     0
ApproachDel:    xxxxxx           xxxxxx              8.7           xxxxxx
------------|---------------||---------------||---------------||---------------|
Approach[eastbound][lanes=1][control=Stop Sign]
Signal Warrant Rule #1: [vehicle-hours=0.1]
   FAIL - Vehicle-hours less than 4 for one lane approach.
Signal Warrant Rule #2: [approach volume=29]
   FAIL - Approach volume less than 100 for one lane approach.
Signal Warrant Rule #3: [approach count=3][total volume=100]
   FAIL - Total volume less than 650 for intersection
          with less than four approaches.
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

The peak hour warrant analysis in this report is not intended to replace
a rigorous and complete traffic signal warrant analysis by the responsible
jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
                Peak Hour Volume Signal Warrant Report [Urban]
********************************************************************************
Intersection #2 LUNDY/TAROB CT
********************************************************************************
Future Volume Alternative: Peak Hour Warrant NOT Met
------------|---------------||---------------||---------------||---------------|
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:       Uncontrolled     Uncontrolled      Stop Sign        Stop Sign
Lanes:        0  1  0  0  0    0  0  0  1  0    0  0  1! 0  0    0  0  0  0  0
Initial Vol:   37   19     0     0    8     7     9    0    20     0    0     0
------------|---------------||---------------||---------------||---------------|
Major Street Volume:              71
Minor Approach Volume:            29
Minor Approach Volume Threshold: 925
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

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jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
```


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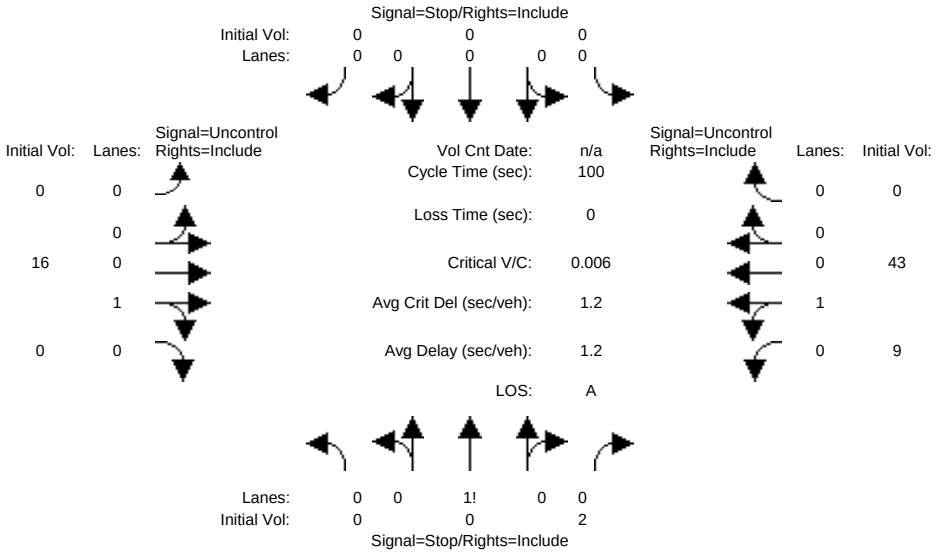
Level Of Service Computation Report
2000 HCM Unsignalized (Future Volume Alternative)
Existing AM

Intersection #3: PROJECT DRWY/TAROB CT



Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L	T	R	L	T	R	L	T	R	L	T	R
Volume Module:												
Base Vol:	0	0	2	0	0	0	0	16	0	9	43	0
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Initial Bse:	0	0	2	0	0	0	0	16	0	9	43	0
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0
PasserByVol:	0	0	0	0	0	0	0	0	0	0	0	0
Initial Fut:	0	0	2	0	0	0	0	16	0	9	43	0
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Volume:	0	0	2	0	0	0	0	16	0	9	43	0
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0
FinalVolume:	0	0	2	0	0	0	0	16	0	9	43	0
Critical Gap Module:												
Critical Gp:	xxxxx	xxxx	6.2	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	4.1	xxxx	xxxxx
FollowUpTim:	xxxxx	xxxx	3.3	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	2.2	xxxx	xxxxx
Capacity Module:												
Cnflict Vol:	xxxx	xxxx	16	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	16	xxxx	xxxxx
Potent Cap.:	xxxx	xxxx	1069	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	1615	xxxx	xxxxx
Move Cap.:	xxxx	xxxx	1069	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	1615	xxxx	xxxxx
Volume/Cap:	xxxx	xxxx	0.00	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	0.01	xxxx	xxxx
Level Of Service Module:												
2Way95thQ:	xxxx	xxxx	0.0	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	0.0	xxxx	xxxxx
Control Del:	xxxxx	xxxx	8.4	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	7.2	xxxx	xxxxx
LOS by Move:	*	*	A	*	*	*	*	*	*	A	*	*
Movement:	LT	LTR	RT	LT	LTR	RT	LT	LTR	RT	LT	LTR	RT
Shared Cap.:	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx
SharedQueue:	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	0.0	xxxx	xxxxx
Shrd ConDel:	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	7.2	xxxx	xxxxx
Shared LOS:	*	*	*	*	*	*	*	*	*	A	*	*
ApproachDel:		8.4			xxxxxx			xxxxxx			xxxxxx	
ApproachLOS:		A			*			*			*	

Note: Queue reported is the number of cars per lane.

Peak Hour Delay Signal Warrant Report

****

Intersection #3 PROJECT DRWY/TAROB CT

****

Future Volume Alternative: Peak Hour Warrant NOT Met

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```
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:        Stop Sign        Stop Sign       Uncontrolled     Uncontrolled
Lanes:        0  0  0  0  1    0  0  0  0  0    0  0  1  0  0    0  1  0  0  0
Initial Vol:    0    0     2     0    0     0     0   16     0     9   43     0
ApproachDel:       8.4           xxxxxx           xxxxxx           xxxxxx
------------|---------------||---------------||---------------||---------------|
Approach[northbound][lanes=1][control=Stop Sign]
Signal Warrant Rule #1: [vehicle-hours=0.0]
   FAIL - Vehicle-hours less than 4 for one lane approach.
Signal Warrant Rule #2: [approach volume=2]
   FAIL - Approach volume less than 100 for one lane approach.
Signal Warrant Rule #3: [approach count=3][total volume=70]
   FAIL - Total volume less than 650 for intersection
          with less than four approaches.
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

The peak hour warrant analysis in this report is not intended to replace
a rigorous and complete traffic signal warrant analysis by the responsible
jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
                Peak Hour Volume Signal Warrant Report [Urban]
********************************************************************************
Intersection #3 PROJECT DRWY/TAROB CT
********************************************************************************
Future Volume Alternative: Peak Hour Warrant NOT Met
------------|---------------||---------------||---------------||---------------|
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:        Stop Sign        Stop Sign       Uncontrolled     Uncontrolled
Lanes:        0  0  0  0  1    0  0  0  0  0    0  0  1  0  0    0  1  0  0  0
Initial Vol:    0    0     2     0    0     0     0   16     0     9   43     0
------------|---------------||---------------||---------------||---------------|
Major Street Volume:              68
Minor Approach Volume:            2
Minor Approach Volume Threshold: 936
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

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jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
```


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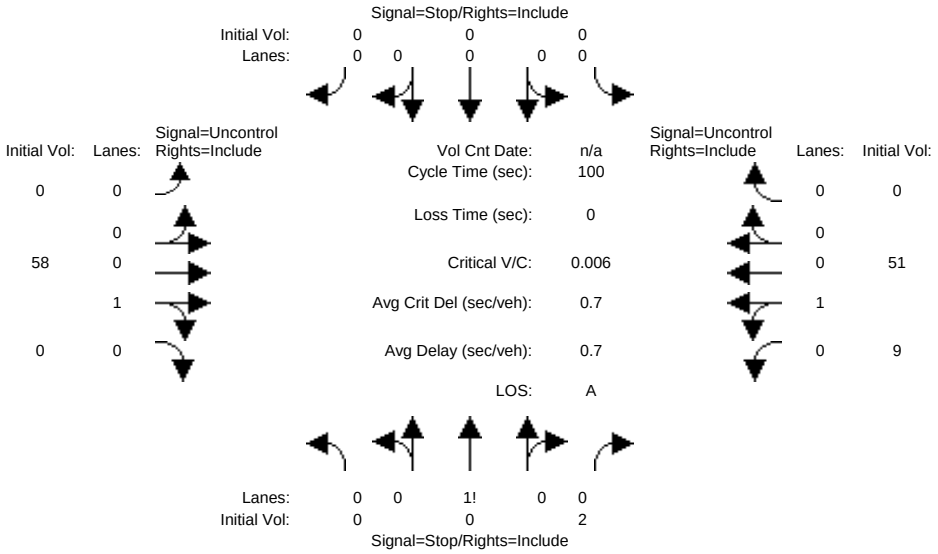
Level Of Service Computation Report
2000 HCM Unsignalized (Future Volume Alternative)
Background AM

Intersection #3: PROJECT DRWY/TAROB CT



Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L	T	R	L	T	R	L	T	R	L	T	R
Volume Module:												
Base Vol:	0	0	2	0	0	0	0	58	0	9	51	0
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Initial Bse:	0	0	2	0	0	0	0	58	0	9	51	0
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0
PasserByVol:	0	0	0	0	0	0	0	0	0	0	0	0
Initial Fut:	0	0	2	0	0	0	0	58	0	9	51	0
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Volume:	0	0	2	0	0	0	0	58	0	9	51	0
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0
FinalVolume:	0	0	2	0	0	0	0	58	0	9	51	0
Critical Gap Module:												
Critical Gp:	xxxxx	xxxx	6.2	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	4.1	xxxx	xxxxx
FollowUpTim:	xxxxx	xxxx	3.3	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	2.2	xxxx	xxxxx
Capacity Module:												
Cnflict Vol:	xxxx	xxxx	58	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	58	xxxx	xxxxx
Potent Cap.:	xxxx	xxxx	1014	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	1559	xxxx	xxxxx
Move Cap.:	xxxx	xxxx	1014	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	1559	xxxx	xxxxx
Volume/Cap:	xxxx	xxxx	0.00	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	0.01	xxxx	xxxx
Level Of Service Module:												
2Way95thQ:	xxxx	xxxx	0.0	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	0.0	xxxx	xxxxx
Control Del:	xxxxx	xxxx	8.6	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	7.3	xxxx	xxxxx
LOS by Move:	*	*	A	*	*	*	*	*	*	A	*	*
Movement:	LT	LTR	RT	LT	LTR	RT	LT	LTR	RT	LT	LTR	RT
Shared Cap.:	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx
SharedQueue:	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	0.0	xxxx	xxxxx
Shrd ConDel:	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	7.3	xxxx	xxxxx
Shared LOS:	*	*	*	*	*	*	*	*	*	A	*	*
ApproachDel:		8.6			xxxxxx			xxxxxx			xxxxxx	
ApproachLOS:		A			*			*			*	

Note: Queue reported is the number of cars per lane.

Peak Hour Delay Signal Warrant Report

****

Intersection #3 PROJECT DRWY/TAROB CT

****

Future Volume Alternative: Peak Hour Warrant NOT Met

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Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L	T	R	L	T	R	L	T	R	L	T	R
Control:	Stop Sign			Stop Sign			Uncontrolled			Uncontrolled		
Lanes:	0 0 0 0 1			0 0 0 0 0			0 0 1 0 0			0 1 0 0 0		
Initial Vol:	0	0	2	0	0	0	0	58	0	9	51	0
ApproachDel:	8.6			xxxxxx			xxxxxx			xxxxxx		

Approach[northbound][lanes=1][control=Stop Sign]
Signal Warrant Rule #1: [vehicle-hours=0.0]
FAIL - Vehicle-hours less than 4 for one lane approach.
Signal Warrant Rule #2: [approach volume=2]
FAIL - Approach volume less than 100 for one lane approach.
Signal Warrant Rule #3: [approach count=3][total volume=120]
FAIL - Total volume less than 650 for intersection
with less than four approaches.

SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an "indicator" of the likelihood of an unsignalized intersection warranting a traffic signal in the future. Intersections that exceed this warrant are probably more likely to meet one or more of the other volume based signal warrant (such as the 4-hour or 8-hour warrants).

The peak hour warrant analysis in this report is not intended to replace a rigorous and complete traffic signal warrant analysis by the responsible jurisdiction. Consideration of the other signal warrants, which is beyond the scope of this software, may yield different results.

Peak Hour Volume Signal Warrant Report [Urban]

****

Intersection #3 PROJECT DRWY/TAROB CT

****

Future Volume Alternative: Peak Hour Warrant NOT Met

Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L	T	R	L	T	R	L	T	R	L	T	R
Control:	Stop Sign			Stop Sign			Uncontrolled			Uncontrolled		
Lanes:	0 0 0 0 1			0 0 0 0 0			0 0 1 0 0			0 1 0 0 0		
Initial Vol:	0	0	2	0	0	0	0	58	0	9	51	0

Major Street Volume: 118
Minor Approach Volume: 2
Minor Approach Volume Threshold: 789

SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an "indicator" of the likelihood of an unsignalized intersection warranting a traffic signal in the future. Intersections that exceed this warrant are probably more likely to meet one or more of the other volume based signal warrant (such as the 4-hour or 8-hour warrants).

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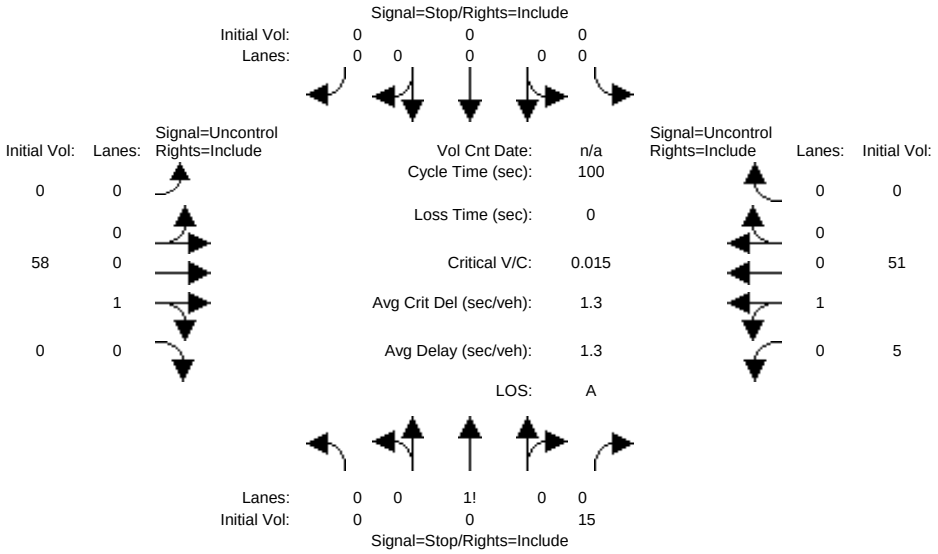
Level Of Service Computation Report
2000 HCM Unsignalized (Future Volume Alternative)
Background + Project AM

Intersection #3: PROJECT DRWY/TAROB CT



Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L	T	R	L	T	R	L	T	R	L	T	R
Volume Module:												
Base Vol:	0	0	15	0	0	0	0	58	0	5	51	0
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Initial Bse:	0	0	15	0	0	0	0	58	0	5	51	0
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0
PasserByVol:	0	0	0	0	0	0	0	0	0	0	0	0
Initial Fut:	0	0	15	0	0	0	0	58	0	5	51	0
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Volume:	0	0	15	0	0	0	0	58	0	5	51	0
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0
FinalVolume:	0	0	15	0	0	0	0	58	0	5	51	0
Critical Gap Module:												
Critical Gp:	xxxxx	xxxx	6.2	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	4.1	xxxx	xxxxx
FollowUpTim:	xxxxx	xxxx	3.3	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	2.2	xxxx	xxxxx
Capacity Module:												
Cnflict Vol:	xxxx	xxxx	58	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	58	xxxx	xxxxx
Potent Cap.:	xxxx	xxxx	1014	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	1559	xxxx	xxxxx
Move Cap.:	xxxx	xxxx	1014	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	1559	xxxx	xxxxx
Volume/Cap:	xxxx	xxxx	0.01	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	0.00	xxxx	xxxx
Level Of Service Module:												
2Way95thQ:	xxxx	xxxx	0.0	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	0.0	xxxx	xxxxx
Control Del:	xxxxx	xxxx	8.6	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	7.3	xxxx	xxxxx
LOS by Move:	*	*	A	*	*	*	*	*	*	A	*	*
Movement:	LT	LTR	RT	LT	LTR	RT	LT	LTR	RT	LT	LTR	RT
Shared Cap.:	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx
SharedQueue:	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	0.0	xxxx	xxxxx
Shrd ConDel:	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	7.3	xxxx	xxxxx
Shared LOS:	*	*	*	*	*	*	*	*	*	A	*	*
ApproachDel:	8.6			xxxxxx			xxxxxx			xxxxxx		
ApproachLOS:	A			*			*			*		

Note: Queue reported is the number of cars per lane.

Peak Hour Delay Signal Warrant Report

****

Intersection #3 PROJECT DRWY/TAROB CT

****

Future Volume Alternative: Peak Hour Warrant NOT Met

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```
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:        Stop Sign        Stop Sign       Uncontrolled     Uncontrolled
Lanes:        0  0  0  0  1    0  0  0  0  0    0  0  1  0  0    0  1  0  0  0
Initial Vol:    0    0    15     0    0     0     0   58     0     5   51     0
ApproachDel:       8.6           xxxxxx           xxxxxx           xxxxxx
------------|---------------||---------------||---------------||---------------|
Approach[northbound][lanes=1][control=Stop Sign]
Signal Warrant Rule #1: [vehicle-hours=0.0]
   FAIL - Vehicle-hours less than 4 for one lane approach.
Signal Warrant Rule #2: [approach volume=15]
   FAIL - Approach volume less than 100 for one lane approach.
Signal Warrant Rule #3: [approach count=3][total volume=129]
   FAIL - Total volume less than 650 for intersection
          with less than four approaches.
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

The peak hour warrant analysis in this report is not intended to replace
a rigorous and complete traffic signal warrant analysis by the responsible
jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
                Peak Hour Volume Signal Warrant Report [Urban]
********************************************************************************
Intersection #3 PROJECT DRWY/TAROB CT
********************************************************************************
Future Volume Alternative: Peak Hour Warrant NOT Met
------------|---------------||---------------||---------------||---------------|
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:        Stop Sign        Stop Sign       Uncontrolled     Uncontrolled
Lanes:        0  0  0  0  1    0  0  0  0  0    0  0  1  0  0    0  1  0  0  0
Initial Vol:    0    0    15     0    0     0     0   58     0     5   51     0
------------|---------------||---------------||---------------||---------------|
Major Street Volume:             114
Minor Approach Volume:           15
Minor Approach Volume Threshold: 799
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

The peak hour warrant analysis in this report is not intended to replace
a rigorous and complete traffic signal warrant analysis by the responsible
jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
```


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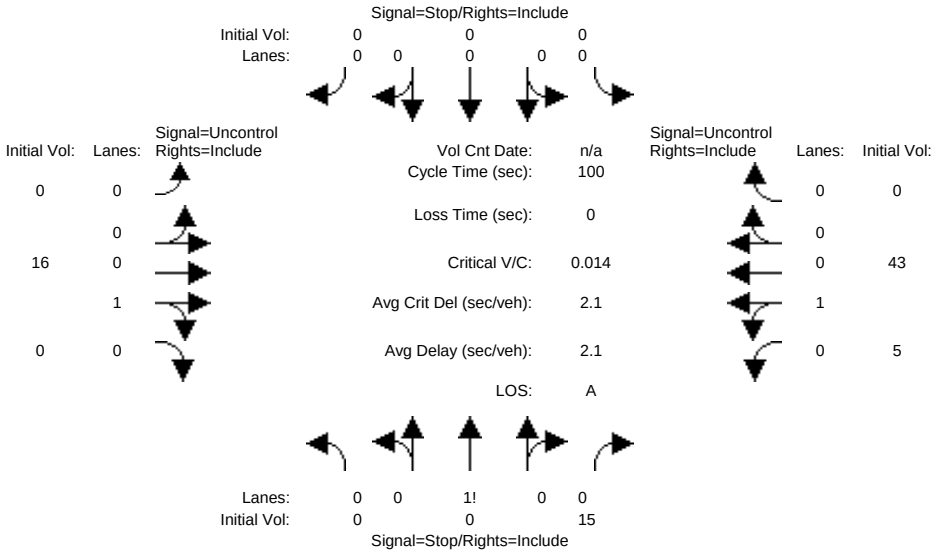
Level Of Service Computation Report
2000 HCM Unsignalized (Future Volume Alternative)
Existing+Project AM

Intersection #3: PROJECT DRWY/TAROB CT



Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L	T	R	L	T	R	L	T	R	L	T	R
Volume Module:												
Base Vol:	0	0	15	0	0	0	0	16	0	5	43	0
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Initial Bse:	0	0	15	0	0	0	0	16	0	5	43	0
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0
PasserByVol:	0	0	0	0	0	0	0	0	0	0	0	0
Initial Fut:	0	0	15	0	0	0	0	16	0	5	43	0
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Volume:	0	0	15	0	0	0	0	16	0	5	43	0
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0
FinalVolume:	0	0	15	0	0	0	0	16	0	5	43	0
Critical Gap Module:												
Critical Gp:	xxxxx	xxxx	6.2	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	4.1	xxxx	xxxxx
FollowUpTim:	xxxxx	xxxx	3.3	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	2.2	xxxx	xxxxx
Capacity Module:												
Cnflict Vol:	xxxx	xxxx	16	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	16	xxxx	xxxxx
Potent Cap.:	xxxx	xxxx	1069	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	1615	xxxx	xxxxx
Move Cap.:	xxxx	xxxx	1069	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	1615	xxxx	xxxxx
Volume/Cap:	xxxx	xxxx	0.01	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	0.00	xxxx	xxxx
Level Of Service Module:												
2Way95thQ:	xxxx	xxxx	0.0	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	0.0	xxxx	xxxxx
Control Del:	xxxxx	xxxx	8.4	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	7.2	xxxx	xxxxx
LOS by Move:	*	*	A	*	*	*	*	*	*	A	*	*
Movement:	LT	LTR	RT	LT	LTR	RT	LT	LTR	RT	LT	LTR	RT
Shared Cap.:	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx
SharedQueue:	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	0.0	xxxx	xxxxx
Shrd ConDel:	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	7.2	xxxx	xxxxx
Shared LOS:	*	*	*	*	*	*	*	*	*	A	*	*
ApproachDel:	8.4			xxxxxx			xxxxxx			xxxxxx		
ApproachLOS:	A			*			*			*		

Note: Queue reported is the number of cars per lane.

Peak Hour Delay Signal Warrant Report

****

Intersection #3 PROJECT DRWY/TAROB CT

****

Future Volume Alternative: Peak Hour Warrant NOT Met

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```
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:        Stop Sign        Stop Sign       Uncontrolled     Uncontrolled
Lanes:        0  0  0  0  1    0  0  0  0  0    0  0  1  0  0    0  1  0  0  0
Initial Vol:    0    0    15     0    0     0     0   16     0     5   43     0
ApproachDel:       8.4           xxxxxx           xxxxxx           xxxxxx
------------|---------------||---------------||---------------||---------------|
Approach[northbound][lanes=1][control=Stop Sign]
Signal Warrant Rule #1: [vehicle-hours=0.0]
   FAIL - Vehicle-hours less than 4 for one lane approach.
Signal Warrant Rule #2: [approach volume=15]
   FAIL - Approach volume less than 100 for one lane approach.
Signal Warrant Rule #3: [approach count=3][total volume=79]
   FAIL - Total volume less than 650 for intersection
          with less than four approaches.
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

The peak hour warrant analysis in this report is not intended to replace
a rigorous and complete traffic signal warrant analysis by the responsible
jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
                Peak Hour Volume Signal Warrant Report [Urban]
********************************************************************************
Intersection #3 PROJECT DRWY/TAROB CT
********************************************************************************
Future Volume Alternative: Peak Hour Warrant NOT Met
------------|---------------||---------------||---------------||---------------|
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:        Stop Sign        Stop Sign       Uncontrolled     Uncontrolled
Lanes:        0  0  0  0  1    0  0  0  0  0    0  0  1  0  0    0  1  0  0  0
Initial Vol:    0    0    15     0    0     0     0   16     0     5   43     0
------------|---------------||---------------||---------------||---------------|
Major Street Volume:              64
Minor Approach Volume:            15
Minor Approach Volume Threshold: 953
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

The peak hour warrant analysis in this report is not intended to replace
a rigorous and complete traffic signal warrant analysis by the responsible
jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
```


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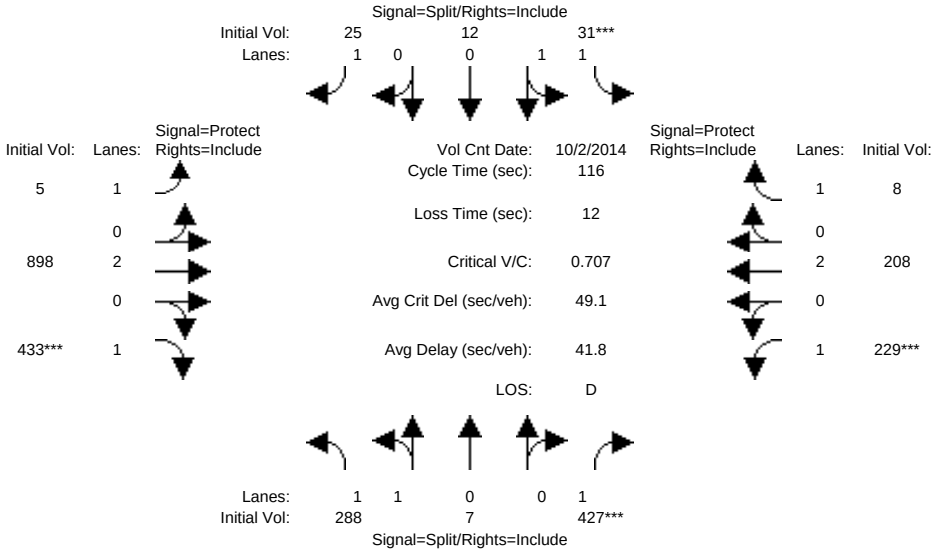
Level Of Service Computation Report
2000 HCM Operations (Future Volume Alternative)
Existing PM

Intersection #1: LUNDY/TRADE ZONE



Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L	T	R	L	T	R	L	T	R	L	T	R
Min. Green:	10	10	10	10	10	10	7	10	10	7	10	10
Y+R:	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Volume Module: >> Count Date: 2 Oct 2014 << 4:50-5:50												
Base Vol:	288	7	427	31	12	25	5	898	433	229	208	8
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Initial Bse:	288	7	427	31	12	25	5	898	433	229	208	8
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0
PasserByVol:	0	0	0	0	0	0	0	0	0	0	0	0
Initial Fut:	288	7	427	31	12	25	5	898	433	229	208	8
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Volume:	288	7	427	31	12	25	5	898	433	229	208	8
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0
Reduced Vol:	288	7	427	31	12	25	5	898	433	229	208	8
PCE Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
MLF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
FinalVolume:	288	7	427	31	12	25	5	898	433	229	208	8
Saturation Flow Module:												
Sat/Lane:	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900
Adjustment:	0.92	1.00	0.92	0.92	1.00	0.92	0.92	1.00	0.92	0.92	1.00	0.92
Lanes:	1.96	0.04	1.00	1.47	0.53	1.00	1.00	2.00	1.00	1.00	2.00	1.00
Final Sat.:	3423	83	1750	2580	999	1750	1750	3800	1750	1750	3800	1750
Capacity Analysis Module:												
Vol/Sat:	0.08	0.08	0.24	0.01	0.01	0.01	0.00	0.24	0.25	0.13	0.05	0.00
Crit Moves:			****	****					****	****		
Green/Cycle:	0.32	0.32	0.32	0.09	0.09	0.09	0.20	0.32	0.32	0.17	0.29	0.29
Volume/Cap:	0.26	0.26	0.77	0.14	0.14	0.17	0.01	0.73	0.77	0.77	0.19	0.02
Delay/Veh:	30.1	30.1	45.5	50.0	50.0	51.5	37.0	38.8	45.1	63.1	31.3	29.4
User DelAdj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
AdjDel/Veh:	30.1	30.1	45.5	50.0	50.0	51.5	37.0	38.8	45.1	63.1	31.3	29.4
LOS by Move:	C	C	D	D	D	D	D	D	D	E	C	C
HCM2kAvgQ:	4	4	16	1	1	1	0	15	16	10	3	0

Note: Queue reported is the number of cars per lane.

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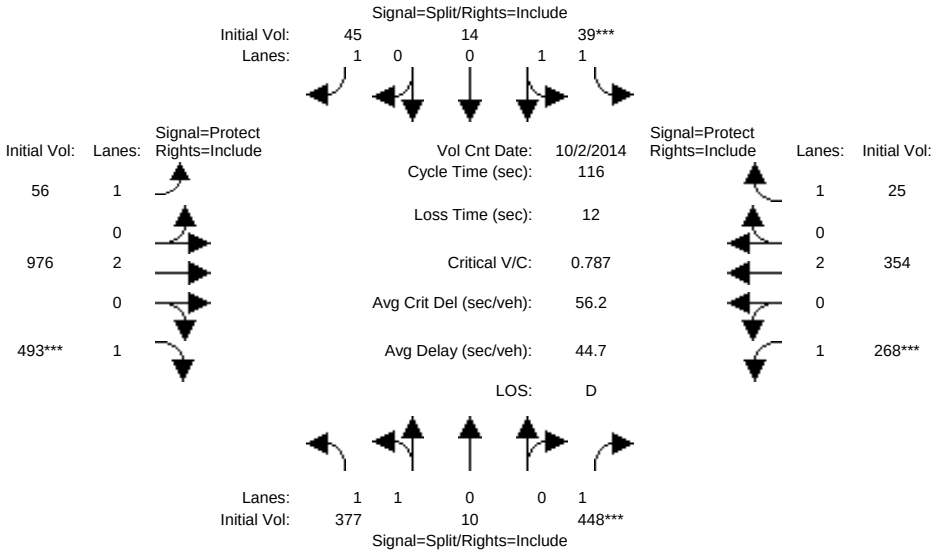
Level Of Service Computation Report
2000 HCM Operations (Future Volume Alternative)
Background PM

Intersection #1: LUNDY/TRADE ZONE



Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L -	T -	R	L -	T -	R	L -	T -	R	L -	T -	R
Min. Green:	10	10	10	10	10	10	7	10	10	7	10	10
Y+R:	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Volume Module: >> Count Date: 2 Oct 2014 << 4:50-5:50												
Base Vol:	377	10	448	39	14	45	56	976	493	268	354	25
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Initial Bse:	377	10	448	39	14	45	56	976	493	268	354	25
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0
PasserByVol:	0	0	0	0	0	0	0	0	0	0	0	0
Initial Fut:	377	10	448	39	14	45	56	976	493	268	354	25
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Volume:	377	10	448	39	14	45	56	976	493	268	354	25
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0
Reduced Vol:	377	10	448	39	14	45	56	976	493	268	354	25
PCE Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
MLF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
FinalVolume:	377	10	448	39	14	45	56	976	493	268	354	25
Saturation Flow Module:												
Sat/Lane:	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900
Adjustment:	0.92	1.00	0.92	0.92	1.00	0.92	0.92	1.00	0.92	0.92	1.00	0.92
Lanes:	1.95	0.05	1.00	1.50	0.50	1.00	1.00	2.00	1.00	1.00	2.00	1.00
Final Sat.:	3417	91	1750	2630	944	1750	1750	3800	1750	1750	3800	1750
Capacity Analysis Module:												
Vol/Sat:	0.11	0.11	0.26	0.01	0.01	0.03	0.03	0.26	0.28	0.15	0.09	0.01
Crit Moves:			****	****					****	****		
Green/Cycle:	0.30	0.30	0.30	0.09	0.09	0.09	0.20	0.33	0.33	0.18	0.31	0.31
Volume/Cap:	0.37	0.37	0.85	0.17	0.17	0.30	0.16	0.78	0.85	0.85	0.30	0.05
Delay/Veh:	32.9	32.9	54.1	50.4	50.4	54.7	39.3	39.8	50.9	70.3	31.1	28.2
User DelAdj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
AdjDel/Veh:	32.9	32.9	54.1	50.4	50.4	54.7	39.3	39.8	50.9	70.3	31.1	28.2
LOS by Move:	C	C	D	D	D	D	D	D	D	E	C	C
HCM2kAvgQ:	6	6	19	1	1	2	2	17	20	13	5	1

Note: Queue reported is the number of cars per lane.

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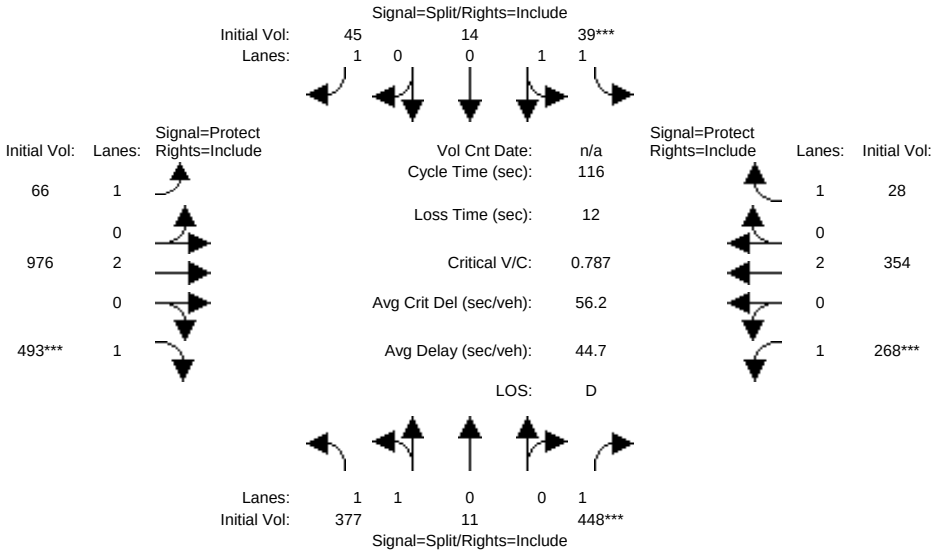
Level Of Service Computation Report
2000 HCM Operations (Future Volume Alternative)
Background + Project PM

Intersection #1: LUNDY/TRADE ZONE



Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L -	T -	R	L -	T -	R	L -	T -	R	L -	T -	R
Min. Green:	10	10	10	10	10	10	7	10	10	7	10	10
Y+R:	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Volume Module:												
Base Vol:	377	11	448	39	14	45	66	976	493	268	354	28
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Initial Bse:	377	11	448	39	14	45	66	976	493	268	354	28
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0
PasserByVol:	0	0	0	0	0	0	0	0	0	0	0	0
Initial Fut:	377	11	448	39	14	45	66	976	493	268	354	28
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Volume:	377	11	448	39	14	45	66	976	493	268	354	28
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0
Reduced Vol:	377	11	448	39	14	45	66	976	493	268	354	28
PCE Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
MLF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
FinalVolume:	377	11	448	39	14	45	66	976	493	268	354	28
Saturation Flow Module:												
Sat/Lane:	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900
Adjustment:	0.92	1.00	0.92	0.92	1.00	0.92	0.92	1.00	0.92	0.92	1.00	0.92
Lanes:	1.95	0.05	1.00	1.50	0.50	1.00	1.00	2.00	1.00	1.00	2.00	1.00
Final Sat.:	3408	99	1750	2630	944	1750	1750	3800	1750	1750	3800	1750
Capacity Analysis Module:												
Vol/Sat:	0.11	0.11	0.26	0.01	0.01	0.03	0.04	0.26	0.28	0.15	0.09	0.02
Crit Moves:			****	****					****	****		
Green/Cycle:	0.30	0.30	0.30	0.09	0.09	0.09	0.20	0.33	0.33	0.18	0.31	0.31
Volume/Cap:	0.37	0.37	0.85	0.17	0.17	0.30	0.19	0.78	0.85	0.85	0.30	0.05
Delay/Veh:	32.9	32.9	54.1	50.4	50.4	54.7	39.7	39.8	50.9	70.3	31.1	28.3
User DelAdj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
AdjDel/Veh:	32.9	32.9	54.1	50.4	50.4	54.7	39.7	39.8	50.9	70.3	31.1	28.3
LOS by Move:	C	C	D	D	D	D	D	D	D	E	C	C
HCM2kAvgQ:	6	6	19	1	1	2	2	17	20	13	5	1

Note: Queue reported is the number of cars per lane.

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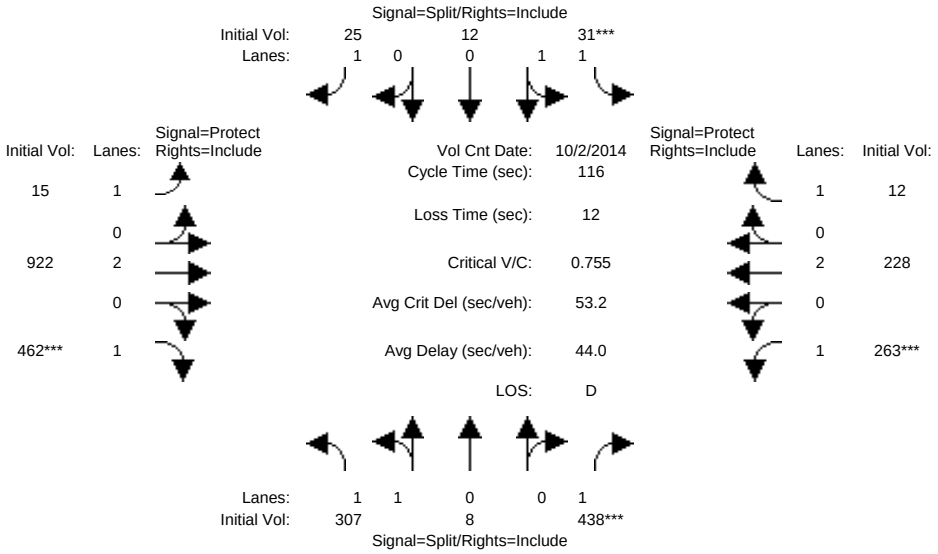
Level Of Service Computation Report
2000 HCM Operations (Future Volume Alternative)
Existing+Project PM

Intersection #1: LUNDY/TRADE ZONE



Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L -	T -	R	L -	T -	R	L -	T -	R	L -	T -	R
Min. Green:	10	10	10	10	10	10	7	10	10	7	10	10
Y+R:	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Volume Module: >> Count Date: 2 Oct 2014 << 4:50-5:50												
Base Vol:	288	8	427	31	12	25	15	898	433	229	208	11
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Initial Bse:	288	8	427	31	12	25	15	898	433	229	208	11
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0
PasserByVol:	19	0	11	0	0	0	0	24	29	34	20	1
Initial Fut:	307	8	438	31	12	25	15	922	462	263	228	12
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Volume:	307	8	438	31	12	25	15	922	462	263	228	12
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0
Reduced Vol:	307	8	438	31	12	25	15	922	462	263	228	12
PCE Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
MLF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
FinalVolume:	307	8	438	31	12	25	15	922	462	263	228	12
Saturation Flow Module:												
Sat/Lane:	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900
Adjustment:	0.92	1.00	0.92	0.92	1.00	0.92	0.92	1.00	0.92	0.92	1.00	0.92
Lanes:	1.95	0.05	1.00	1.47	0.53	1.00	1.00	2.00	1.00	1.00	2.00	1.00
Final Sat.:	3418	89	1750	2580	999	1750	1750	3800	1750	1750	3800	1750
Capacity Analysis Module:												
Vol/Sat:	0.09	0.09	0.25	0.01	0.01	0.01	0.01	0.24	0.26	0.15	0.06	0.01
Crit Moves:			****	****					****	****		
Green/Cycle:	0.31	0.31	0.31	0.09	0.09	0.09	0.21	0.32	0.32	0.18	0.30	0.30
Volume/Cap:	0.29	0.29	0.82	0.14	0.14	0.17	0.04	0.75	0.82	0.82	0.20	0.02
Delay/Veh:	31.5	31.5	50.6	50.0	50.0	51.5	36.9	39.5	48.8	66.0	30.9	28.9
User DelAdj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
AdjDel/Veh:	31.5	31.5	50.6	50.0	50.0	51.5	36.9	39.5	48.8	66.0	30.9	28.9
LOS by Move:	C	C	D	D	D	D	D	D	D	E	C	C
HCM2kAvgQ:	5	5	18	1	1	1	0	16	19	12	3	0

Note: Queue reported is the number of cars per lane.

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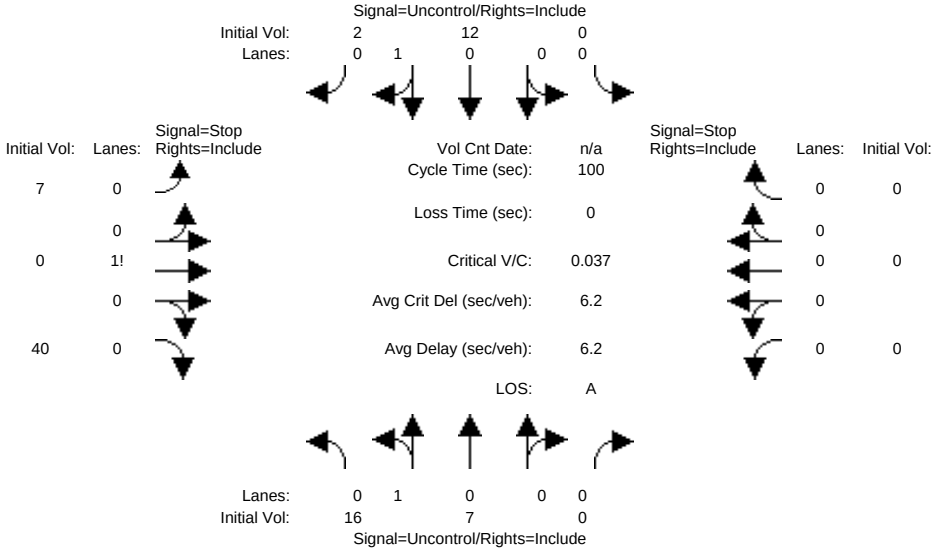
Level Of Service Computation Report
2000 HCM Unsignalized (Future Volume Alternative)
Existing PM

Intersection #2: LUNDY/TAROB CT



Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L	T	R	L	T	R	L	T	R	L	T	R
Volume Module:												
Base Vol:	16	7	0	0	12	2	7	0	40	0	0	0
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Initial Bse:	16	7	0	0	12	2	7	0	40	0	0	0
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0
PasserByVol:	0	0	0	0	0	0	0	0	0	0	0	0
Initial Fut:	16	7	0	0	12	2	7	0	40	0	0	0
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Volume:	16	7	0	0	12	2	7	0	40	0	0	0
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0
FinalVolume:	16	7	0	0	12	2	7	0	40	0	0	0
Critical Gap Module:												
Critical Gp:	4.1	xxxx	xxxxx	xxxxx	xxxx	xxxxx	6.4	6.5	6.2	xxxxx	xxxx	xxxxx
FollowUpTim:	2.2	xxxx	xxxxx	xxxxx	xxxx	xxxxx	3.5	4.0	3.3	xxxxx	xxxx	xxxxx
Capacity Module:												
Cnflict Vol:	14	xxxx	xxxxx	xxxx	xxxx	xxxxx	52	52	13	xxxx	xxxx	xxxxx
Potent Cap.:	1617	xxxx	xxxxx	xxxx	xxxx	xxxxx	962	843	1073	xxxx	xxxx	xxxxx
Move Cap.:	1617	xxxx	xxxxx	xxxx	xxxx	xxxxx	954	835	1073	xxxx	xxxx	xxxxx
Volume/Cap:	0.01	xxxx	xxxx	xxxx	xxxx	xxxx	0.01	0.00	0.04	xxxx	xxxx	xxxx
Level Of Service Module:												
2Way95thQ:	0.0	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx
Control Del:	7.2	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx
LOS by Move:	A	*	*	*	*	*	*	*	*	*	*	*
Movement:	LT -	LTR -	RT	LT -	LTR -	RT	LT -	LTR -	RT	LT -	LTR -	RT
Shared Cap.:	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	1054	xxxxx	xxxx	xxxx	xxxxx
SharedQueue:	0.0	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	0.1	xxxxx	xxxxx	xxxx	xxxxx
Shrd ConDel:	7.2	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	8.6	xxxxx	xxxxx	xxxx	xxxxx
Shared LOS:	A	*	*	*	*	*	*	A	*	*	*	*
ApproachDel:	xxxxxx			xxxxxx			8.6			xxxxxx		
ApproachLOS:	*			*			A			*		

Note: Queue reported is the number of cars per lane.

Peak Hour Delay Signal Warrant Report

****

Intersection #2 LUNDY/TAROB CT

****

Future Volume Alternative: Peak Hour Warrant NOT Met

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```
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:       Uncontrolled     Uncontrolled      Stop Sign        Stop Sign
Lanes:        0  1  0  0  0    0  0  0  1  0    0  0  1! 0  0    0  0  0  0  0
Initial Vol:   16    7     0     0   12     2     7    0    40     0    0     0
ApproachDel:    xxxxxx           xxxxxx              8.6           xxxxxx
------------|---------------||---------------||---------------||---------------|
Approach[eastbound][lanes=1][control=Stop Sign]
Signal Warrant Rule #1: [vehicle-hours=0.1]
   FAIL - Vehicle-hours less than 4 for one lane approach.
Signal Warrant Rule #2: [approach volume=47]
   FAIL - Approach volume less than 100 for one lane approach.
Signal Warrant Rule #3: [approach count=3][total volume=84]
   FAIL - Total volume less than 650 for intersection
          with less than four approaches.
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

The peak hour warrant analysis in this report is not intended to replace
a rigorous and complete traffic signal warrant analysis by the responsible
jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
                Peak Hour Volume Signal Warrant Report [Urban]
********************************************************************************
Intersection #2 LUNDY/TAROB CT
********************************************************************************
Future Volume Alternative: Peak Hour Warrant NOT Met
------------|---------------||---------------||---------------||---------------|
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:       Uncontrolled     Uncontrolled      Stop Sign        Stop Sign
Lanes:        0  1  0  0  0    0  0  0  1  0    0  0  1! 0  0    0  0  0  0  0
Initial Vol:   16    7     0     0   12     2     7    0    40     0    0     0
------------|---------------||---------------||---------------||---------------|
Major Street Volume:              37
Minor Approach Volume:            47
Minor Approach Volume Threshold: 1099
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

The peak hour warrant analysis in this report is not intended to replace
a rigorous and complete traffic signal warrant analysis by the responsible
jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
```


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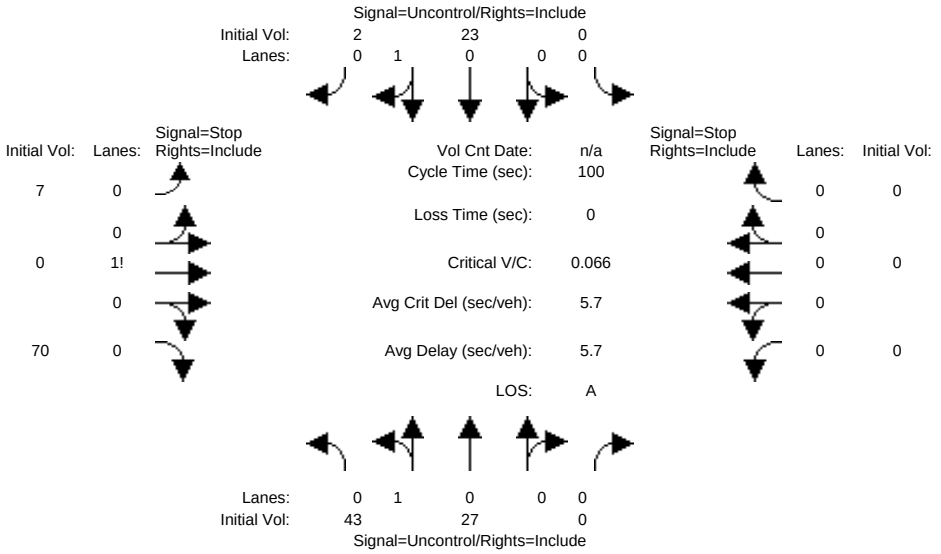
Level Of Service Computation Report
2000 HCM Unsignalized (Future Volume Alternative)
Background PM

Intersection #2: LUNDY/TAROB CT



Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L	T	R	L	T	R	L	T	R	L	T	R
Volume Module:												
Base Vol:	43	27	0	0	23	2	7	0	70	0	0	0
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Initial Bse:	43	27	0	0	23	2	7	0	70	0	0	0
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0
PasserByVol:	0	0	0	0	0	0	0	0	0	0	0	0
Initial Fut:	43	27	0	0	23	2	7	0	70	0	0	0
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Volume:	43	27	0	0	23	2	7	0	70	0	0	0
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0
FinalVolume:	43	27	0	0	23	2	7	0	70	0	0	0
Critical Gap Module:												
Critical Gp:	4.1	xxxx	xxxxx	xxxxx	xxxx	xxxxx	6.4	6.5	6.2	xxxxx	xxxx	xxxxx
FollowUpTim:	2.2	xxxx	xxxxx	xxxxx	xxxx	xxxxx	3.5	4.0	3.3	xxxxx	xxxx	xxxxx
Capacity Module:												
Cnflict Vol:	25	xxxx	xxxxx	xxxx	xxxx	xxxxx	137	137	24	xxxx	xxxx	xxxxx
Potent Cap.:	1603	xxxx	xxxxx	xxxx	xxxx	xxxxx	861	758	1058	xxxx	xxxx	xxxxx
Move Cap.:	1603	xxxx	xxxxx	xxxx	xxxx	xxxxx	843	737	1058	xxxx	xxxx	xxxxx
Volume/Cap:	0.03	xxxx	xxxx	xxxx	xxxx	xxxx	0.01	0.00	0.07	xxxx	xxxx	xxxx
Level Of Service Module:												
2Way95thQ:	0.1	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx
Control Del:	7.3	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx
LOS by Move:	A	*	*	*	*	*	*	*	*	*	*	*
Movement:	LT	LTR	RT	LT	LTR	RT	LT	LTR	RT	LT	LTR	RT
Shared Cap.:	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	1034	xxxxx	xxxx	xxxx	xxxxx
SharedQueue:	0.1	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	0.2	xxxxx	xxxxx	xxxx	xxxxx
Shrd ConDel:	7.3	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	8.8	xxxxx	xxxxx	xxxx	xxxxx
Shared LOS:	A	*	*	*	*	*	*	A	*	*	*	*
ApproachDel:	xxxxxx			xxxxxx			8.8			xxxxxx		
ApproachLOS:	*			*			A			*		

Note: Queue reported is the number of cars per lane.

Peak Hour Delay Signal Warrant Report

****

Intersection #2 LUNDY/TAROB CT

****

Future Volume Alternative: Peak Hour Warrant NOT Met

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```
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:       Uncontrolled     Uncontrolled      Stop Sign        Stop Sign
Lanes:        0  1  0  0  0    0  0  0  1  0    0  0  1! 0  0    0  0  0  0  0
Initial Vol:   43   27     0     0   23     2     7    0    70     0    0     0
ApproachDel:    xxxxxx           xxxxxx              8.8           xxxxxx
------------|---------------||---------------||---------------||---------------|
Approach[eastbound][lanes=1][control=Stop Sign]
Signal Warrant Rule #1: [vehicle-hours=0.2]
   FAIL - Vehicle-hours less than 4 for one lane approach.
Signal Warrant Rule #2: [approach volume=77]
   FAIL - Approach volume less than 100 for one lane approach.
Signal Warrant Rule #3: [approach count=3][total volume=172]
   FAIL - Total volume less than 650 for intersection
          with less than four approaches.
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

The peak hour warrant analysis in this report is not intended to replace
a rigorous and complete traffic signal warrant analysis by the responsible
jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
                Peak Hour Volume Signal Warrant Report [Urban]
********************************************************************************
Intersection #2 LUNDY/TAROB CT
********************************************************************************
Future Volume Alternative: Peak Hour Warrant NOT Met
------------|---------------||---------------||---------------||---------------|
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:       Uncontrolled     Uncontrolled      Stop Sign        Stop Sign
Lanes:        0  1  0  0  0    0  0  0  1  0    0  0  1! 0  0    0  0  0  0  0
Initial Vol:   43   27     0     0   23     2     7    0    70     0    0     0
------------|---------------||---------------||---------------||---------------|
Major Street Volume:              95
Minor Approach Volume:            77
Minor Approach Volume Threshold: 847
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

The peak hour warrant analysis in this report is not intended to replace
a rigorous and complete traffic signal warrant analysis by the responsible
jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
```


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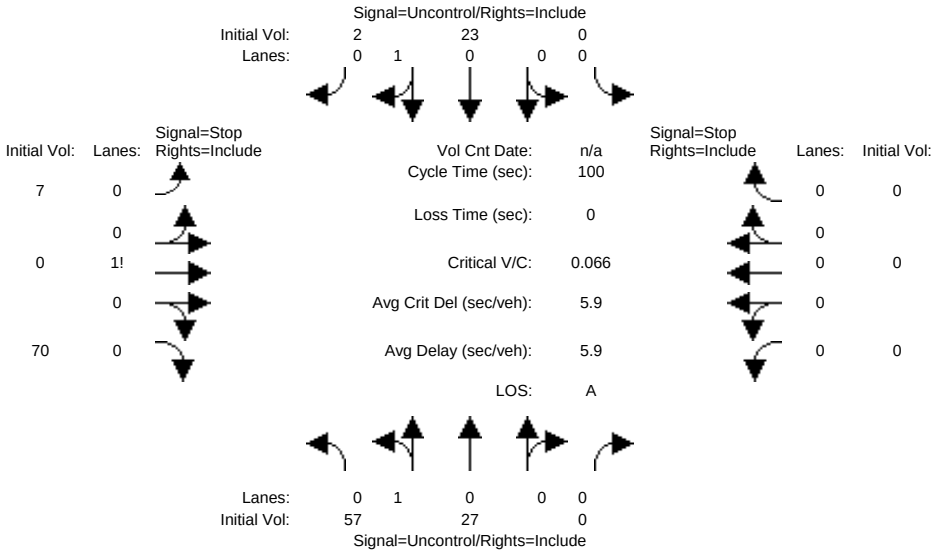
Level Of Service Computation Report
2000 HCM Unsignalized (Future Volume Alternative)
Background + Project PM

Intersection #2: LUNDY/TAROB CT



Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L -	T -	R	L -	T -	R	L -	T -	R	L -	T -	R
Volume Module:												
Base Vol:	57	27	0	0	23	2	7	0	70	0	0	0
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Initial Bse:	57	27	0	0	23	2	7	0	70	0	0	0
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0
PasserByVol:	0	0	0	0	0	0	0	0	0	0	0	0
Initial Fut:	57	27	0	0	23	2	7	0	70	0	0	0
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Volume:	57	27	0	0	23	2	7	0	70	0	0	0
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0
FinalVolume:	57	27	0	0	23	2	7	0	70	0	0	0
Critical Gap Module:												
Critical Gp:	4.1	xxxx	xxxxx	xxxxx	xxxx	xxxxx	6.4	6.5	6.2	xxxxx	xxxx	xxxxx
FollowUpTim:	2.2	xxxx	xxxxx	xxxxx	xxxx	xxxxx	3.5	4.0	3.3	xxxxx	xxxx	xxxxx
Capacity Module:												
Cnflict Vol:	25	xxxx	xxxxx	xxxx	xxxx	xxxxx	165	165	24	xxxx	xxxx	xxxxx
Potent Cap.:	1603	xxxx	xxxxx	xxxx	xxxx	xxxxx	830	731	1058	xxxx	xxxx	xxxxx
Move Cap.:	1603	xxxx	xxxxx	xxxx	xxxx	xxxxx	807	704	1058	xxxx	xxxx	xxxxx
Volume/Cap:	0.04	xxxx	xxxx	xxxx	xxxx	xxxx	0.01	0.00	0.07	xxxx	xxxx	xxxx
Level Of Service Module:												
2Way95thQ:	0.1	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx
Control Del:	7.3	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx
LOS by Move:	A	*	*	*	*	*	*	*	*	*	*	*
Movement:	LT -	LTR -	RT	LT -	LTR -	RT	LT -	LTR -	RT	LT -	LTR -	RT
Shared Cap.:	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	1029	xxxxx	xxxx	xxxx	xxxxx
SharedQueue:	0.1	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	0.2	xxxxx	xxxxx	xxxx	xxxxx
Shrd ConDel:	7.3	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	8.8	xxxxx	xxxxx	xxxx	xxxxx
Shared LOS:	A	*	*	*	*	*	*	A	*	*	*	*
ApproachDel:	xxxxxx			xxxxxx			8.8			xxxxxx		
ApproachLOS:	*			*			A			*		

Note: Queue reported is the number of cars per lane.

Peak Hour Delay Signal Warrant Report

****

Intersection #2 LUNDY/TAROB CT

****

Future Volume Alternative: Peak Hour Warrant NOT Met

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```
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:       Uncontrolled     Uncontrolled      Stop Sign        Stop Sign
Lanes:        0  1  0  0  0    0  0  0  1  0    0  0  1! 0  0    0  0  0  0  0
Initial Vol:   57   27     0     0   23     2     7    0    70     0    0     0
ApproachDel:    xxxxxx           xxxxxx              8.8           xxxxxx
------------|---------------||---------------||---------------||---------------|
Approach[eastbound][lanes=1][control=Stop Sign]
Signal Warrant Rule #1: [vehicle-hours=0.2]
   FAIL - Vehicle-hours less than 4 for one lane approach.
Signal Warrant Rule #2: [approach volume=77]
   FAIL - Approach volume less than 100 for one lane approach.
Signal Warrant Rule #3: [approach count=3][total volume=186]
   FAIL - Total volume less than 650 for intersection
          with less than four approaches.
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

The peak hour warrant analysis in this report is not intended to replace
a rigorous and complete traffic signal warrant analysis by the responsible
jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
                Peak Hour Volume Signal Warrant Report [Urban]
********************************************************************************
Intersection #2 LUNDY/TAROB CT
********************************************************************************
Future Volume Alternative: Peak Hour Warrant NOT Met
------------|---------------||---------------||---------------||---------------|
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:       Uncontrolled     Uncontrolled      Stop Sign        Stop Sign
Lanes:        0  1  0  0  0    0  0  0  1  0    0  0  1! 0  0    0  0  0  0  0
Initial Vol:   57   27     0     0   23     2     7    0    70     0    0     0
------------|---------------||---------------||---------------||---------------|
Major Street Volume:              109
Minor Approach Volume:            77
Minor Approach Volume Threshold: 811
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

The peak hour warrant analysis in this report is not intended to replace
a rigorous and complete traffic signal warrant analysis by the responsible
jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
```


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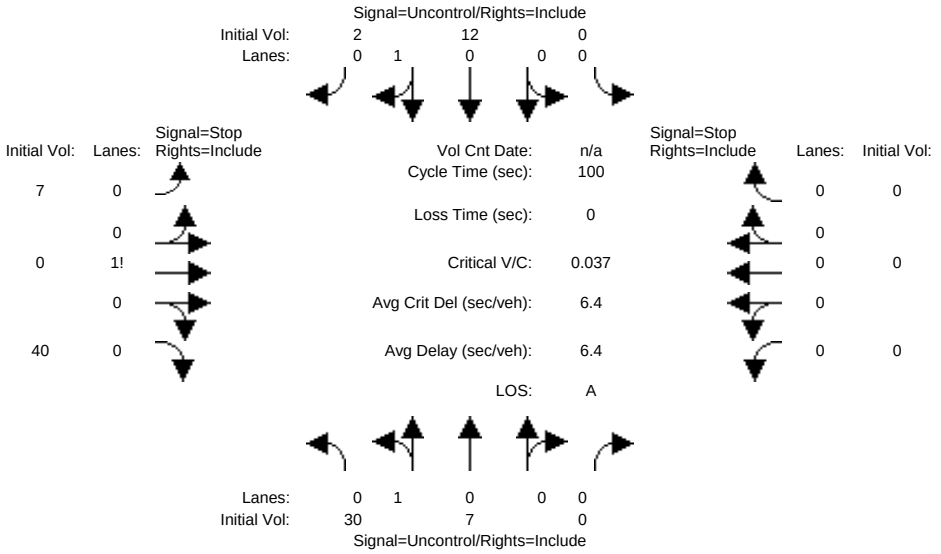
Level Of Service Computation Report
2000 HCM Unsignalized (Future Volume Alternative)
Existing+Project PM

Intersection #2: LUNDY/TAROB CT



Approach:	North Bound				South Bound				East Bound				West Bound			
Movement:	L	- T	- R		L	- T	- R		L	- T	- R		L	- T	- R	
Volume Module:																
Base Vol:	30	7	0	0	12	2	7	0	40	0	0	0				
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00				
Initial Bse:	30	7	0	0	12	2	7	0	40	0	0	0				
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0				
PasserByVol:	0	0	0	0	0	0	0	0	0	0	0	0				
Initial Fut:	30	7	0	0	12	2	7	0	40	0	0	0				
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00				
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00				
PHF Volume:	30	7	0	0	12	2	7	0	40	0	0	0				
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0				
FinalVolume:	30	7	0	0	12	2	7	0	40	0	0	0				
Critical Gap Module:																
Critical Gp:	4.1	xxxx	xxxxx	xxxxx	xxxx	xxxxx	6.4	6.5	6.2	xxxxx	xxxx	xxxxx				
FollowUpTim:	2.2	xxxx	xxxxx	xxxxx	xxxx	xxxxx	3.5	4.0	3.3	xxxxx	xxxx	xxxxx				
Capacity Module:																
Cnflict Vol:	14	xxxx	xxxxx	xxxx	xxxx	xxxxx	80	80	13	xxxx	xxxx	xxxxx				
Potent Cap.:	1617	xxxx	xxxxx	xxxx	xxxx	xxxxx	927	814	1073	xxxx	xxxx	xxxxx				
Move Cap.:	1617	xxxx	xxxxx	xxxx	xxxx	xxxxx	914	799	1073	xxxx	xxxx	xxxxx				
Volume/Cap:	0.02	xxxx	xxxx	xxxx	xxxx	xxxx	0.01	0.00	0.04	xxxx	xxxx	xxxx				
Level Of Service Module:																
2Way95thQ:	0.1	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx				
Control Del:	7.3	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx				
LOS by Move:	A	*	*	*	*	*	*	*	*	*	*	*				
Movement:	LT - LTR - RT			LT - LTR - RT			LT - LTR - RT			LT - LTR - RT						
Shared Cap.:	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	1046	xxxxx	xxxx	xxxx	xxxxx				
SharedQueue:	0.1	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	0.1	xxxxx	xxxxx	xxxx	xxxxx				
Shrd ConDel:	7.3	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	8.6	xxxxx	xxxxx	xxxx	xxxxx				
Shared LOS:	A	*	*	*	*	*	*	A	*	*	*	*				
ApproachDel:	xxxxxx			xxxxxx			8.6			xxxxxx						
ApproachLOS:	*			*			A			*						

Note: Queue reported is the number of cars per lane.

Peak Hour Delay Signal Warrant Report

****

Intersection #2 LUNDY/TAROB CT

****

Future Volume Alternative: Peak Hour Warrant NOT Met

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```
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:       Uncontrolled     Uncontrolled      Stop Sign        Stop Sign
Lanes:        0  1  0  0  0    0  0  0  1  0    0  0  1! 0  0    0  0  0  0  0
Initial Vol:   30    7     0     0   12     2     7    0    40     0    0     0
ApproachDel:    xxxxxx           xxxxxx              8.6           xxxxxx
------------|---------------||---------------||---------------||---------------|
Approach[eastbound][lanes=1][control=Stop Sign]
Signal Warrant Rule #1: [vehicle-hours=0.1]
   FAIL - Vehicle-hours less than 4 for one lane approach.
Signal Warrant Rule #2: [approach volume=47]
   FAIL - Approach volume less than 100 for one lane approach.
Signal Warrant Rule #3: [approach count=3][total volume=98]
   FAIL - Total volume less than 650 for intersection
          with less than four approaches.
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

The peak hour warrant analysis in this report is not intended to replace
a rigorous and complete traffic signal warrant analysis by the responsible
jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
                Peak Hour Volume Signal Warrant Report [Urban]
********************************************************************************
Intersection #2 LUNDY/TAROB CT
********************************************************************************
Future Volume Alternative: Peak Hour Warrant NOT Met
------------|---------------||---------------||---------------||---------------|
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:       Uncontrolled     Uncontrolled      Stop Sign        Stop Sign
Lanes:        0  1  0  0  0    0  0  0  1  0    0  0  1! 0  0    0  0  0  0  0
Initial Vol:   30    7     0     0   12     2     7    0    40     0    0     0
------------|---------------||---------------||---------------||---------------|
Major Street Volume:             51
Minor Approach Volume:           47
Minor Approach Volume Threshold: 1013
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

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a rigorous and complete traffic signal warrant analysis by the responsible
jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
```


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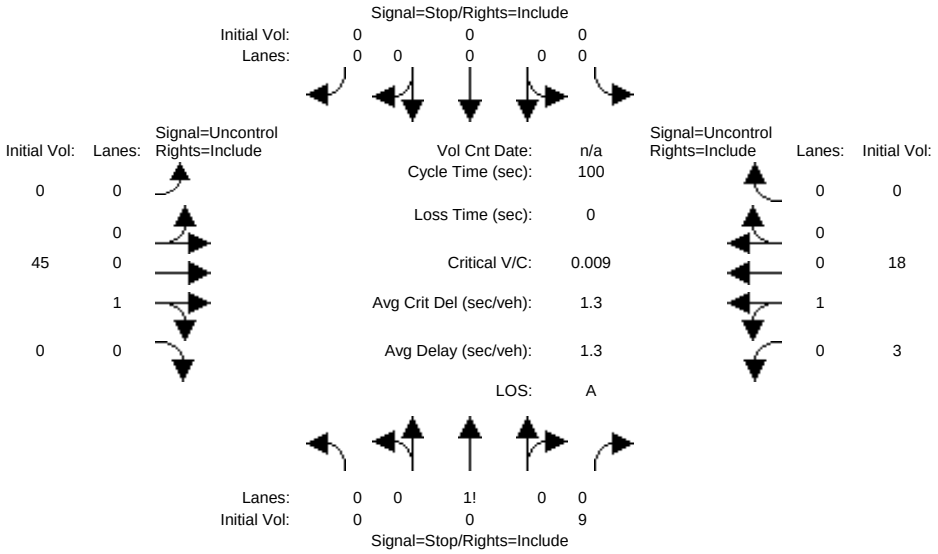
Level Of Service Computation Report
2000 HCM Unsignalized (Future Volume Alternative)
Existing PM

Intersection #3: PROJECT DRWY/TAROB CT



Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L	T	R	L	T	R	L	T	R	L	T	R
Volume Module:												
Base Vol:	0	0	9	0	0	0	0	45	0	3	18	0
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Initial Bse:	0	0	9	0	0	0	0	45	0	3	18	0
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0
PasserByVol:	0	0	0	0	0	0	0	0	0	0	0	0
Initial Fut:	0	0	9	0	0	0	0	45	0	3	18	0
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Volume:	0	0	9	0	0	0	0	45	0	3	18	0
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0
FinalVolume:	0	0	9	0	0	0	0	45	0	3	18	0
Critical Gap Module:												
Critical Gp:	xxxxx	xxxx	6.2	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	4.1	xxxx	xxxxx
FollowUpTim:	xxxxx	xxxx	3.3	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	2.2	xxxx	xxxxx
Capacity Module:												
Cnflict Vol:	xxxx	xxxx	45	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	45	xxxx	xxxxx
Potent Cap.:	xxxx	xxxx	1031	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	1576	xxxx	xxxxx
Move Cap.:	xxxx	xxxx	1031	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	1576	xxxx	xxxxx
Volume/Cap:	xxxx	xxxx	0.01	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	0.00	xxxx	xxxx
Level Of Service Module:												
2Way95thQ:	xxxx	xxxx	0.0	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	0.0	xxxx	xxxxx
Control Del:	xxxxx	xxxx	8.5	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	7.3	xxxx	xxxxx
LOS by Move:	*	*	A	*	*	*	*	*	*	A	*	*
Movement:	LT	LTR	RT	LT	LTR	RT	LT	LTR	RT	LT	LTR	RT
Shared Cap.:	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx
SharedQueue:	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	0.0	xxxx	xxxxx
Shrd ConDel:	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	7.3	xxxx	xxxxx
Shared LOS:	*	*	*	*	*	*	*	*	*	A	*	*
ApproachDel:	8.5			xxxxxx			xxxxxx			xxxxxx		
ApproachLOS:	A			*			*			*		

Note: Queue reported is the number of cars per lane.

Peak Hour Delay Signal Warrant Report

****

Intersection #3 PROJECT DRWY/TAROB CT

****

Future Volume Alternative: Peak Hour Warrant NOT Met

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```
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:        Stop Sign        Stop Sign       Uncontrolled     Uncontrolled
Lanes:        0  0  0  0  1    0  0  0  0  0    0  0  1  0  0    0  1  0  0  0
Initial Vol:    0    0     9     0    0     0     0   45     0     3   18     0
ApproachDel:       8.5           xxxxxx           xxxxxx           xxxxxx
------------|---------------||---------------||---------------||---------------|
Approach[northbound][lanes=1][control=Stop Sign]
Signal Warrant Rule #1: [vehicle-hours=0.0]
   FAIL - Vehicle-hours less than 4 for one lane approach.
Signal Warrant Rule #2: [approach volume=9]
   FAIL - Approach volume less than 100 for one lane approach.
Signal Warrant Rule #3: [approach count=3][total volume=75]
   FAIL - Total volume less than 650 for intersection
          with less than four approaches.
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

The peak hour warrant analysis in this report is not intended to replace
a rigorous and complete traffic signal warrant analysis by the responsible
jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
                Peak Hour Volume Signal Warrant Report [Urban]
********************************************************************************
Intersection #3 PROJECT DRWY/TAROB CT
********************************************************************************
Future Volume Alternative: Peak Hour Warrant NOT Met
------------|---------------||---------------||---------------||---------------|
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:        Stop Sign        Stop Sign       Uncontrolled     Uncontrolled
Lanes:        0  0  0  0  1    0  0  0  0  0    0  0  1  0  0    0  1  0  0  0
Initial Vol:    0    0     9     0    0     0     0   45     0     3   18     0
------------|---------------||---------------||---------------||---------------|
Major Street Volume:              66
Minor Approach Volume:            9
Minor Approach Volume Threshold: 944
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

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jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
```


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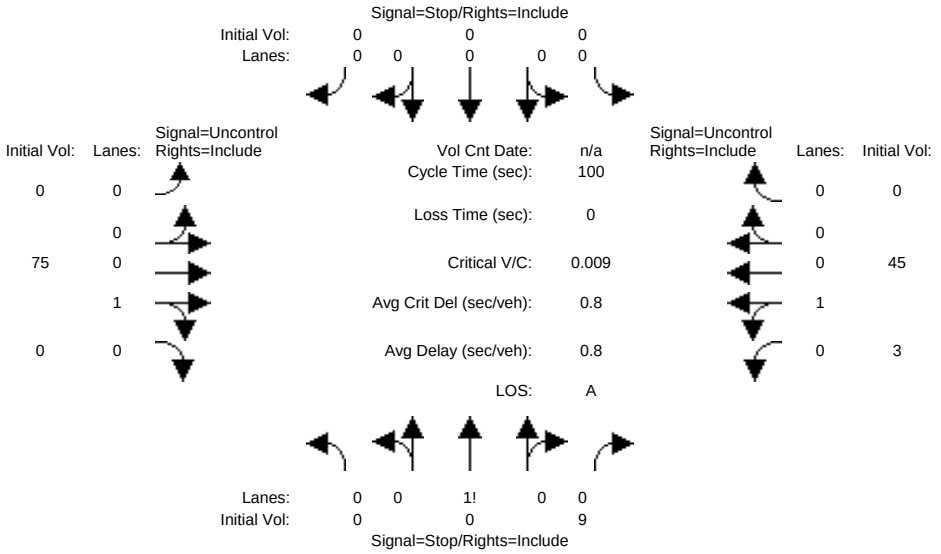
Level Of Service Computation Report
2000 HCM Unsignalized (Future Volume Alternative)
Background PM

Intersection #3: PROJECT DRWY/TAROB CT



Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L	T	R	L	T	R	L	T	R	L	T	R
Volume Module:												
Base Vol:	0	0	9	0	0	0	0	75	0	3	45	0
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Initial Bse:	0	0	9	0	0	0	0	75	0	3	45	0
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0
PasserByVol:	0	0	0	0	0	0	0	0	0	0	0	0
Initial Fut:	0	0	9	0	0	0	0	75	0	3	45	0
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Volume:	0	0	9	0	0	0	0	75	0	3	45	0
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0
FinalVolume:	0	0	9	0	0	0	0	75	0	3	45	0
Critical Gap Module:												
Critical Gp:	xxxxx	xxxx	6.2	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	4.1	xxxx	xxxxx
FollowUpTim:	xxxxx	xxxx	3.3	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	2.2	xxxx	xxxxx
Capacity Module:												
Cnflict Vol:	xxxx	xxxx	75	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	75	xxxx	xxxxx
Potent Cap.:	xxxx	xxxx	992	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	1537	xxxx	xxxxx
Move Cap.:	xxxx	xxxx	992	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	1537	xxxx	xxxxx
Volume/Cap:	xxxx	xxxx	0.01	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	0.00	xxxx	xxxx
Level Of Service Module:												
2Way95thQ:	xxxx	xxxx	0.0	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	0.0	xxxx	xxxxx
Control Del:	xxxxx	xxxx	8.7	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	7.3	xxxx	xxxxx
LOS by Move:	*	*	A	*	*	*	*	*	*	A	*	*
Movement:	LT	LTR	RT	LT	LTR	RT	LT	LTR	RT	LT	LTR	RT
Shared Cap.:	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx
SharedQueue:	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	0.0	xxxx	xxxxx
Shrd ConDel:	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	7.3	xxxx	xxxxx
Shared LOS:	*	*	*	*	*	*	*	*	*	A	*	*
ApproachDel:	8.7			xxxxxx			xxxxxx			xxxxxx		
ApproachLOS:	A			*			*			*		

Note: Queue reported is the number of cars per lane.

Peak Hour Delay Signal Warrant Report

****

Intersection #3 PROJECT DRWY/TAROB CT

****

Future Volume Alternative: Peak Hour Warrant NOT Met

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```
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:        Stop Sign        Stop Sign       Uncontrolled     Uncontrolled
Lanes:        0  0  0  0  1    0  0  0  0  0    0  0  1  0  0    0  1  0  0  0
Initial Vol:    0    0     9     0    0     0     0   75     0     3   45     0
ApproachDel:       8.7           xxxxxx           xxxxxx           xxxxxx
------------|---------------||---------------||---------------||---------------|
Approach[northbound][lanes=1][control=Stop Sign]
Signal Warrant Rule #1: [vehicle-hours=0.0]
   FAIL - Vehicle-hours less than 4 for one lane approach.
Signal Warrant Rule #2: [approach volume=9]
   FAIL - Approach volume less than 100 for one lane approach.
Signal Warrant Rule #3: [approach count=3][total volume=132]
   FAIL - Total volume less than 650 for intersection
          with less than four approaches.
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

The peak hour warrant analysis in this report is not intended to replace
a rigorous and complete traffic signal warrant analysis by the responsible
jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
                Peak Hour Volume Signal Warrant Report [Urban]
********************************************************************************
Intersection #3 PROJECT DRWY/TAROB CT
********************************************************************************
Future Volume Alternative: Peak Hour Warrant NOT Met
------------|---------------||---------------||---------------||---------------|
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:        Stop Sign        Stop Sign       Uncontrolled     Uncontrolled
Lanes:        0  0  0  0  1    0  0  0  0  0    0  0  1  0  0    0  1  0  0  0
Initial Vol:    0    0     9     0    0     0     0   75     0     3   45     0
------------|---------------||---------------||---------------||---------------|
Major Street Volume:             123
Minor Approach Volume:           9
Minor Approach Volume Threshold: 778
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

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jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
```


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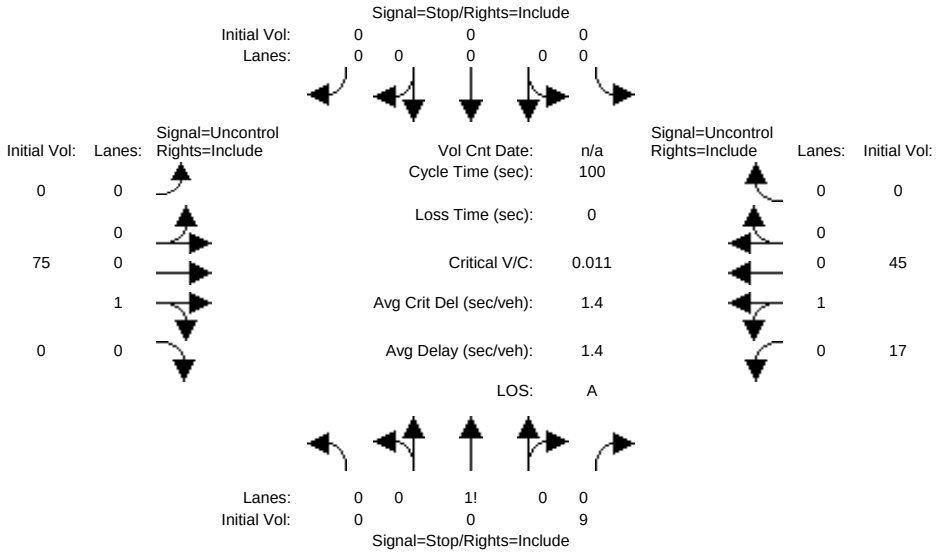
Level Of Service Computation Report
2000 HCM Unsignalized (Future Volume Alternative)
Background + Project PM

Intersection #3: PROJECT DRWY/TAROB CT



Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L	T	R	L	T	R	L	T	R	L	T	R
Volume Module:												
Base Vol:	0	0	9	0	0	0	0	75	0	17	45	0
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Initial Bse:	0	0	9	0	0	0	0	75	0	17	45	0
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0
PasserByVol:	0	0	0	0	0	0	0	0	0	0	0	0
Initial Fut:	0	0	9	0	0	0	0	75	0	17	45	0
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Volume:	0	0	9	0	0	0	0	75	0	17	45	0
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0
FinalVolume:	0	0	9	0	0	0	0	75	0	17	45	0
Critical Gap Module:												
Critical Gp:	xxxxx	xxxx	6.2	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	4.1	xxxx	xxxxx
FollowUpTim:	xxxxx	xxxx	3.3	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	2.2	xxxx	xxxxx
Capacity Module:												
Cnflict Vol:	xxxx	xxxx	75	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	75	xxxx	xxxxx
Potent Cap.:	xxxx	xxxx	992	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	1537	xxxx	xxxxx
Move Cap.:	xxxx	xxxx	992	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	1537	xxxx	xxxxx
Volume/Cap:	xxxx	xxxx	0.01	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	0.01	xxxx	xxxx
Level Of Service Module:												
2Way95thQ:	xxxx	xxxx	0.0	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	0.0	xxxx	xxxxx
Control Del:	xxxxx	xxxx	8.7	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	7.4	xxxx	xxxxx
LOS by Move:	*	*	A	*	*	*	*	*	*	A	*	*
Movement:	LT	LTR	RT	LT	LTR	RT	LT	LTR	RT	LT	LTR	RT
Shared Cap.:	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx
SharedQueue:	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	0.0	xxxx	xxxxx
Shrd ConDel:	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	7.4	xxxx	xxxxx
Shared LOS:	*	*	*	*	*	*	*	*	*	A	*	*
ApproachDel:	8.7			xxxxxx			xxxxxx			xxxxxx		
ApproachLOS:	A			*			*			*		

Note: Queue reported is the number of cars per lane.

Peak Hour Delay Signal Warrant Report

****

Intersection #3 PROJECT DRWY/TAROB CT

****

Future Volume Alternative: Peak Hour Warrant NOT Met

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```
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:        Stop Sign        Stop Sign       Uncontrolled     Uncontrolled
Lanes:        0  0  0  0  1    0  0  0  0  0    0  0  1  0  0    0  1  0  0  0
Initial Vol:    0    0     9     0    0     0     0   75     0    17   45     0
ApproachDel:       8.7           xxxxxx           xxxxxx           xxxxxx
------------|---------------||---------------||---------------||---------------|
Approach[northbound][lanes=1][control=Stop Sign]
Signal Warrant Rule #1: [vehicle-hours=0.0]
   FAIL - Vehicle-hours less than 4 for one lane approach.
Signal Warrant Rule #2: [approach volume=9]
   FAIL - Approach volume less than 100 for one lane approach.
Signal Warrant Rule #3: [approach count=3][total volume=146]
   FAIL - Total volume less than 650 for intersection
          with less than four approaches.
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
This peak hour signal warrant analysis should be considered solely as an
"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

The peak hour warrant analysis in this report is not intended to replace
a rigorous and complete traffic signal warrant analysis by the responsible
jurisdiction.  Consideration of the other signal warrants, which is beyond
the scope of this software, may yield different results.
                Peak Hour Volume Signal Warrant Report [Urban]
********************************************************************************
Intersection #3 PROJECT DRWY/TAROB CT
********************************************************************************
Future Volume Alternative: Peak Hour Warrant NOT Met
------------|---------------||---------------||---------------||---------------|
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:        Stop Sign        Stop Sign       Uncontrolled     Uncontrolled
Lanes:        0  0  0  0  1    0  0  0  0  0    0  0  1  0  0    0  1  0  0  0
Initial Vol:    0    0     9     0    0     0     0   75     0    17   45     0
------------|---------------||---------------||---------------||---------------|
Major Street Volume:             137
Minor Approach Volume:           9
Minor Approach Volume Threshold: 750
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
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"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
are probably more likely to meet one or more of the other volume based
signal warrant (such as the 4-hour or 8-hour warrants).

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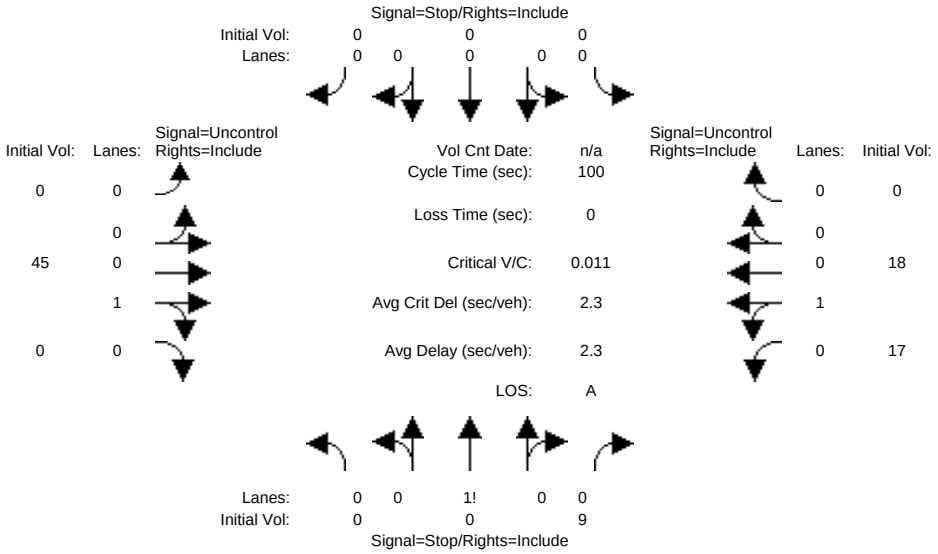
2001 Tarob Court

Level Of Service Computation Report
2000 HCM Unsignalized (Future Volume Alternative)
Existing+Project PM

Intersection #3: PROJECT DRWY/TAROB CT



Approach:	North Bound			South Bound			East Bound			West Bound		
Movement:	L	T	R	L	T	R	L	T	R	L	T	R
Volume Module:												
Base Vol:	0	0	9	0	0	0	0	45	0	17	18	0
Growth Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Initial Bse:	0	0	9	0	0	0	0	45	0	17	18	0
Added Vol:	0	0	0	0	0	0	0	0	0	0	0	0
PasserByVol:	0	0	0	0	0	0	0	0	0	0	0	0
Initial Fut:	0	0	9	0	0	0	0	45	0	17	18	0
User Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Adj:	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PHF Volume:	0	0	9	0	0	0	0	45	0	17	18	0
Reduct Vol:	0	0	0	0	0	0	0	0	0	0	0	0
FinalVolume:	0	0	9	0	0	0	0	45	0	17	18	0
Critical Gap Module:												
Critical Gp:	xxxxx	xxxx	6.2	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	4.1	xxxx	xxxxx
FollowUpTim:	xxxxx	xxxx	3.3	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	2.2	xxxx	xxxxx
Capacity Module:												
Cnflict Vol:	xxxx	xxxx	45	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	45	xxxx	xxxxx
Potent Cap.:	xxxx	xxxx	1031	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	1576	xxxx	xxxxx
Move Cap.:	xxxx	xxxx	1031	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	1576	xxxx	xxxxx
Volume/Cap:	xxxx	xxxx	0.01	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	0.01	xxxx	xxxx
Level Of Service Module:												
2Way95thQ:	xxxx	xxxx	0.0	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	0.0	xxxx	xxxxx
Control Del:	xxxxx	xxxx	8.5	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	7.3	xxxx	xxxxx
LOS by Move:	*	*	A	*	*	*	*	*	*	A	*	*
Movement:	LT	LTR	RT	LT	LTR	RT	LT	LTR	RT	LT	LTR	RT
Shared Cap.:	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx	xxxx	xxxx	xxxxx
SharedQueue:	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	0.0	xxxx	xxxxx
Shrd ConDel:	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	xxxxx	xxxx	xxxxx	7.3	xxxx	xxxxx
Shared LOS:	*	*	*	*	*	*	*	*	*	A	*	*
ApproachDel:	8.5			xxxxxx			xxxxxx			xxxxxx		
ApproachLOS:	A			*			*			*		

Note: Queue reported is the number of cars per lane.

Peak Hour Delay Signal Warrant Report

****

Intersection #3 PROJECT DRWY/TAROB CT

****

Future Volume Alternative: Peak Hour Warrant NOT Met

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```
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:        Stop Sign        Stop Sign       Uncontrolled     Uncontrolled
Lanes:        0  0  0  0  1    0  0  0  0  0    0  0  1  0  0    0  1  0  0  0
Initial Vol:    0    0     9     0    0     0     0   45     0    17   18     0
ApproachDel:       8.5           xxxxxx           xxxxxx           xxxxxx
------------|---------------||---------------||---------------||---------------|
Approach[northbound][lanes=1][control=Stop Sign]
Signal Warrant Rule #1: [vehicle-hours=0.0]
   FAIL - Vehicle-hours less than 4 for one lane approach.
Signal Warrant Rule #2: [approach volume=9]
   FAIL - Approach volume less than 100 for one lane approach.
Signal Warrant Rule #3: [approach count=3][total volume=89]
   FAIL - Total volume less than 650 for intersection
          with less than four approaches.
--------------------------------------------------------------------------------
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                Peak Hour Volume Signal Warrant Report [Urban]
********************************************************************************
Intersection #3 PROJECT DRWY/TAROB CT
********************************************************************************
Future Volume Alternative: Peak Hour Warrant NOT Met
------------|---------------||---------------||---------------||---------------|
Approach:      North Bound      South Bound       East Bound       West Bound
Movement:     L  -  T  -  R    L  -  T  -  R    L  -  T  -  R    L  -  T  -  R
------------|---------------||---------------||---------------||---------------|
Control:        Stop Sign        Stop Sign       Uncontrolled     Uncontrolled
Lanes:        0  0  0  0  1    0  0  0  0  0    0  0  1  0  0    0  1  0  0  0
Initial Vol:    0    0     9     0    0     0     0   45     0    17   18     0
------------|---------------||---------------||---------------||---------------|
Major Street Volume:              80
Minor Approach Volume:            9
Minor Approach Volume Threshold: 893
--------------------------------------------------------------------------------
SIGNAL WARRANT DISCLAIMER
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"indicator" of the likelihood of an unsignalized intersection warranting
a traffic signal in the future.  Intersections that exceed this warrant
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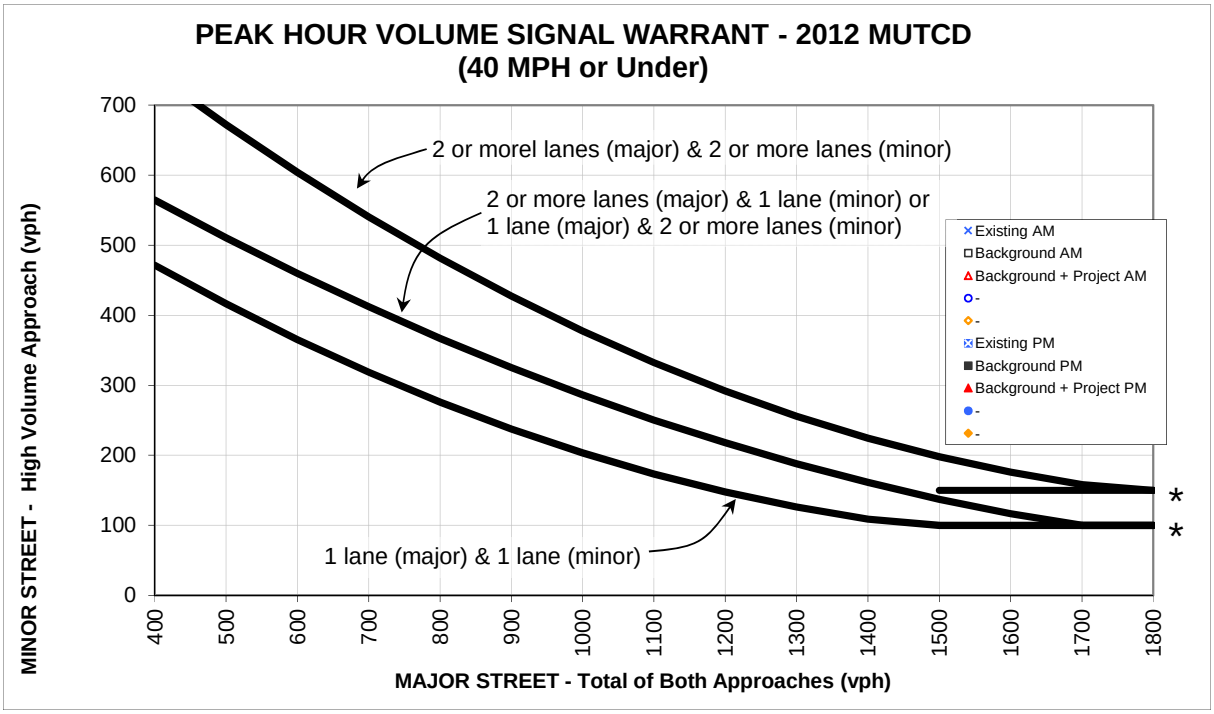
Traffic Signal Warrant

Lundy Avenue and Tarob Court



* NOTE: 150 vph applies as the lower threshold volume for a minor street approach with 2 or more lanes and 100 vph applies as the lower threshold volume for a minor street approach with 1 lane.

Peak Hour Volume Warrant Per 2012 MUTCD- 40 MPH or Under

AM Peak Hour Volumes

		Approach Lanes: One	Approach Lanes: 2 or More	Existing AM	Background AM	Background + Project AM		
Major Street - Both Approaches	Lundy Avenue	x		75	129	125		
Minor Street - Highest Approach	Tarob Court	x		16	58	71		
	Warrant Met?			N	N	N		

PM Peak Hour Volumes

		Approach Lanes: One	Approach Lanes: 2 or More	Existing PM	Background PM	Background + Project PM		
Major Street - Both Approaches	Lundy Avenue	x		37	95	109		
Minor Street - Highest Approach	Tarob Court	x		47	77	77		
	Warrant Met?			N	N	N		

MILPITAS PLANNING COMMISSION
STAFF REPORT
July 31, 2019

APPLICATION: **TRUE LIFE CONDOMINIUMS – 2001 TAROB COURT – P-SD18-0014, P-UP19-0009, P-MT18-0004, P-EA19-0002.** An application for a Site Development Permit, Conditional Use Permit, and Vesting Tentative Map to allow a forty-unit residential condominium building (True Life Condos), up to 49 feet in height (four stories), with parking for up to 74 vehicles, on a 1.22-gross acre site located in the Multi-Family High Density Residential (R3) Zoning District at 2001 Tarob Court. The project is located within the Transit Area Specific Plan area.

RECOMMENDATION: **Staff recommends that the Planning Commission open and close the public hearing, consider the Addendum to the Transit Area Specific Plan Environmental Impact Report (TASP-EIR) (SCH #2006032091) and various CEQA exemptions, as applicable, and adopt Resolution 19-022, recommending approval of the above applications to the Milpitas City Council, subject to the Conditions of Approval.**

PROJECT LOCATION:

Addresses and Assessor's Parcel Number (APN):	2001 Tarob Court (086-36-034)
Area of City:	Transit Area Specific Plan (TASP): Trade Zone/Montague Subdistrict

PEOPLE:

Project Applicant:	Leah Beniston, Vice President of Entitlements *The True Life Companies*, San Ramon, CA
Consultant(s):	Architect: *SDG Architects*, Brentwood, CA Civil Engineer: *Wood Rogers Engineering*, Pleasanton, CA Landscape Architect: *R3 Studios*, Oakland, CA
Property/Business Owner:	Karl Cortese, San Jose, CA 95148
Project Planner:	Lillian Hua, Associate Planner

LAND USE:

General Plan Designation:	High-Density Transit Oriented Residential (HD-TOR)
Specific Plan Designation:	High-Density Transit Oriented Residential (HD-TOR)
Zoning District:	Multiple-Family High Density with Transit Oriented Development Overlay (R3-TOD)

ENVIRONMENTAL: Addendum to Transit Area Specific Plan (TASP) Final Environmental Impact Report (FEIR), May 2008 (SCH #2006032091). As a separate and independent basis, exempt pursuant to CEQA Guidelines Section 15168 (Program EIR), Section 15182 (Residential Projects Pursuant to a Specific Plan), and Section 15183 (Projects Consistent with a Community Plan, General Plan or Zoning)

EXECUTIVE SUMMARY

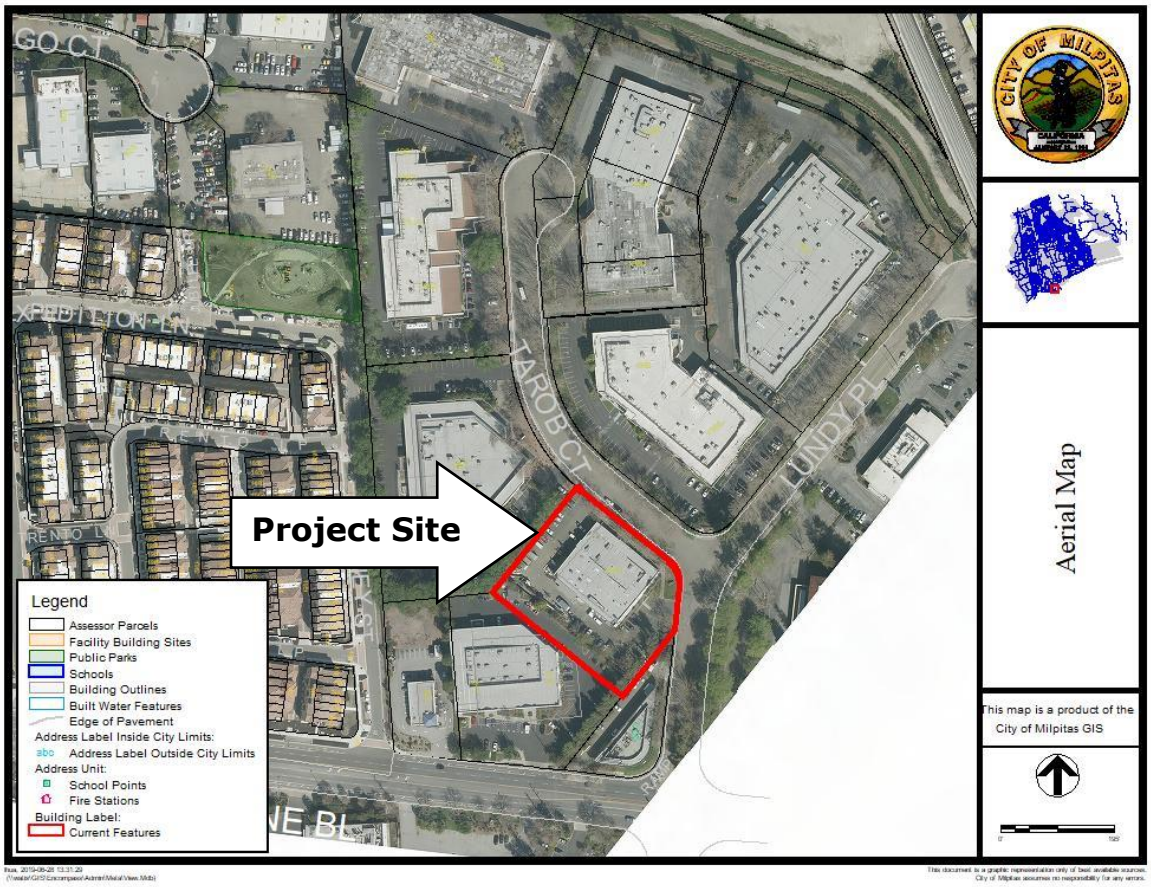
The application includes four entitlement requests to allow the future development of a multi-family residential building with up to 40 condominium units, as follows:

1. Site Development Permit SD18-0014: To allow the development of a four-story building with up to 40 residential units on the 1.22-acre site; and
2. Conditional Use Permit UP19-0009: To allow the condominium use; and
3. Vesting Tentative Map MT18-0004: To establish 40 residential condominium spaces and related common areas and to record site easements; and
4. Environmental Assessment EA19-0002: To review and assess all requested entitlements for consistency with the 2008 Transit Area Specific Plan EIR.

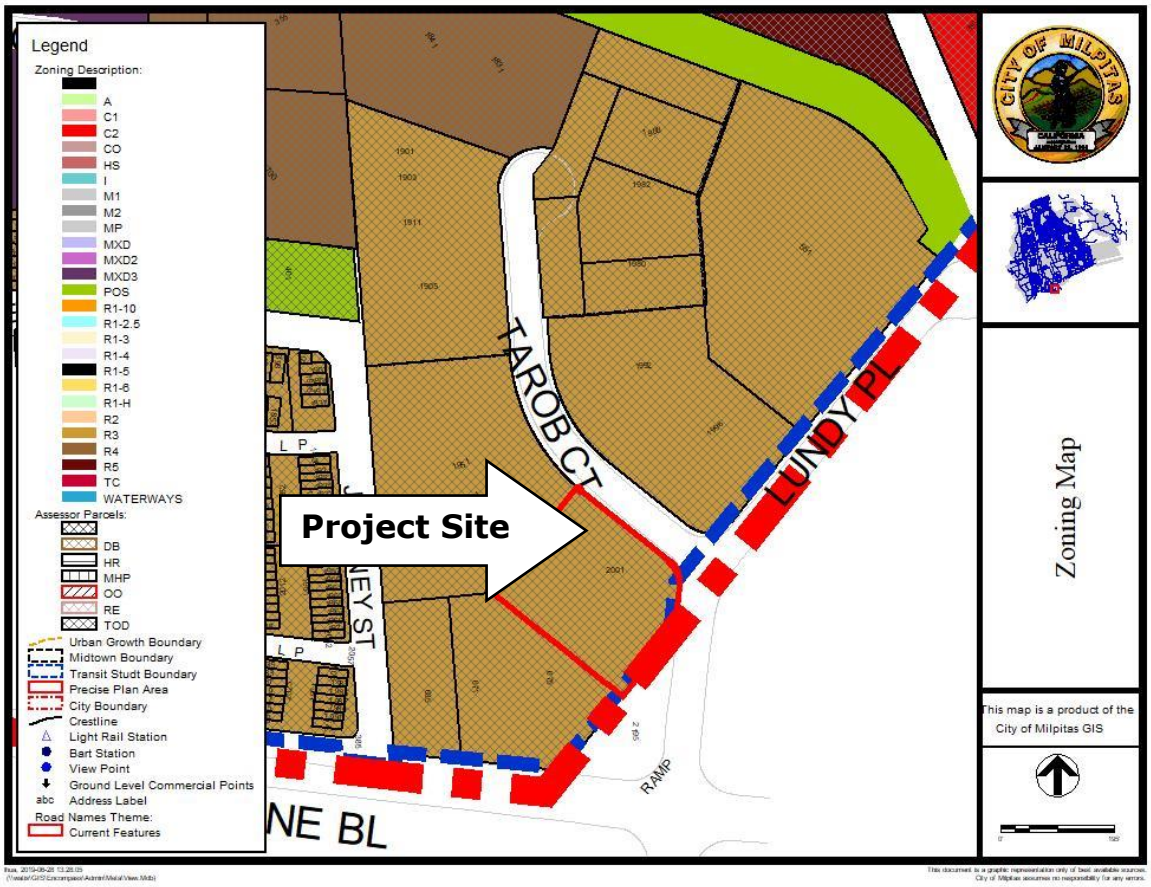
Staff reviewed the requests outlined above and found them to be in compliance with the policies, standards, and processes outlined in the City of Milpitas General Plan, Transit Area Specific Plan, Zoning Ordinance and Municipal Code. The balance of this report provides specific details regarding each of these requests.

Staff recommends that the Planning Commission open and close the public hearing, consider the Addendum to the TASP-EIR and various CEQA exemptions, and adopt Resolution No. 19-022, recommending approval of the above applications to the Milpitas City Council, subject to the conditions of approval included in at Exhibit 1 of the above-referenced resolution.

Map 1
Project Location



Map 2
Zoning Map



BACKGROUND

History

On June 3, 2008, the City Council adopted the Transit Area Specific Plan (TASP or Plan). The Plan encompasses 437 acres and envisions the development of 7,109 residential dwelling units, 287,075 square feet of retail space, 993,843 square feet of office and industrial park space, and 350 hotel rooms. The Plan includes development standards, goals and policies to guide development within the Plan area. Because of the unique physical characteristics of various portions of the TASP, the Plan also established seven sub-districts, each with specific goals and policies to accommodate those unique characteristics.

The project site is located within the Trade Zone/Montague Sub-District of the TASP. This sub-district is located east of Montague Expressway and south of Capitol Avenue, extending to the city limits on Trade Zone Boulevard and Lundy Place. On the Tarob Court side of the sub-district, the TASP envisions a moderate-to-high density residential area, with ample green space in the form of a large park and trails along Penitencia Creek. The Capitol Avenue and Montague Expressway

portions of the sub-district are intended to be lined by mid-rise and high-rise mixed use buildings that buffer the adjacent residential uses from noise and traffic.

In late 2015, representatives of The True Life Companies (TTLC) submitted a development application for a 59-unit residential townhome project at 1980 Tarob Court. This project was subsequently heard by the Planning Commission on August 10, 2016, and approved by City Council on September 20, 2016. TTLC was also interested in purchasing the adjacent property at 1992 Tarob Court for a similar type of townhome development, contingent on their ability to receive approval to rezone the site from an industrial to residential land use.

On November 18, 2015, staff brought the inquiry before the Planning Commission as a study session item. The Commissioners discussed various potential land use scenarios and were generally in favor of the possibility of a future land use modification for the site. Staff recommended that, should the land use designation for 1992 Tarob Court be converted for residential use, the same action should also be taken for the remaining three industrial parcels of 551 Lundy Place, 2001 Tarob Court, and 675 Trade Zone Boulevard. Consistency among the four sites would reduce any future conflicts between residential and industrial uses in this area of Milpitas.

In December 2016, TTLC submitted an application for the above-referenced land use designation changes for these four parcels as well as subsequent and related site development applications to develop the 1992 Tarob Court site with 53 townhome-style condominium units. The Planning Commission unanimously voted to recommend that the City Council approve the above applications on August 9, 2017. On October 3, 2017, City Council adopted Resolution No. 8701, approving the General Plan Amendment and the Transit Area Specific Plan Amendment for the four parcels. Subsequently, on October 17, 2017, the City Council adopted Ordinance No. 38.830, to rezone all 8.7 acres from the Industrial Park Zoning District with Transit-Oriented Development Overlay (MP-TOD) to Multiple-Family High Density with Transit-Oriented Development Overlay (R3-TOD) at 551 Lundy Place, 1992 Tarob Court, 2001 Tarob Court and 675 Trade Zone Boulevard.

PROJECT DESCRIPTION

Overview

The project applicant is requesting approval of a Site Development Permit, Conditional Use Permit, and Vesting Tentative Map for the future development of a 40-unit residential condominium building, up to 49 feet in height (four stories), with on-site parking for up to 74 vehicles. The overall density of the proposed project will be 32.8 dwelling units/acre. The scope of work includes associated landscaping and open space, parking and circulation, and infrastructure improvements, as well as the demolition of an existing light industrial building.

Location and Context

The proposed project would be located on a 1.22-gross acre site on the west side of Tarob Court. The property is zoned Multi-Family High Density Residential (R3) with a Transit-Oriented Development (-TOD) overlay, and is within the Transit Area Specific Plan. The project site is currently occupied by an approximately 16,463-square foot light industrial/office building, and

this structure would be demolished to make way for the proposed new development. Table 1 below summarizes the project site's land use designation and surrounding uses:

Table 1: Surrounding Zoning and Land Uses

	General Plan	Zoning	Existing Uses
Subject Site	Multifamily High-Density Residential (MFH)	Multi-family High-Density Residential (R3)	Light Industrial
North	Multifamily High-Density Residential (MFH)	Multi-family High-Density Residential (R3)	Light Industrial
South	City of San Jose	City of San Jose	Light Industrial
East	Multi-family High-Density Residential (MFH)	Multi-family High-Density Residential (R3)	Future Multi-family Residential
West	Multi-family High-Density Residential (MFH)	Multi-family High-Density Residential (R3)	Light Industrial

Please see Maps 1 and 2 for additional details.

PROJECT ANALYSIS

General Plan and Zoning Conformance

General Plan Conformance

The General Plan designation for the project site is High Density Transit-Oriented Residential. This designation allows a residential density range to accommodate a variety of housing types, including row houses, triplexes, four-plexes, stacked townhouses, and walk-up garden apartments.

The project is in conformance with the applicable policies and standards in the City's General Plan, as outlined in Table 2:

Table 2: General Plan Consistency

Policy	Conformance
2.a-I-31: *Develop the Transit area, as shown on the Transit Area Plan, as attractive, high density, urban neighborhoods with a mix of land uses around the light rail stations and the future BART station. Create pedestrian connections so that residents, visitors, and workers will walk, bike, and take transit. Design streets and public spaces to create a lively and attractive street character, and a distinctive identity for each sub-district.*	**Consistent.** The proposed project includes attractive four-story residential buildings in close proximity to the future Milpitas Transit Center, including the new BART Station. The project also includes significant streetscape improvements to encourage pedestrian and bicycle movement throughout the Trade Zone/Montague Sub-district. The proposed project will have connections to the BART and Light Rail transportation hubs.
2.a-I-32: *Require development in the Transit Area to conform to the adopted design guidelines and requirements contained in the Transit Area Plan.*	**Consistent.** The proposed project conforms with the adopted design requirements contained in the Transit Area Plan. The project meets the requirements of the Transit Area Plan, including building setbacks and height, density, parking, open space, landscaping, access and circulation.

Zoning Conformance

The project site is zoned Multiple-Family High Density Residential (R3) with a Transit-Oriented Development (-TOD) Overlay. This zoning district and overlay provide for land uses densities and intensities, and design standards to enhance and support new mixed-use pedestrian-friendly development near transit stations. These provisions allow a mix of goods and services within a convenient walk of the transit stations, encourage the creation of stable, attractive residential, commercial and industrial environments within the District, and provide a desirable transition to the surrounding conventional areas. The proposed project meets all development standards of the Multiple-Family High Density Residential (R3) Zoning District. Adherence to other development standards, including density, is further discussed in the Transit Area Specific Plan section below.

Subdivision Ordinance

The project's form, content and dedications of the proposed tract map are consistent with the provisions in Title XI, Chapter 1, Section 4 of the City's Municipal Code, as set forth in the attached Resolution 19-022. Vesting Tentative Maps require approval of a Resolution by the Planning Commission recommending final approval by the City Council.

Transit Area Specific Plan

The land uses, street layout and street sections of the proposed project are consistent with the regulations for the Trade Zone/Montague Sub-district of the Transit Area Specific Plan as set forth in the attached Resolution 19-022. The Transit Area Specific Plan land use designation applicable

to the site (High Density, Transit- Oriented Residential – HD-TOR) allows residential densities of 21 to 40 dwelling units/acre. At 40 units, the proposed development falls in the middle of this range at 32.8 units/acre. The project is thus consistent with the Transit Area Specific Plan use and density requirements. As demonstrated in Table 3, the project complies with TASP development standards. The project also provides greenspace within the development and landscaping along the streets as prescribed by the TASP.

All projects in the TASP are required to pay a Transit Area Development Impact Fee (TADIF), which is currently set at $32,781 per residential unit. The total TADIF payment generated by the proposed 40-unit project would be $1,311,240 based on the current rate; however, the City may adjust this per-unit fee prior to the issuance of building permits for the proposed project, and the project would pay the adjusted amount.

Table 3: Summary of TASP R3-TOD Development Standards

Standard (R3-TOD)	Required	Proposed	Complies?
Height	Up to 75 feet	49 feet	Y
Setbacks	Front Yard: 8 foot-15 foot (max.) Side/Rear Yards: 15 foot (min.)	10 foot front yard setback; 8 foot to overhead projection; 40 foot side and 21 foot rear yard	Y
Projections	Up to 6 feet	2 feet	Y
Building Orientation	Buildings must face street	Building faces street	Y
Density	21-40 du/ac	32.8 du/ac	Y
Parking (Resident)	2-3 bedrooms require 1.6 to 2 covered spaces per unit 64 (min) - 80 (max) spaces	64 spaces	Y
Parking (Guest)	15 percent of required = 10 spaces	10 spaces	Y
Parking (Bicycle)	1 space per 4 housing units, exempting units with private garages; on-street guest racks equivalent to 5 percent of parking requirement = 10 spaces Short term bicycle parking: 5 percent of parking = 4 spaces	Residential: 10 spaces Guest: 4 spaces	Y
Parkland	0.35 ac/equivalent fee- in-lieu	Combination of acreage and fees (see parkland section)	Y

Proposed Project Details

The Planning Commission may use the following information in making a recommendation to the City Council:

Density

The project applicant will demolish the existing, approximately 16,463-square foot industrial building, landscaping, and associated parking on the 2001 Tarob Court site and construct a new four-story building with forty (40) residential condominium units at a density of 32.8 du/ac.

Parking Requirements

Automobile Parking – Under the TASP, a minimum of 64 and a maximum of 80 resident parking spaces are required for the proposed project, based on bedroom count (TASP Table 5-3: *Minimum Parking Requirements*). The applicant proposes to provide 64 resident spaces, the minimum required. Ten guest parking spaces are required, and the applicant proposes to provide that number. Per Section XI-10-53.07 of the City's Municipal Code, no more than forty percent (40%) of the required and non-required stalls may be designated for compact vehicles. The project is compliant with the City's Municipal Code, as only 29 parking spaces (39%) will be designated as compact parking spaces. The proposed resident and guest parking substantially complies with the TASP standards.

Parking for residents would primarily be provided in a parking garage oriented towards the internal driveway.

In addition, a total of 10 guest spaces will be provided as follows:

- Six (6) on along the private driveway;
- Two (2) ADA guest spots along the private driveway; and
- Two (2) inside the parking garage.

To maintain a consistent streetscape along Tarob Court, the project will be required to install decorative concrete paving to identify all on-street parking spaces.

Table 4 demonstrates the project's compliance with the parking standards for the R3 zoning district:

Table 4: Project Compliance with Parking

Number of Units	Number of Bedrooms/ Unit	Min/Max Ratio Permitted/Unit	Minimum # of Spaces Required	Maximum # Spaces Allowed	Total Spaces Provided	Conforms (Y/N)
LAND USE: RESIDENTIAL						
40	2-3	1.6/2.0 per unit	64	80	64	Y
		SUB-TOTAL:	**142**	**178**	**178**	**Y**
Guest	--	15% of total spaces required	10	--	10	Y
RESIDENTIAL PARKING TOTAL:			**74**	**90**	**74**	**Y**

Bicycle Parking – For residential uses within the TASP, one space of long-term bicycle parking per every four housing units is required, exempting units with a private garage. For the proposed project, ten (10) long-term bicycle spaces would be required, and the site plan shows 16 long-term bicycle parking spaces.

For guests, the TASP requires short-term bicycle parking spaces equivalent to five percent (5%) of the total automobile spaces required. This equates to four (4) short-term bicycle spaces for guests, and the project will provide four bicycle spaces in compliance with the requirement.

Traffic and Access

Access to the project site is provided by a driveway located at the northern corner of the project site off Tarob Court. The driveway provides access to an internal twenty-six (26)-foot access drive lane and fire lane, which includes a fire engine/garbage truck turnaround that connects to the ground-level internal parking garage. The parking garage provides sixty (60) automobile parking spaces, including twenty-seven (27) compact spaces, and one (1) accessible parking space. Fourteen designated (14) automobile parking spaces will be located along the access drive lane, including two compact spaces, one accessible parking space, and one electric vehicle parking space. All traffic and access data has been reviewed by Transportation and Fire and is compliant with all applicable requirements.

Parks and Open Space

TASP requires all new developments to provide 3.5 acres of parkland for every 1,000 persons or payment of fees-in-lieu, as permitted by Article 3, Section 66477 of the Subdivision Map Act and as codified by the City of Milpitas at Milpitas Municipal Code Section XI-1-9 (*Improvements: Dedication of Land or Payment of Fee or Both, for Recreational Purposes*). The Parkland Fee is

based upon the estimated number of persons expected to inhabit the development (per U.S. Census definitions), and the estimated value of parkland in the City of Milpitas (currently $2,787,840 per acre). The U.S. Census estimates that 2.49 persons on average will inhabit each unit. The project proposes 40 units, resulting in an estimated population of 97 persons. Based on this population estimate, the project is required to provide 0.35 acres of parkland, equivalent to approximately $971,841.02.

Additionally, as mentioned above, all projects in the TASP area are required to pay a Transit Area Development Impact Fee (TADIF), a portion of which is used for park and recreation purposes within the TASP area. The park portion of the TASP fee for this project is valued at $600,548, equivalent to 0.22 acres of parkland. This amount will be applied to the project's $971,841.02 parkland requirement, leaving a delta to be satisfied of 0.13 acres, or an in-lieu fee of approximately $371,293.02.

Applicants may receive credit against their parkland obligations through the provision of raw land, payment of fees-in-lieu, credit for turnkey park projects, or a combination thereof. Pursuant to MMC Section XI-1-9, projects may also receive credit for private recreation elements that are accessible only to project residents, at the sole discretion of the City. If approved, private recreation credit may be used to satisfy up to 1.5 acres of the 3.5 acre/1000 requirement (43%) of the overall parkland requirement. In no instance shall an excess of parkland contributions result in a credit from the City against any fees or other charges due to the City from the Applicant.

To satisfy the 0.13 acre delta, the applicant is proposing the use of 0.26 acres as private recreation space on-site, as allowed by MMC Section XI-1-9 referenced above. This space will include an open courtyard on the ground floor consisting of a fireplace, seat walls, tables and chairs, and an outdoor kitchen for use by residents, shown on Sheets L001 and L002 of the project plans (See Attachment B: Project Plans). Additionally, there is a terrace on the second floor consisting of tables and chairs, television, a counter with a barbeque and refrigerator for use by residents, shown on Sheet L003. Since the ground floor courtyard and second floor terrace provide viable recreation space for residents that will reduce the demand for public recreation space, staff is recommending that these areas be credited against the projects' parkland dedication requirements up to 43% of the required area (0.15 acres).

Through these means, the project meets the required parkland requirements. Table 5 outlines this information below:

Table 5: Summary of Adherence to Parkland Requirements

Project Unit Count	40
Project Population Estimate	97 persons
TASP Parkland Requirement	3.5 acres/1,000 people or equivalent fees-in-lieu. Currently $2,787,840 per acre.
PARKLAND ACREAGE DUE/FEE EQUIVALENT	**0.35 acres/$971,841.02**
Amount Satisfied Through TASP Fees (Acreage/Dollars)	**0.22 acres/$600,548**
REMAINING DELTA TO BE SATISFIED (Acreage/Dollars)	**0.13 acres/$371,293.02**
Private Recreation Acreage Credit (43% Max.)	0.13 acres
TOTAL ACREAGE/FEES PROVIDED	**0.26 acres**
REMAINING ACREAGE/FEE REQUIREMENT TO BE MET	**0.0 acres/$0**

Landscape & Open Space Design

Common Open Space – The project includes a total of 0.44 acres of common open space and landscape areas comprised of soft and hardscape. Detailed landscape plans, plant palette, and site furnishings are shown on Sheets L001 through L010 of the Project Plans (See Attachment B).

Private Open Space – The project provides 0.3 acres of private open space, consisting of an interior courtyard on the ground level and a walking path and landscaping along the southern portion of the building. The interior courtyard includes seating areas and landscaping. A designated walkway connects the interior courtyard with the walking path and landscaping. The remaining 0.14 acres of open space consist of landscape areas generally located in the northern portion of the site.

Each residential unit will include a private deck of no less than 60 square feet. The private decks, in conjunction with private recreational space near all of the units, will provide 100% of the required open space.

Trees – Per Sheet L001--Overall Site Plan, the applicant proposes to remove thirty-four (34) existing trees from the project site. Eight (8) of the trees are protected trees, pursuant to MMC X-2-1.02, and therefore require two (2) replacement trees for every one (1) protected tree that is removed. Forty (40) new trees will replace the protected trees. Due to the TASP-required street realignment in this area and the requirement to raise the site out of the flood plain, existing on-site trees cannot be retained.

Table 6: Summary of Open Space Requirement

Standard (R3-TOD)	Code Requirement	Required Area	Provided Area	Complies? (Y/N)
Landscape and open Space Requirements	A minimum of twenty-five (25) percent of the total lot area (not including paved parking area) shall be landscaped or recreational open space, exclusive of parking and vehicular traffic area and this shall be shown on site plan in detail for Planning Commission approval.	25% of 1.22 = 0.31 acres	0.44 acres (36.1%)	Y
	An average of two hundred square feet of usable open space shall be provided for each dwelling unit. "Usable open space" shall mean any open space, the smallest dimension of which is at least 4 ½ feet and which is not used as storage or for movement of motor vehicles: except that yards abutting a public street, which are not adequately screened for privacy, in the opinion of the Planning Commission, shall not qualify as usable open space. Balconies, porches, or roof decks may be considered usable open space when properly developed for work, play or outdoor living areas. At least thirty (30) percent of required open space shall be contiguous to and provide for private usable open space of the individual dwelling unit.	200 x 40 = 8,000 square feet = 0.18 acres	Private recreational area = 0.28 acres Private open space (balconies & porches) = 60 SF/unit = 60 x 40 = 2,400 SF = 0.06 acres. 0.06/0.18 = 30% of the required contiguous open space Total private open space = 0.31 acres = 337.6 SF/unit	Y

Design Guidelines and Architecture

Design Guidelines – The design guidelines include both general design guidelines and specific standards to guide future development within the Transit Area. These design guidelines cover site planning, building design, landscaping, and lighting. Examples of how the project complies with the guidelines include:

- *Site Planning*
  - Buildings face streets
  - Site plan provides for attractive, comfortable and safe pedestrian environment
  - Site plan provides for adequate fire apparatus and solid waste pickup
  - Site plan recognizes and complements approved development plans for adjacent projects in the TASP Trade Zone/Montague sub-district
- *Building Design*
  - Complies with height, setback and zoning requirements
  - Quality architectural design
  - Recognizes and complements approved development plans for adjacent projects in the TASP Trade Zone/Montague sub-district
- *Landscaping*
  - Provision of interior landscaped open space and perimeter landscaping
  - Provision of street trees in accord with TASP standards
  - Recognizes and complements approved development plans for adjacent project in the TASP Trade Zone/Montague sub-district
- *Lighting*
  - Direct lighting to appropriate surfaces and minimize glare onto adjacent areas
  - Designed to reinforce pedestrian character

Architecture – The project's design concept arranges three residential floors over ground floor parking in two parallel wings. The arrangement preserves ground floor open space and creates a thirty foot wide shared-use courtyard between the wings. The project's contemporary architectural design uses stucco, siding, porcelain ceramic tile, metal siding, colored glass, and a variety of metal details. Variations in the building colors, materials and planes and protruding balconies provide architectural interest and avoid a boxy appearance. The architectural building massing is broken up through an alternating painted color blocking treatment of dark green, light grey, and steel blue. At the ground level, porcelain ceramic tile and laser cut metal panels frame the entry to the courtyard and building entrances. The ground level courtyards offer residents the opportunity for out-of-doors leisure, as well as community engagement. The ground floor garage is softly disguised with punched openings, artful screen panels, and stone-like cladding. The project conforms to the Transit Area design guidelines, which require orientation of the building to the street, well-articulated exterior walls with consistent style and materials, muted colors for primary building walls with richer accent colors and integrated parking.

Floodplain Management

Floodplain Management – The project site is located in Flood Zone AO. The applicant will place engineered fill across the site, raising the grade by approximately 4.5 feet to ensure that the project complies with the City of Milpitas Floodplain Ordinance (MMC Section XI-15-4.3(a)(4)). This

will allow the City's Floodplain Administrator to make a determination that the project will not adversely affect the carrying capacity of areas where base flood elevations have been determined but a floodway has not been designated. (In this context, "adversely affects" means that the cumulative effect of the proposed development when combined with all other existing and anticipated development will increase the water surface elevation of the base flood more than one foot at any point.)

Grading

Development of the proposed project would result in the demolition of all existing structures and pavements. A total of 5,600 cubic yards of fill would be brought to the site to raise the elevation out of the floodplain.

Utilities

The project site is located in an urban area and is currently served by existing utilities, including: water, sanitary sewer, storm drainage, electricity, and telecommunications infrastructure. The majority of existing utilities within the boundary of the project site would be removed and replaced.

Water – The proposed project includes the removal of all existing utilities. New 8-inch water lines within the project site will connect to existing service connections and the existing 12-inch main located within Tarob Court.

Wastewater – The San José/Santa Clara Water Pollution Control Plant (WPCP) provides wastewater treatment for Milpitas. The City of Milpitas maintains existing sanitary sewer lines within the vicinity of the site, including an 8-inch line on Tarob Court. The proposed project includes the installation of a new on-site 8-inch wastewater line that will connect to the City's existing line.

Stormwater – Bioretention areas will be incorporated into the landscape design to provide appropriate vegetation and water quality treatment for impervious surfaces including roofs, driveways, streets, and sidewalks.

The project will connect to the existing 12-inch municipal storm drain located at the northwest corner of the project site. The project includes pervious pavers throughout the interior access driveway. Upon construction of the improvements, approximately 0.88 acres (72 percent) of the project site would be covered by impervious surfaces and approximately 0.40 acres (28 percent) would be covered by landscaped areas including lawns, shrubs, and trees. All walkways within these areas would be sloped to drain onto the surrounding landscaping for bio-retention and treatment.

Electricity and Natural Gas – Electricity and natural gas services to the site are provided by Pacific Gas and Electric Company (PG&E). Existing underground utility connections and gas mains provide electricity and gas to the project site. The project includes removal of all existing utilities and requires the construction of new electricity and gas connections to serve the project. New electrical lines (servicing the project only) will be installed underground and connect to the existing joint trench box in the northern corner of the project site.

Climate Action Plan

The City of Milpitas Climate Action Plan (CAP) was adopted in 2013 and includes Greenhouse Gas (GHG) reduction goals, policies and actions for new and existing development projects.

One of the key aims of the CAP is to encourage transit-oriented development as a means to reduce GHG emissions. The project would be in compliance with this goal, as it would locate future residents within walking distance of public transportation, jobs, restaurants, and services. To reduce energy usage, the project would incorporate green building measures in compliance with CALGreen standard building measures for residential buildings and Title 24 requirements. Additionally, the project includes a total of 0.44 acres of common open space and landscaped areas, following the City's standards, which would offset GHG emissions.

Implementation of the TASP includes policies that address transportation and land use that are consistent with the CAP. TASP Policy 3.21 would provide continuous pedestrian sidewalks and safe bike routes throughout this portion of the TASP planning area; Policy 3.22 encourages walking and biking routes to schools and major destinations; and Policy 3.33 requires new development within the TASP Area to provide incentives for alternative modes of transit, which support the CAP.

Implementation of the proposed project would not substantially increase population, vehicle trips, or vehicle miles traveled. Further, the project adheres to the building guidelines of the TASP with only modest deviations that would not impair achievement of CAP goals and promotes reductions in GHG emissions through high-density development in close proximity to transit. As such, the project is in conformance with the City's Climate Action Plan.

Development Fees

The project is subject to the following fees, payable at the time of building permit:

TASP Impact Fee
The TASP Impact fee is currently set at $32,781/unit for residential uses. Based on approval for development of 40 units, the estimated Transit Area Specific Plan Development Impact Fee for this project is $1,311,240 ($32,781/unit x 40 units). This fee is currently under review by the City and may change. The proposed project would pay the fee at the issuance of building permits.

Parkland Impact Fee
TASP requires all new development to provide 3.5 acres of parkland for every 1,000 persons or payment of fees-in-lieu. Per the parkland section, above, the project has satisfied this requirement. See Table 5 for more information.

Public Art Fee
The Project will comply with the City's Public Art Requirements for Private Development, as set forth in Milpitas Municipal Code Section XI-10-14. This fee is currently set at one-half of one percent of building development costs. The proposed project will pay the fee based on the construction valuation at the building permit issuance.

Affordable Housing Ordinance
Pursuant to MMC Section XII-1-3.00, all new residential development projects of ten units or more designed and intended for permanent occupancy are required to construct fifteen (15%) percent of the total number of dwelling units within the development as affordable units, unless subject to an exception set forth in XI-1-4.00. All exceptions require City Council approval.

The applicant may request exceptions that include payment of fees in-lieu of the provision of affordable units on the site. The applicant has requested to pay the affordable housing fee in-lieu of constructing on-site affordable units. The affordable housing fee is currently set at $33 per square foot. With an average unit size of 1,420 square feet, the estimated affordable housing fee for this project is $1,874,000. The applicant has provided a justification statement (Attachment C) outlining why the project should be granted the exception.

Prior to City Council approval to the requested exception, affirmative findings to the following must be made:

1. *The exception requested exceeds the minimum affordable requirements; and*
   Applicant Justification: The applicant asserts that paying the affordable housing in-lieu fee should be an alternative, not an exception. The applicant also suggests that building new affordable housing units only provides a few new residents with the opportunity to live in Milpitas at an affordable rate compared to their neighbors in the same new development. The applicant claims that paying the fee will allow the City to subsidize affordable housing rents and allow residents to remain in their homes.

   Staff Analysis: The exception requested does not exceed the minimum affordable requirements. The applicant is providing the minimum required fee-in-lieu, which does not exceed the minimum affordable requirements. The affordable housing fund is used to produce very-low, low-, and moderate-income ownership or rental housing in the City. If the applicant were to build six Below Market Rate (BMR) units on site, it would allow six low-income households the opportunity to have permanent housing in the City. Since the applicant has requested to pay the in-lieu fee, those contributions can only be used to assist future developers to build affordable units, and not to subsidize rents in existing low-income housing. Therefore, the exception would further delay the construction of new affordable units in the City and would not exceed the minimum affordable requirements.

2. *The project is better served with the exception; or*
   Applicant Justification: The applicant proclaims that the project will be better served as market rate housing since the adjacent Tarob Court projects are also market rate. The applicant argues that the menu of social assistance program available in Santa Clara County and the City of Milpitas are not located within the TASP Trade Zone/Montague sub-district. The applicant suggests that paying the affordable fee allows the City the flexibility to have funds on hand to support the under-housed population through projects that may be more likely to be located near established social services in the future.

   Staff Analysis: The project is not better served with the exception. The applicant argues that social assistance programs are not available within the TASP Trade Zone/Montague Subdistrict. However, on June 12, 2018, City Council approved a 102-unit multifamily affordable housing development with community space and offices for supportive services

located at 355 Sango Court. The TASP envisions a Tarob Court connection to Sango Court. This particular development is also located within the TASP Trade Zone/Montague Subdistrict. Therefore, the argument cannot be made that projects should be located near established social services, as the project site is located near a recently entitled project with supportive services.

3. *The community benefits exceed the project benefits.*
   Applicant Justification: The applicant proposes that the community benefits of the project are inherently created by the project. The scope of work includes the demolition of a non-conforming building and the redevelopment and beautification of the site with high-density housing consistent with the TASP. Moreover, the applicant proclaims that they have committed to meeting the goals of the City by producing a conforming R3-TOD high-density residential project within the TASP.

   Staff Analysis: The community benefits do not exceed the project benefits. The project is not providing any community benefit to the City. Example of community benefits include contributions to the school district, Fire Department, Recreation Department, etc. A compliant project that meets the development standards of the zoning code is not inherently considered a community benefit, and therefore does not exceed the potential benefit of providing on-site affordable units.

Based on the applicant's justification statement, the fee exception request does not meet the findings pursuant to MMC Section XI-1-4.00. Staff recommends the City Council deny the fee exception request. Draft findings are included in the resolution (Attachment A).

If the City Council is able to make affirmative findings for the requested exception, the developer will be allowed to pay an in-lieu fee (currently $33.00 per square foot) rather than designating six affordable units on the site. The resolution will include a condition of approval to clarify this requirement.

If the City Council cannot make affirmative findings for the requested exception, the developer will be required to provide six affordable units on the site. The Council may also provide an alternative directive for meeting the affordable housing requirements for this project, as set forth in the Conditions of Approval (Attachment A).

FINDINGS FOR APPROVAL

A finding is a statement of fact relating to the information that the Planning Commission has considered in making a decision. Findings shall identify the rationale behind the decision to take a certain action.

Vesting Tentative Map

To approve the Major Vesting Tentative Subdivision Map, the following findings must be made pursuant to Milpitas Municipal Code Section XI-1-20.01:

1. *The tentative subdivision map is consistent with the General Plan.*
   The project site has a General Plan land use designation of High Density, Transit-Oriented Residential (HD-TOR). The intent of this designation is to provide high-density housing at

a density range of 21-40 dwelling units/acre. As this project proposes 32.8 dwelling units/acre, it is consistent with both the intended land use of the General Plan and the relevant density requirement.

Further, the project is consistent with the following General Plan Guiding Principle and Implementing Policies:

A. *2.a 1-31 Develop the Transit area, as shown on the Transit Area Plan, as attractive, high density, urban neighborhoods with a mix of land uses around the light rail stations and the future BART station. Create pedestrian connections so that residents, visitors, and workers will walk, bike, and take transit. Design streets and public spaces to create a lively and attractive street character, and a distinctive identity for each sub-district.*

The project is consistent with this policy as it includes attractive four-story residential buildings in close proximity to the future Milpitas BART Station. The Project also includes significant streetscape improvements enabling and encouraging pedestrian and bicycle movement throughout the Trade Zone/Montague Subdistrict, with connections to the BART and Light Rail transportation hubs.

B. *2.a 1-32 Require development in the Transit area to conform to the adopted design guidelines/requirements contained in the Transit Area Plan.*

The project is consistent with this policy as it has been designed per the adopted design requirements contained in the Transit Area Plan. As demonstrated in Section 2(B) below, the project meets the applicable requirements of the Transit Area Plan, including building setbacks and height, density, parking, open space, landscaping, access and circulation.

2. *None of the conditions identified in California Government Code Section 66474 exist, to wit:*

A. *That the proposed map is not consistent with applicable general and specific plans as specified in Government Code Section 65451.*

As set forth in Finding 1 above, the map proposes the development of the site into 40 residential condominium units at a density of 32.8 dwelling units/acre. The General Plan and Transit Area Specific Plan land use designation applicable to the site (High Density, Transit-Oriented Residential (HD-TOR)) permits residential development at densities of 21 to 40 dwelling units/acre. The map is thus consistent with the General Plan and Transit Area Specific Plan.

B. *That the design or improvement of the proposed subdivision is not consistent with applicable general and specific plans.*

The design and improvement of the subdivision is consistent with the density range of 21-40 dwelling units per acre as permitted by the General Plan and Transit Area Specific Plan. The proposed density is 32.8 dwelling units per acre. The proposed

project is also consistent with the Transit Area Specific Plan development standards, including height (maximum of 49' proposed, where 75' is maximum allowed), number of vehicular parking spaces (74 vehicular spaces proposed, where a minimum of 74 is allowed), bicycle parking (14 spaces proposed, where 14 are required), building orientation (proposed buildings will face streets, where requirement provides building must face streets).

C. *That the site is not physically suitable for the type of development.*

The site is surrounded by property designated for high density, transit-oriented residential development under the City's General Plan and zoned for this type of development under the Transit Area Specific Plan. In addition, the developer has determined this site to be suitable for the higher density development based on the location, physical attributes, and proposed infrastructure improvements.

D. *That the site is not physically suitable for the proposed density of development.*

The City Council, through adoption of Resolution No. 8702, has determined that the site is physically suitable for development at the proposed density of 32.8 dwelling units per acre, insomuch as it has amended the applicable general plan land use designation to High Density, Transit Oriented Residential (HD-TOR), which allows densities of 21-40 dwelling units per acre. The site is also flat and has direct access to adjacent streets (Tarob Court and Lundy Place) to accommodate the proposed density of the development.

E. *That the design of the subdivision or the proposed improvements are likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.*

The project, including the subdivision and its associated improvements, has been subjected to environmental review under CEQA through the preparation of an Environmental Assessment/Categorical Exemption Memo (Exhibit 2 to Exhibit A of Attachment A). The memo did not find that the project would be likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat. The project is also located in an urbanized area and previously developed as an industrial building, and therefore, will not cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.

F. *That the design of the subdivision or type of improvements is likely to cause serious public health problems.*

The project, including the subdivision and its associated improvements, has been subjected to environmental review under CEQA through the preparation of an Environmental Assessment/Categorical Exemption Memo (Exhibit 2 to Exhibit A of Attachment A). The memo did not find that the design of the subdivision or type of improvements is likely to cause serious public health problems.

G. *That the design of the subdivision or the type of improvements will conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision.*

Upon review of the subdivision map, it has been determined that the design of the subdivision or the type of improvements will not conflict with any easements acquired by the public at large, for access through or use of, property within the proposed subdivision. The subdivision does not involve the vacation of easements, however, the existing right-of-way will be abandoned and portions of the area will be retained for a Public Services Utility Easement (PSUE).

Site Development Permit

To approve the Site Development Permit, the following findings must be made pursuant to Milpitas Municipal Code Section XI-10-57.03(F):

1. *The layout of the site and design of the proposed buildings, structures and landscaping are compatible and aesthetically harmonious with adjacent and surrounding development.*

   The project's site design is consistent with the TASP development standards for the Trade Zone/Montague Sub-district. The project consists of 40 condominium units and associated site amenities on a 1.22-acre site. The building's contemporary architectural design visually relates to and is compatible with the adjacent townhome projects along Tarob Court. The project also features exterior horizontal blue and green-hued siding. The project has a strong sense of identity, achieving compatibility and aesthetic harmony with surrounding developments.

2. *The project is consistent with the Milpitas Zoning Ordinance.*

   The project site is zoned R3 (Multiple-Family, High Density Residential with a Transit Oriented Development (-TOD) Overlay). Residential uses are permitted in the zoning district. As demonstrated in Tables 3 and 4, the project conforms to the zoning district and meets the intent for this type of project envisioned in this area.

   The project also conforms to the TOD Overlay by providing a density of 32.8 units per acre, which is within the 21-40 units/acre range envisioned by the TOD Overlay when combined with the R3 Zoning District. The four-story height of the building is also within the standards of the TOD Overlay, which allows up to seven stories in height.

3. *The project is consistent with the Milpitas General Plan.*

   See General Plan consistency discussion set out above in support of issuing the Vesting Tentative Map.

4. *The project is consistent with the Transit Area Specific Plan.*

The project proposes the development of the site in to one four-story building consisting of 40 residential condominium units at a density of 32.8 dwelling units/acre. The Transit Area Specific Plan land use designation applicable to the site (High Density, Transit-Oriented Residential (HD-TOR)) permits residential development at densities of 21 to 40 dwelling units/acre. The map is thus consistent with the Transit Area Specific Plan use and density requirements. As demonstrated above, the project also complies with TASP development standards. Landscaping along the streets and greenspace with the development is provided as envisioned by the TASP.

Conditional Use Permit

To approve the Conditional Use Permit, the following findings must be made pursuant to Milpitas Municipal Code Section XI-10-57.04(F):

1. *The proposed use, at the proposed location, will not be detrimental or injurious to property or improvements in the vicinity nor to the public health, safety and general welfare.*

   The project will not be detrimental or injurious to property or improvements in the vicinity, nor to the health, safety or general welfare. The project is consistent with other high density residential projects within the TASP. The condominium project creates housing opportunities and increases the diversity of housing types in the TASP area.

2. *The project is consistent with the Milpitas Zoning Ordinance.*

   The project is consistent with the Zoning Ordinance, as the condominium use is conditionally permitted per MMC Table XI-10-4.02-1. The project conforms to all of the development standards set forth by the Zoning Ordinance, as discussed in the Zoning Ordinance consistency discussion set out in support of issuing a Site Development Permit.

3. *The project is consistent with the Milpitas General Plan.*

   See General Plan consistency discussion set out above in support of issuing the Vesting Tentative Map.

4. *The project is consistent with the Transit Area Specific Plan.*

   See Transit Area Specific Plan consistency set out above in support of issuing the Site Development Permit.

ENVIRONMENTAL REVIEW

This project is located within the area evaluated as part of the Transit Area Specific Plan Environmental Impact Report (TASP-EIR) (SCH#2006032091) certified by the City Council June 3, 2008. An environmental assessment (EA19-0002) for this projects was conducted by LSA, on behalf of the City, in accordance with the California Environmental Quality Act of 1970 (CEQA), as amended, and state and local guidelines implementing CEQA. The environmental assessment

conducted by LSA concluded that none of the circumstances necessitating preparation of a subsequent or supplemental EIR are associated with the Project.

The environmental assessment conducted by LSA also concluded that an Addendum to the TASP EIR is the appropriate document to address these modifications rather than a subsequent or supplemental EIR. The Addendum fully addressed all potential impacts associated with this project, and no material changes have been made to the project that would alter the conclusions of the Addendum. The analysis contained in the Environmental Checklist confirms that the modified project is within the scope of the TASP-EIR and will have no new or more severe significant effects and no new mitigation measures are required.

As a separate and independent basis, the project is exempt from further CEQA review pursuant to Section 15183 of the California Environmental Quality Act, which applies to projects which are consistent with the development density established by existing zoning, community plan, or general plan policies for which an EIR was certified shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site. As a separate and independent basis, the project is also exempt from further CEQA review pursuant to CEQA Guidelines Section 15182, because the project is a residential project that is generally consistent with a Specific Plan. Lastly, the project is also exempt from further environmental review pursuant to CEQA Guidelines Section 15168, as the project is within the scope of the TASP program EIR. Moreover, the project complies with the City's existing zoning, specific plan, community plan, and general plan. Therefore, no further environmental review is required.

PUBLIC COMMENT/OUTREACH

Staff provided public notice the application in accordance with City and State public noticing requirements. At the time of publishing this report, there have been no public comments received. A notice was published in the Milpitas Post on July 19, 2019. In addition, notices were sent to all owners and occupants within 1000 feet of the project site. A public notice was also posted at the project site, on the City's Website, www.ci.milpitas.ca.gov, and at City Hall.

RECOMMENDATION

Staff recommends that the Planning Commission:

1. Open the Public Hearing to receive comments;
2. Close the Public Hearing;
3. Consider the Addendum to the Transit Area Specific Plan EIR and various exemptions in accordance with the CEQA Guidelines, as stated; and
4. Adopt Resolution 19-022 recommending that the Milpitas City Council approve the ENVIRONMENTAL ASSESSMENT P-EA19-0002, SITE DEVELOPMENT PERMIT SD18-0014, CONDITIONAL USE PERMIT UP19-0009, AND VESTING TENTATIVE MAP MT18-0004 TO ALLOW THE FUTURE DEVELOPMENT OF A 40-UNIT RESIDENTIAL CONDOMINIUM PROJECT AT 2001 TAROB COURT

ATTACHMENTS

A: Resolution 19-022

B: Project Plans
C: Affordable Housing Exception Request

RESOLUTION NO. 19-022

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MILPITAS RECOMMENDING TO THE CITY COUNCIL APPROVAL OF SITE DEVELOPMENT PERMIT NO. SD18-0014, CONDITIONAL USE PERMIT NO. UP19-0009, VESTING TENTATIVE MAP NO. MT18-0004, AND ENVIRONMENTAL ASSESSMENT NO. EA19-0002 TO ALLOW A 40-UNIT RESIDENTIAL CONDOMINIUM BUILDING, UP TO 49 FEET IN HEIGHT (FOUR STORIES), WITH PARKING FOR UP TO 74 VEHICLES, ON A 1.22 ACRE SITE LOCATED IN THE MULTI-FAMILY HIGH DENSITY RESIDENTIAL (R3) ZONING DISTRICT AT 2001 TAROB COURT AND MAKING FINDINGS PURSUANT TO SECTION XII-1.00, *et seq.* OF THE MILPITAS MUNICIPAL CODE AND CEQA FINDINGS PURSUANT TO CEQA GUIDELINES SECTIONS 15162, 15163, 15164, 15168, 15182, AND 15183

WHEREAS, pursuant to the California Environmental Quality Act (Public Resources Code, § 21000 et seq.), the State CEQA Guidelines (California Code of Regulations, title 14, § 15000 et seq.) (collectively, "CEQA"), the City of Milpitas is the lead agency for the proposed project described below; and

WHEREAS, on June 3, 2008, the City Council of the City of Milpitas certified an Environmental Impact Report ("EIR") prepared to analyze the environmental impacts associated with the proposed Transit Area Specific Plan (the "TASP EIR," State Clearinghouse No. 2006032091), and subsequently adopted the Transit Area Specific Plan (the "TASP"); and

WHEREAS, the TASP EIR reviewed the potential environmental impacts associated with the implementation of the TASP, which envisioned the development of 7,109 dwelling units, 287,075 square feet of retail space, 993,843 square feet of office and industrial park space, and 350 hotel rooms; and

WHEREAS, 2001 Tarob Court is located within the TASP planning area; specifically, within the Trade Zone/Montague subdistrict of the TASP; and

WHEREAS, on November 2, 2018, The True Life Companies (the "Applicant") submitted an application to the City of Milpitas for the approvals necessary to develop a 40-unit condominium residential project at 2001 Tarob Court. The project (the "Project") thus consists of and requires:

a. Site Development Permit (SD18-0014) to allow the development of a 4-story building with up to 40 residential units on a 1.22 acre site; and

b. Conditional Use Permit (UP19-0009) to allow the condominium use; and

c. Vesting Tentative Map (MT18-0004) to establish 40 residential condominium spaces and related common areas and to record site easements; and

d. Environmental Assessment (EA19-0002) to review and assess all requested entitlements for consistency with the 2008 Transit Area Specific Plan EIR.

WHEREAS, the Planning Division completed an environmental assessment No. EA19-0002 for the Project in accordance with CEQA, and recommends that the Planning Commission determine this Project is covered under the program of activities identified in the Transit Area Specific Plan EIR, SCH#2006032091, certified by the City Council on June 3, 2008, based on the CEQA finding included in this resolution (the "Addendum," a true and correct copy of which is attached hereto and incorporated herein as **Exhibit 2 to Exhibit A**); and

WHEREAS, per CEQA Guidelines Section 15164(b), the Addendum concludes that no supplemental or subsequent EIR is required because: (a) no substantial changes are proposed in the Project which will require major revisions of the TASP EIR; (b) no substantial changes have occurred with respect to the circumstances under which the Project is being undertaken which will require major revisions in the TASP EIR; and (c) no new information which was not known and could not have been known at the time the TASP EIR was certified has become available; and

WHEREAS, the Planning Commission makes and accepts as its own the findings set forth in **Exhibit 2 to Exhibit A** attached hereto;

WHEREAS, the Planning Commission is an advisory body to the City Council pursuant to Milpitas Municipal Code Section XI-10-64.03 (Consideration of Concurrent Applications), where, as here, due to the application for Tentative Map pursuant to Milpitas Municipal Code Section XI-1-4.03, the City Council is the highest review authority for the Project and, accordingly, all review by other bodies with approval authority over the application shall be in the form of a recommendation to the City Council; and

WHEREAS, the Planning Commission has reviewed the draft "Resolution of the City Council of the City of Milpitas Approving Site Development Permit No. SD18-0014, Conditional Use Permit No. UP19-0009, Vesting Tentative Map No. MT18-0004, and Environmental Assessment No. EA19-0002 for 2001 Tarob Court," attached hereto and incorporated herein as **Exhibit A**; and

WHEREAS, per CEQA Guidelines Section § 15164(b), the Addendum demonstrates and concludes that none of circumstances necessitating preparation of a supplemental or subsequent EIR, as specified in CEQA Guidelines Sections 15162 or 15163 are present in that there are (a) no substantial changes are proposed in the Project which will require major revisions of the TASP EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (b) no substantial changes have occurred with respect to the circumstances under which the Project is being undertaken which will require major revisions in the TASP EIR due to new or substantially more severe significant effects; and (c) no new information of substantial importance, as defined in CEQA Guidelines Section 15162, which was not known and could not have been known at the time the TASP EIR was certified has become available; and

WHEREAS, as separate and independent bases, the Planning Commission hereby finds and determines that the Project is exempt from further CEQA review pursuant to (1) CEQA Guidelines Section 15183 (projects consistent with a Community Plan, General Plan or Zoning; (2) CEQA Guidelines Section 15182 (residential projects consistent with a specific plan); and (3) CEQA Guidelines Section 15168 (projects within the scope of a program EIR); and

WHEREAS, the Planning Commission makes and accepts as its own the findings set forth in **Exhibit A** attached hereto; and

WHEREAS, on July 31, 2019, the Planning Commission held a duly-noticed public hearing, during which meeting the Planning Commission discussed all of the Exhibits listed above, heard a presentation from staff, and had the opportunity hear from members of the public; and

WHEREAS, the documents and other materials which constitute the record of proceedings upon which the Planning Commission bases the recommendation and the findings contained within this Resolution are available and may be reviewed at Milpitas City Hall, located at 455 E. Calaveras Boulevard, Milpitas, California 95035; and

WHEREAS, the findings and conclusions made by the Planning Commission pursuant to this Resolution are based upon the oral and written evidence before it as a whole.

NOW, THEREFORE, the Planning Commission of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The recitals set forth above are adopted as further findings of the Planning Commission.

2. The Planning Commission has reviewed the Addendum to the TASP EIR and finds that an addendum is the proper environmental review document under CEQA because: (a) no substantial changes are proposed in the Project which will require major revisions to the TASP EIR; (b) no substantial changes have occurred with respect to the circumstances under which the Project is being undertaken which will require major revisions to the TASP EIR; and (c) no

new information has become available which was not known and could not have been known with the exercise of reasonable diligence at the time the TASP EIR was certified that shows any of the factors set forth in 14 C.C.R. §15164(a)(3). The Planning Commission further finds that the Addendum reflects the Commission's independent judgment and analysis, and that there is no substantial evidence that the Project will have a significant effect on the environment. The Addendum fully studies the impacts of the Project as proposed. Based on its independent review and consideration, the Planning Commission hereby finds that the Addendum complies with the requirements of CEQA and adopts the conclusions in the Addendum on the basis of the evidence and reasoning set forth therein. The Planning Commission thus recommends the City Council approve the Addendum. In addition, the Planning Commission recommends, as a separate and independent basis, that the City Council approve the Project in reliance on the CEQA exemptions specified in the Recitals herein.

3. Having likewise reviewed and considered the documents attached hereto and incorporated herein as **Exhibit A**, and having adopted the findings set forth therein as its own, the Planning Commission recommends the City Council approve and adopt **Exhibit A**, subject to any minor technical or clerical revisions that may be necessary or appropriate.

PASSED AND ADOPTED at a regular meeting of the Planning Commission of the City of Milpitas on July 31, 2019:

Sudhir Mandal

Chair

TO WIT:

I HEREBY CERTIFY that the following resolution was duly adopted at a regular meeting of the Planning Commission of the City of Milpitas on July 31, 2019 and carried by the following roll call vote:

COMMISSIONER	AYES	NOES	ABSENT	ABSTAIN
Ricky Ablaza	X			
Tim Alcorn	X			
Evelyn Chua	X			
Bill Chuan			X	
Sudhir Mandal	X			
Demetress Morris	X			
Steve Tao	X			

EXHIBIT 'A'

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS APPROVING SITE DEVELOPMENT PERMIT NO. SD18-0014, CONDITIONAL USE PERMIT NO. UP19-0009, VESTING TENTATIVE MAP NO. MT18-0004, AND ENVIRONMENTAL ASSESSMENT NO. EA19-0002 TO ALLOW A 40-UNIT RESIDENTIAL CONDOMINIUM BUILDING, UP TO 49 FEET IN HEIGHT (FOUR STORIES), WITH PARKING FOR UP TO 74 VEHICLES, ON A 1.22 ACRE SITE LOCATED IN THE MULTI-FAMILY HIGH DENSITY RESIDENTIAL (R3) ZONING DISTRICT AT 2001 TAROB COURT, AND MAKING FINDINGS PURSUANT TO SECTION XII-1.00, *et seq.* OF THE MILPITAS MUNICIPAL CODE AND CEQA FINDINGS PURSUANT TO CEQA GUIDELINES SECTIONS 15162, 15163, 15164, 15168, 15182, AND 15183

WHEREAS, pursuant to the California Environmental Quality Act (Public Resources Code, § 21000 et seq.), the State CEQA Guidelines (California Code of Regulations, title 14, § 15000 et seq.) (collectively, "CEQA"), the City of Milpitas is the lead agency for the proposed project described below; and

WHEREAS, on June 3, 2008, the City Council of the City of Milpitas certified an Environmental Impact Report ("EIR") prepared to analyze the environmental impacts associated with the proposed Transit Area Specific Plan (the "TASP EIR," State Clearinghouse No. 2006032091), and subsequently adopted the Transit Area Specific Plan (the "TASP"); and

WHEREAS, the TASP EIR reviewed the potential environmental impacts associated with the implementation of the TASP, which envisioned the development of 7,109 dwelling units, 287,075 square feet of retail space, 993,843 square feet of office and industrial park space, and 350 hotel rooms; and

WHEREAS, 2001 Tarob Court is located within the TASP planning area; specifically, within the Trade Zone/Montague subdistrict of the TASP; and

WHEREAS, pursuant to CEQA, when taking subsequent discretionary actions in furtherance of a project for which an EIR has been certified has been adopted, the lead agency is required to review any changed circumstances to determine whether any of the circumstances under Public Resources Code § 21166 and State CEQA Guidelines § 15162 require additional environmental review; and

WHEREAS, on November 2, 2018, The True Life Companies (the "Applicant") submitted an application to the City of Milpitas for the approvals necessary to develop a 40-unit condominium residential project at 2001 Tarob Court. The project (the "Project") thus consists of and requires:

a. Site Development Permit (SD18-0014) to allow the development of four-story building with up to forty residential units on a 1.22 acre site; and

b. Conditional Use Permit (UP19-0009) to allow the condominium use; and

c. Vesting Tentative Map (MT18-0004) to establish forty residential condominium spaces and related common areas and to record site easements; and

d. Environmental Assessment (EA19-0002) to review and assess all requested entitlements for consistency with the 2008 Transit Area Specific Plan EIR.

WHEREAS, the Planning Division completed an environmental assessment No. EA19-0002 for the Project in accordance with CEQA, and the Planning Commission recommended that the City Council determine this Project is covered under the program of activities identified in the Transit Area Specific Plan EIR, SCH#2006032091, certified by the City

Council on June 3, 2008, based on the CEQA finding included in this resolution (the "Addendum," a true and correct copy of which is attached hereto and incorporated herein as **Exhibit 2 to Exhibit A**); and

WHEREAS, per 14 C.C.R (CEQA Guidelines) Section 15164(b), the Addendum demonstrates and concludes that none of circumstances necessitating preparation of a supplemental or subsequent EIR, as specified in CEQA Guidelines Sections 15162 or 15163 are present in that there are (a) no substantial changes are proposed in the Project which will require major revisions of the TASP EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (b) no substantial changes have occurred with respect to the circumstances under which the Project is being undertaken which will require major revisions in the TASP EIR due to new or substantially more severe significant effects; and (c) no new information of substantial importance, as defined in CEQA Guidelines Section 15162, which was not known and could not have been known at the time the TASP EIR was certified has become available; and

WHEREAS, the City Council hereby adopts the Addendum makes and accepts as its own the findings set forth in **Exhibit A** attached hereto; and

WHEREAS, as separate and independent bases, the City Council hereby finds and determines that the Project is exempt from further CEQA review pursuant to (1) CEQA Guidelines Section 15183 (projects consistent with a Community Plan, General Plan or Zoning; (2) CEQA Guidelines Section 15182 (residential projects consistent with a specific plan); and (3) CEQA Guidelines Section 15168 (projects within the scope of a program EIR); and

WHEREAS, the Planning Commission is an advisory body to the City Council pursuant to Milpitas Municipal Code Section XI-10-64.03 (Consideration of Concurrent Applications), where, as here, due to the application for density bonus pursuant to Milpitas Municipal Code Section XI-10-54.15, the City Council is the highest review authority for the Project, and, accordingly, all review by other bodies with approval authority over the application shall be in the form of a recommendation to the City Council; and

WHEREAS, on July 31, 2019, the Planning Commission held a duly-noticed public hearing, during which meeting the Planning Commission considered the Addendum EA19-0002, as well as the requested Site Development Permit SD18-0014, Conditional Use Permit UP19-0009, and Vesting Tentative Map MT18-0002 for 2001 Tarob Court, heard a presentation from staff, and had the opportunity hear from members of the public; and

WHEREAS, by adoption of Resolution No. 19-022, the Planning Commission recommended the City Council approve Site Development Permit No. SD18-0014, Conditional Use Permit No. UP19-0009, Vesting Tentative Map No. MT18-0002, and Environmental Assessment No. EA19-0002 for 2001 Tarob Court; and

WHEREAS, the documents and other materials which constitute the record of proceedings upon which the City Council bases the findings contained within this Resolution are available and may be reviewed at Milpitas City Hall, located at 455 E. Calaveras Boulevard, Milpitas, California 95035; and

WHEREAS, on _____, 2019, the City Council held a duly-noticed public hearing, during which meeting the City Council considered the Environmental Assessment No. EA19-0002, as well as the requested Site Development Permit No. SD18-0014, Conditional Use Permit No. UP19-0009, and Vesting Tentative Map No. MT18-0002 for 2001 Tarob Court, heard a presentation from staff, and had the opportunity hear from members of the public; and

WHEREAS, the findings and conclusions made by the City Council pursuant to this Resolution are based upon the oral and written evidence before it as a whole; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

SECTION 1. Recitals

The City Council has considered the full record before it, which may include, but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and incorporated herein by reference.

SECTION 2. California Environmental Quality Act Findings

The proposed Project is covered under the scope of activities approved under the TASP EIR, SCH#2006032091, which was certified by the Milpitas City Council on June 3, 2008. The EIR included a program of activities including construction of up to 7,109 residential units within the TASP area. The proposed 40 residential units fall within this scope of development activity contemplated in the TASP EIR. LSA Associates completed an environmental assessment of the proposed Project to confirm the proposed Project is within the scope of the TASP EIR. The analysis found that the Project is consistent with the TASP EIR and confirmed that the Project is within the scope of development density considered under the TASP EIR. No new impacts were identified and no new mitigation measures are required. Policies and/or mitigation measures required of projects covered under the TASP EIR are included as Conditions of Approval. Pursuant to Public Resources Code Section 21166 and CEQA Guidelines Section 15168(c)(2), the Project is except from further review under CEQA.

SECTION 3. Vesting Tentative Map Findings (Section XI-1-20.01)

The City Council makes the following findings based on the evidence in the administrative record in support of Vesting Tentative Map No. MT18-0004:

A. *The tentative subdivision map is consistent with the General Plan.*

The Project site has a General Plan land use designation of High Density, Transit Oriented Residential (HD-TOR). The intent of this designation is to provide high-density housing at a density range of 21-40 dwelling units/acre. As this Project proposes 32.8 dwelling units/acre, it is consistent with both the intended land use of the General Plan and the relevant density requirement.

Further, the Project is consistent with the following General Plan Guiding Principle and Implementing Policies:

1. *2.a 1-31 Develop the Transit area, as shown on the Transit Area Plan, as attractive, high density, urban neighborhoods with a mix of land uses around the light rail stations and the future BART station. Create pedestrian connections so that residents, visitors, and workers will walk, bike, and take transit. Design streets and public spaces to create a lively and attractive street character, and a distinctive identity for each sub-district.*

The Project is consistent with this policy as it includes attractive four-story residential buildings in close proximity to the future Milpitas BART Station. The Project also includes significant streetscape improvements enabling and encouraging pedestrian and bicycle movement throughout the Trade Zone/Montague Subdistrict, with connections to the BART and Light Rail transportation hubs.

2. *2.a 1-32 Require development in the Transit area to conform to the adopted design guidelines/requirements contained in the Transit Area Plan.*

The Project is consistent with this policy as it has been designed per the adopted design requirements contained in the Transit Area Plan. As demonstrated in Section B(2) below, the project meets the applicable requirements of the Transit Area Plan, including building setbacks and height, density, parking, open space, landscaping, access and circulation.

B. *None of the conditions identified in California Government Code Section 66474 exist, to wit:*

1. *That the proposed map is not consistent with applicable general and specific plans as specified in Government Code Section 65451.*

   As set forth in Section 3(A) above, the map proposes the development of the site into 40 residential condominium units at a density of 32.8 dwelling units/acre. The General Plan and Transit Area Specific Plan land use designation applicable to the site (High Density, Transit Oriented Residential – (HD-TOR) permits residential development at densities of 21 to 40 dwelling units/acre. The map is thus consistent with the General Plan and Transit Area Specific Plan.

2. *That the design or improvement of the proposed subdivision is not consistent with applicable general and specific plans.*

   The design and improvement of the subdivision is consistent with the density range of 21-40 dwelling units per acre as permitted by the General Plan and Transit Area Specific Plan. The proposed density is 32.8 dwelling units per acre. The proposed project is also consistent with the Transit Area Specific Plan development standards, including height (maximum of 49' proposed, where 75' is maximum allowed), number of vehicular parking spaces (74 vehicular spaces proposed, where a minimum of 74 is allowed), bicycle parking (14 spaces proposed, where 14 are required), building orientation (proposed buildings will face streets, where requirement provides building must face streets).

3. *That the site is not physically suitable for the type of development.*

   The site is surrounded by property designated for high density, transit-oriented residential development under the City's General Plan and zoned for this type of development under the Transit Area Specific Plan. In addition, the developer has determined this site to be suitable for the higher density development based on the location, physical attributes, and proposed infrastructure improvements.

4. *That the site is not physically suitable for the proposed density of development.*

   The City Council, through adoption of Resolution No. 8702, has determined that the site is physically suitable for development at the proposed density of 32.8 dwelling units per acre, insomuch as it has amended the applicable general plan land use designation to High Density, Transit Oriented Residential (HD-TOR), which allows densities of 21-40 dwelling units per acre. The site is also flat and has direct access to adjacent streets (Tarob Court and Lundy Place) to accommodate the proposed density of the development.

5. *That the design of the subdivision or the proposed improvements are likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.*

   The Project, including the subdivision and its associated improvements, has been subjected to environmental review under CEQA through the preparation of an Environmental Assessment/Categorical Exemption Memo (Exhibit 2 to Exhibit A of Attachment A). The memo did not find that the project would be likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat. The Project is also located in an urbanized area and previously developed as an industrial building, and therefore, will not cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.

6. *That the design of the subdivision or type of improvements is likely to cause serious public health problems.*

   The Project, including the subdivision and its associated improvements, has been subjected to environmental review under CEQA through the preparation of an Environmental Assessment/Categorical Exemption Memo (Exhibit 2 to Exhibit A). The memo did not find that the design of the subdivision or type of improvements is likely to cause serious public health problems.

7. *That the design of the subdivision or the type of improvements will conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision.*

   Upon review of the subdivision map, it has been determined that the design of the subdivision or the type of improvements will not conflict with any easements acquired by the public at large, for access through or use of, property within the proposed subdivision. The subdivision does not involve the vacation of easements, however, the existing right-of-way will be abandoned and portions of the area will be retained for a Public Services Utility Easement (PSUE).

SECTION 4. Site Development Permit Findings (Section XI-10-57.03(F)(1))

The City Council makes the following findings based on the evidence in the public record in support of Site Development Permit No. SD18-0014:

A. *The layout of the site and design of the proposed buildings, structures and landscaping are compatible and aesthetically harmonious with adjacent and surrounding development.*

The Project's site design is consistent with the TASP development standards for the Trade Zone/Montague Subdistrict. The Project consists of 40 condominium units and associated site amenities on a 1.22-acre site. The building's contemporary architectural design features varied materials and complements previously-approved and adjacent projects within the subdistrict. The Project has a strong sense of identity, achieving compatibility and aesthetic harmony with surrounding developments.

B. *The Project is consistent with the Milpitas Zoning Ordinance.*

The Project site is zoned R3 (Multiple-Family, High Density Residential with a Transit Oriented Development (-TOD) Overlay). Residential uses are permitted in the zoning district. The proposed residential uses are permitted in the zoning district. As demonstrated in the Table 1, the Project conforms to the zoning district and meets the intent for this type of project envisioned in this area.

Table 1:
Summary of TASP R3-TOD Development Standards

Standard (R3-TOD)	Requirement	Proposed	Compliance (Y/N)
Height	Up to 75 feet	49 feet	Y
Setbacks	Front Yard: 8 foot-15 foot maximum; Side and Rear Yards: 15 foot minimum,	10 foot front yard setback; 8 foot to overhead projection; 40 foot side and 21 foot rear yard setback	Y
Projections	Up to 6 feet	2 feet	Y
Building Orientation	Buildings must face street	Buildings face street	Y
Density	21-40 du/ac	32.8 du/ac	Y

Parking (Resident)	2-3 bedroom – 1.6 – 2 covered per unit Between 64 (min) - 80 (max) spaces	64 spaces	Y
Parking (Guest)	15 percent of required = 10 spaces	10 spaces	Y
Parking (Bicycle)	1 space per 4 housing units, exempting units with private garages = 10 spaces; on-street guest racks equivalent to 5 percent of parking requirement = 4 spaces	10 secure, long term spaces 4 exterior guest spaces	Y
Usable Open Space	Minimum 25 percent of the total site shall be usable open space or recreational facilities = 0.31 acres required;	0.44 acres	Y
Private Open Space	An average of two hundred square feet of usable open space shall be provided for each dwelling unit. "Usable open space" shall mean any open space, the smallest dimension of which is at least 4 ½ feet and which is not used as storage or for movement of motor vehicles: except that yards abutting a public street, which are not adequately screened for privacy, in the opinion of the Planning Commission, shall not qualify as usable open space. Balconies, porches, or roof decks may be considered usable open space when properly developed for work, play or outdoor living areas. At least thirty (30) percent of required open space shall be contiguous to and provide for private usable open space of the individual dwelling unit. 200 x 40 = 8,000 SF or 0.18 acres	Private recreational area = 0.28 acres 60 SF balconies provided per unit. 60 x 40 = 2,400 SF or 0.06 acres. 0.06/0.18 = 30% of the required contiguous open space Total private open space = 0.31 acres = 337.6 SF/unit	Y

C. *The Project is consistent with the Milpitas General Plan.*

The Project site has a General Plan land use designation of High Density, Transit Oriented Residential (HD-TOR). The intent of this designation is to provide high-density housing at a density range of 21-40 dwelling units/acre. As this Project proposes 32.8 dwelling units/acre, it is consistent with both the intended land use of the general plan and the relevant density requirement.

Further, the Project is consistent with the following General Plan Guiding Principle and Implementing Policies:

a. *2.a 1-31 Develop the Transit area, as shown on the Transit Area Plan, as attractive, high density, urban neighborhoods with a mix of land uses around the light rail stations and the future BART station. Create*

pedestrian connections so that residents, visitors, and workers will walk, bike, and take transit. Design streets and public spaces to create a lively and attractive street character, and a distinctive identity for each sub-district.

The Project is consistent with this policy as it includes attractive four-story residential buildings in close proximity to the future Milpitas BART Station. The Project also includes significant streetscape improvements enabling and encouraging pedestrian and bicycle movement throughout the Trade Zone/Montague Subdistrict, with connections to the BART and Light Rail transportation hubs.

b. *2.a 1-32 Require development in the Transit area to conform to the adopted design guidelines/requirements contained in the Transit Area Plan.*

The Project is consistent with this policy as it has been designed per the adopted design requirements contained in the Transit Area Plan. As demonstrated in subsection D, the Project meets the applicable requirements of the Transit Area Plan, including building setbacks and height, density, parking, open space, landscaping, access and circulation.

D. The Project is consistent with the Specific Plan.

The Project proposes the development of the site in to one four-story building consisting of 40 residential condominium units at a density of 32.8 dwelling units/acre. The Transit Area Specific Plan land use designation applicable to the site (High Density, Transit-Oriented Residential (HD-TOR)) permits residential development at densities of 21 to 40 dwelling units/acre. The Project is thus consistent with the Transit Area Specific Plan use and density requirements. As demonstrated in Table 1, the project also complies with TASP development standards. Landscaping along the streets and greenspace with the development is provided as envisioned by the TASP.

SECTION 5. Conditional Use Permit Findings (Section XI-10-57.04(F))

The City Council makes the following findings based on the evidence in the public record in support of Conditional Use Permit No. UP19-0009:

A. The proposed use, at the proposed location, will not be detrimental or injurious to property or improvements in the vicinity nor to the public health, safety and general welfare.

The Project will not be detrimental or injurious to property or improvements in the vicinity, nor to the health, safety or general welfare. The project is consistent with other high density residential projects within the TASP. The condominium project creates housing opportunities and increases the diversity of housing types in the TASP area.

B. The Project is consistent with the Milpitas Zoning Ordinance.

The Project is consistent with the Zoning Ordinance, as the condominium use is conditionally permitted per MMC Table XI-10-4.02-1. The project conforms to all of the development standards set forth by the Zoning Ordinance, as discussed in the Zoning Ordinance consistency discussion set out in support of issuing a Site Development Permit.

C. The Project is consistent with the Milpitas General Plan.

As stated in the Site Development Permit discussion above, the Project implements the range of uses and the density of development set forth in the Milpitas General Plan.

D. The Project is consistent with the Transit Area Specific Plan.

As stated in the Site Development Permit discussion above, the Project implements the range of uses, the density of development and the development standards as set forth in the TASP.

SECTION 6. Affordable Housing Ordinance (Section XII-1-4.00)

The City Council denies the Applicant's request for an exception from the requirement to construct affordable housing units as part of the Project as required by the Milpitas Municipal Code Section XII-1-00, *et seq.* The Applicant has failed to demonstrate that the Project qualifies for such an exception based upon the following findings based on the evidence in the public record for the affordable housing exception request:

A. *The exception requested does not exceed the minimum affordable requirements; and*

The exception requested does not exceed the minimum affordable requirements. The applicant is providing the minimum required fee-in-lieu, which does not exceed the minimum affordable requirements. The affordable housing fund is used to produce very-low, low-, and moderate-income ownership or rental housing in the City. If the applicant were to build six Below Market Rate (BMR) units on site, it would allow six low-income households the opportunity to have permanent housing in the City. Since the applicant has requested to pay the in-lieu fee, those contributions can only be used to assist future developers to build affordable units, and not to subsidize rents in existing low-income housing. Therefore, the exception would further delay the construction of new affordable units in the City and would not exceed the minimum affordable requirements.

B. *The project is not better served with the exception; or*

The record does not demonstrate that the Project is better served with the exception. The applicant argues that social assistance programs are not available within the TASP Trade Zone/Montague Subdistrict. However, on June 12, 2018, City Council approved a 102-unit multifamily affordable housing development with community space and offices for supportive services located at 355 Sango Court. The TASP envisions a Tarob Court connection to Sango Court. This particular development is also located within the TASP Trade Zone/Montague Subdistrict. Therefore, the argument cannot be made that projects should be located near established social services, as the project site is located near a recently entitled project with supportive services.

C. *The community benefits do not exceed the project benefits.*

The record does not demonstrate that the community benefits exceed the project benefits. The project is not providing any identified community benefit to the City. Example of community benefits include contributions to the school district, Fire Department, Recreation Department, etc. A compliant project that meets the development standards of the zoning code is not inherently considered a community benefit, and therefore does not exceed the potential benefit of providing on-site affordable units.

SECTION 7. Severability

If any section, subsection, sentence, clause, phrase, or portion of this Resolution is for any reason held incorrect, invalid, illegal, or unenforceable, such decision shall not affect the validity of the remaining portions of this Resolution. The City Council hereby declares that it would have passed each section, subsection, phrase, or clause thereof irrespective of the fact that any one or more sections, subsections, phrases or clauses be declared incorrect, invalid, illegal, or unenforceable.

SECTION 8. City Council Approval

The City Council hereby approves Site Development Permit No. SD18-0014, Conditional Use Permit No. UP19-0009, Vesting Tentative Map No. MT18-0004, and Environmental Assessment No. EA19-0002 (subject to the Conditions of Approval attached hereto and incorporated herein as **Exhibit 1**), based on the above findings.

PASSED AND ADOPTED this _____ day of_____ 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Mary Lavelle, City Clerk

APPROVED:

Rich Tran, Mayor

APPROVED AS TO FORM:

Christopher J. Diaz, City Attorney

EXHIBIT '1'

CONDITIONS OF APPROVAL
2001 TAROB COURT RESIDENTIAL DEVELOPMENT

SITE DEVELOPMENT PERMIT NO. SD18-0014
CONDITIONAL USE PERMIT NO. UP19-0009
VESTING TENTATIVE MAP NO. MT18-0004
ENVIRONMENTAL ASSESSMENT NO. EA19-0001

GENERAL CONDITIONS

1. General Compliance: The Permittee and owner, including all successors in interest (collectively "Permittee") shall comply with each and every condition set forth in this Permit. **SITE DEVELOPMENT PERMIT SD18-0014, CONDITIONAL USE PERMIT UP19-0009, VESTING TENTATIVE MAP MT18-0004, and ENVIRONMENTAL ASSESSMENT EA19-0002** (collectively "Permit") shall have no force or effect and no building permit shall be issued unless and until all things required by the below-enumerated precedent conditions have been performed or caused to be performed. The Permittee shall develop the site in accordance with the approved Attachments and as modified by these Conditions of Approval.

2. Effective Date: Unless there is a timely appeal filed in accordance with the Milpitas Zoning Code, the date of approval of this Permit is the date on which the City Council approved this Permit.

3. Acceptance of Permit: Should Permittee fail to file a timely appeal within twelve (12) calendar days of the date of approval of this Permit, inaction by Permittee shall be deemed to constitute each of the following:
    a. Acceptance of this Permit by Permittee; and
    b. Agreement by the Permittee to be bound by, comply with, and to do all things required of or by Permittee pursuant to all of the terms, obligations, and conditions of this Permit.

4. Permit Expiration: Pursuant to Section XI-10-64-06 of the Milpitas Municipal Code, this Permit shall become null and void if the activity permitted by this Permit is not commenced within two (2) years from the date of approval, or for a project submitted with a tentative map, within the time limits of the approved tentative map. Pursuant to Section XI-10-64.06(B) of the Milpitas Municipal Code, an activity permitted by this Permit shall be deemed to have commenced when the Project:
    a. Completes a foundation associated with the Project; or
    b. Dedicates any land or easement as required from the zoning action; or
    c. Complies with all legal requirements necessary to commence the use, or obtains an occupancy permit, whichever is sooner.

5. Time Extension: Pursuant to Section XI-10-64.07 of the Milpitas Municipal Code, unless otherwise provided by State law, Permittee shall have the right to request a one-time extension of the Permit if the request is made in writing to the Planning Division prior to the expiration date of the approval. **(P)**

6. Project Job Account: If Permittee's project job account is at any time delinquent or below the required deposit amount, City will not continue to review or process the application until Permittee's project job account is paid in full and the required deposit has been made. Additionally, prior to the issuance of any building permit or occupancy permit as applicable, Permittee shall pay in full the Project account balance and establish a remaining balance of at least twenty-five percent (25%) of the required initial deposit. **(P/E)**

7. Notice: Pursuant to California Government Code Section 66020, any protest filed in court relating to the imposition of fees, dedication, reservations, or other exactions to be imposed on the development project shall be filed within ninety (90) days after the date of the adoption of this Resolution. This provision serves as notice from the local agency to the

Permittee that the ninety (90) day period in which the Permittee may file a protest has begun under California Government Code Section 66020(d)(1).

8. Cost and Approval: Permittee shall fully complete and satisfy each and every condition set forth in this Resolution and any other condition applicable to the Project to the sole satisfaction of the City. Additionally, Permittee shall be solely responsible and liable for the cost to satisfy each and every condition. **(ALL)**

9. Conditions: Each and every condition set forth in this Exhibit shall apply to the Project and continue to apply to the Project so long as the Project is operating under the permits and approvals in this Resolution. **(ALL)**

10. Compliance with Laws: The construction, use, and all related activity authorized under this Permit shall comply with all applicable local, state and federal laws, rules, regulations, guidelines, requirements and policies. **(CAO/P/E/B)**

11. Indemnification: To the fullest extent permitted by law, Permittee shall indemnify, defend with counsel of the City's choosing, and hold harmless City, its City Council, its boards and commissions, officials, officers, employees and agents from and against any and all claims, demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including without limitation, attorney's fees, disbursements and court costs) of every kind and nature whatsoever which may arise from or in any manner relate (directly or indirectly) to (i) City's approval of the project, including, but not limited to, the approval of the discretionary permits, maps under the Subdivision Map Act, and/or the City's related determinations or actions under the California Environmental Quality Act, and (ii) Permittee's construction, operation, use or related activity under this Permit. This indemnification shall include, but not be limited to, damages awarded against the City, if any, costs of suit, attorneys' fees, and other expenses incurred in connection with such claim, action, causes of action, suit or proceeding whether incurred by Permittee, City and/or the parties initiating or bringing such proceeding. Permittee shall indemnify the City for all of City's costs, attorneys' fees and damages, which City incurs in enforcing the indemnification provisions set forth in this condition. Permittee shall pay to the City upon demand or, as applicable, to counsel of City's choosing, any amount owed pursuant to the indemnification requirements prescribed in this condition. The above indemnification is intended to be as broad as permitted by applicable law. To the extent the above indemnification is limited by Government Code Section 66474.9, any limitations shall only apply to Vesting Tentative Map No. MT16-0003, and the balance of the Permit shall be unaffected by Government Code Section 66474.9.

12. Certificate of Insurance: Permittee shall provide certificate of insurance and name City as an additional insured in its insurance policies for the Project.

13. Revocation, Suspension, Modification: This Permit may be suspended, revoked or modified in accordance with Section XI-10-63.06 of the Milpitas Municipal Code.

14. Severability: If any term, provision, or condition of this Permit is held to be illegal or unenforceable by the Court, such term, provision or condition shall be severed and shall be inoperative, and the remainder of this Permit shall remain operative, binding and fully enforceable.

15. Response to Conditions of Approval: Permittee shall provide a written response to comments upon submittal for building permit application. The responses should clearly indicate how each condition of approval has been addressed in the plans and shall note the appropriate plan sheet. **(P)**

16. Compliance with Fire Department and California Fire Code: The project shall comply with the requirements of the Milpitas Fire Department and the California Fire Code, as adopted by the City. Changes to the site plan and/or buildings requires review and approval by the Fire Department. **(F)**

17. Development in Conformance with Approved Plans: Permittee shall develop the approved Project in conformance with the plans dated July 10, 2019 and approved by the City Council on _____, 2019, in accordance with these Conditions of Approval. Any deviation from the approved site plan, elevations, materials, colors, landscape plan or other approved submittal shall require that, prior to the issuance of building permits, the Permittee shall submit modified

plans and any other applicable materials as required by the City for review, and obtain the approval of the Planning Director or Designee. If the Planning Director or designee determines that the deviation is significant, the owner or designee shall be required to apply for review and obtain approval of the Planning Commission or City Council, as applicable, in accordance with the Milpitas Zoning Code. **(P)**

PLANNING CONDITIONS

18. Landscape: All approved landscaping shall be permanently maintained and replaced with substantially similar plant material as necessary to provide a permanent, attractive and effective appearance.

19. Architecture: Permittee shall submit updated Project Architecture depicted on the Building Elevations sheets to the Planning Division, and obtain approval from the Planning Director or Designee prior to Building Permit submittal. Any deviations from approved Project Architecture shall be approved at the sole discretion of the Director of Planning or his/her approved designee

20. Street Lights: Permittee shall provide street lighting along all street frontages subject to the review and approval of the Planning Division. Permittee shall likewise install pedestrian scale lights along all public and private street frontages. The Permittee shall submit a photometric plan to determine appropriate light levels with submittal of on-site improvement plans.

21. Parking: Parking shall be provided as depicted on the Site Plan approved by the City Council and shall consist of the following:

    a. RESIDENT: A total of 64 spaces within the parking garage and on the site.
    b. GUEST: A total of 10 guest spaces are to be provided in the internal driveway and in the parking garage.
    c. COMPACT: 29 of the resident and guest parking spaces will be designated as compact spaces. No additional spaces shall be compact without written approval from the Planning Director or his/her designee.

22. Bicycle Racks: A minimum of ten (10) long-term bicycle parking spaces shall be installed on the site. A total of four (4) short-term bicycle parking spaces shall also be installed on the site.

23. Trees: The project will remove 34 trees and replace with 40 trees, in conformance with the plans approved by City Council on _____, 2019.

24. Public Art Requirement: Permittee shall comply with the City's Public Art Requirements for Private Development, as set forth in Milpitas Municipal Code Section XI-10-14. Fee shall be no less than one-half of one percent of building development costs and shall be payable at time of building permit issuance.

25. Affordable Housing Requirement: Permittee shall comply with the City's Affordable Housing Ordinance, as set forth in Milpitas Municipal Code Section XI-1-3.00. All new residential development projects of ten units or more designed and intended for permanent occupancy shall construct 15 percent of the total number of dwelling units within the development as affordable units, unless otherwise remedied by the City Council.

PLANNING & BUILDING PROJECT-RELATED TASP MITIGATION MEASURES & REQUIRED PROJECT DESIGN FEATURES

Biological Resources (TASP Policy 5.26)

26. Nesting Birds: To mitigate impacts on non-listed special-status nesting raptors and other nesting birds, a qualified biologist will survey the site for nesting raptors and other nesting birds within 14 days prior to any ground disturbing activity or vegetation removal. Results of the surveys will be forwarded to the U.S. Fish and Wildlife Services (USFWS) and CDFG (as appropriate) and, on a case-by-case basis, avoidance procedures adopted. These can include construction

buffer areas (several hundred feet in the case of raptors) or seasonal avoidance. However, if construction activities occur only during the non-breeding season between August 31 and February 1, no surveys will be required. **(P)**

Noise (TASP Policy 5.10))

27. Noise Insulation: Prior to issuance of any building permit, Permittee shall demonstrate that the Project will meet the required 45 dBA maximum interior noise standard.

Air Quality (TASP Policy 5.16)

28. Dust Control Emissions: During the construction of the Project, Permittee shall comply with all of the following:
    a. All exposed surfaces (e.g. parking areas, staging areas, soil piles, graded areas and unpaved roads) shall be watered two times per day.
    b. All haul trucks transporting soil, sand or other loose material off the site shall be covered.
    c. All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day or more often if determined necessary by City Engineer or designee. The use of dry power sweeping is prohibited.
    d. All vehicle speeds on unpaved roads shall be limited to 15 MPH.
    e. All roadways, driveways and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.
    f. Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to five (5) minutes (as required by the California airborne toxics control measure Title 13, Section 2485 of California Code of Regulations [CCR]). Clear signage shall be provided for construction workers at all access points.
    g. All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified mechanic and determined to be running in proper condition prior to operation.
    h. Post a publicly visible sign with the telephone number and person to contact at the City regarding dust complaints. This person shall respond and take corrective action within 48 hours. The Air District's phone number shall also be visible to ensure compliance with applicable regulations. **(B)**

29. ROG Emissions: Prior to issuance of any building permit, Permittee shall develop, submit and obtain approval from the City of a plan to reduce ROG emissions by 17 percent or greater during the architectural coating phase of the construction. Acceptable measures to achieve this goal include, but are not limited to, using paint that contains 125 grams per liter of VOC or less, the use of pre-fabricated building materials, or a combination of both. The plan shall be implemented as approved by the City. **(B)**

Cultural Resources (TASP Policies 5.34 and 5.35)

30. Archeological Monitoring: Any future ground disturbing activities, including grading, in the Transit Area shall be monitored by a qualified archaeologist to ensure that the accidental discovery of significant archaeological materials and/or human remains is handled according to CEQA Guidelines §15064.5 regarding discovery of archeological sites and burial sites, and Guidelines §15126.4(b) identifying mitigation measures for impacts on historic and cultural resources (see Public Resources Code §§21083.2, 21084.1). In the event that buried remains are encountered, work shall be halted in the immediate area and the Santa Clara County coroner and the City of Milpitas Department of Planning and Department of Building shall be immediately contacted to determine the nature of the remains and related appropriate mitigation plan. If remains are determined to be of Native American origin, the coroner will then contact the Native American Heritage Commission (NAHC), which will in turn contact the appropriate Most Likely Descendent (MLD). The MLD will then have the opportunity to make a recommendation for the respectful treatment of the Native American remains and related burial goods. **(P/B)**

31. Paleontological Monitoring: All grading plans for development projects involving ground displacement shall include a requirement for monitoring by a qualified paleontologist to review underground materials recovered. In the event fossils are encountered, work in the area shall be halted and the City of Milpitas Department of Planning and Department of Building shall be immediately contacted to determine the nature of the remains and related appropriate mitigation plan. A qualified paleontologist shall evaluate the fossils, and steps needed to photo-document or to recover the fossils shall be taken. **(P/B)**

ENGINEERING CONDITIONS

PRIOR TO CONSTRUCTION PLAN SUBMITTALS

*The following conditions shall be met **prior to** any detailed construction plan check submittals (Building or Engineering, except demolition and rough grade plans), unless otherwise approved by the Director of Engineering/City Engineer. City reserves the right to reject any plan check submittal if any of the following conditions are not met. **(E)***

32. Modifications: The Site Development Plan dated July 10, 2019 is subject to change during the plan check stage based upon City's previous comments and conditions stated herein.

33. Solid Waste and Recycling Handling Plan: Permittee shall submit final Solid Waste and Recycling Handling Plan based upon City's previous comments for City's review and approval by the Engineering Department. The subject Plan shall show calculations of waste generation volumes and how materials will be transferred from the waste generation areas to the trash enclosure/external collection point; demonstrate how recycling shall have a separately maintained process from garbage handling; address other requirements such as waste generation and compactor sizing, chute shut-off and property management responsibility for bin management and litter control; and procure sufficient service frequency.

34. Stormwater Control Plan: Permittee shall submit City approved final Stormwater Control Plan (SWCP) that complies with the latest Municipal Regional Stormwater NPDES Permit, including Low Impact Development (LID) Section C3.c.i.(2)(b) measures for harvesting and reuse, infiltration, or evapo-transpiration, for City's review and approval by the Engineering Department.

35. Photometric Analysis: Permittee shall submit streetlight photometric analysis for City's review and approval by the Engineering Department along Tarob Court and Lundy Place that meet the Illuminating Engineering Society of North America (IESNA), RP8, for roadway and sidewalk lighting standards and City standard design guidelines.

36. Recycle Water Cross-Connection Specialist: In order to comply with the California Code of Regulations Title 17 and 22, and for timely plan approval by the California State Water Resources Control Board/Division of Drinking Water as well as by the South Bay Water Recycling, Permittee must hire a certified cross-connection specialist for their consultation as to irrigation water system design and construction phasing. The name and contact information of the certified cross-connection specialist shall be provided on all landscape submittal plans.

37. Submittal Requirements: Permittee to ensure that all plan check submittals are in accordance with City's submittal check list for each permit type, including but not limited to, payment of permit fees and/or fee deposit at the time of the submittal.

38. Project Job Account/Fee Deposit: Permittee shall open a new PJ account as a deposit to cover the costs for Engineering Department's services for review and inspection of the project. The amount shall be determined based on the public improvement cost estimates as prepared by the Permittee's engineer.

39. Coordination with other Projects: Permittee shall coordinate designs with 1992 Tarob Court subdivision (E-EN18-0056) in advance prior to any plan submittal.

PRIOR TO FINAL MAP APPROVAL/RECORDATION

*The following conditions shall be addressed during the final map plan check process and shall be met **prior to** any final approval/recordation (except demolition permit and rough grade permit), unless otherwise approved by the Director of Engineering/City Engineer. **(E)***

40. Dedication on the Final Map: Permittee shall dedicate necessary emergency vehicle access easement, public service utility easement, sanitary sewer easement and other public easement(s) deemed necessary for the project.

41. Abandonment/Quitclaim Easements: Permittee shall abandon/quit claim existing easements that are in conflict with or unnecessary for the project.

42. Partial Street Vacation: This project is subject to and contingent upon partial vacation on Tarob Court and Lundy Place.

43. Easements on the Final Map: Permittee shall depict all existing easements to remain based upon current preliminary title report and depict new easements on the final map.

44. Concurrent Off-site Plan Reviews: Permittee shall submit separate off-site improvement plans for City's review and approval by the Engineering Department.

45. Utility Company Approval: Permittee shall obtain approval letters from utility companies (PG&E, AT&T, Comcast) for abandonment of existing and dedication of new public service utilities easements.

46. Demolition of Existing Building: Permittee shall demolish existing buildings/facilities that are in conflict with the new property lines.

47. Covenant, Conditions & Restrictions (CC&Rs): Permittee shall provide CC&Rs for City's review and approval for perpetual maintenance of private roadways, private utilities, stormwater management facilities in accordance with a separately recorded Stormwater Management Facilities Operation and Maintenance Agreement. There shall be provisions in the CC&Rs to retain a recycled water site supervisor with annual re-certification report to the City's Public Works Department.

48. Subdivision Improvement Agreement and Securities: Permittee shall execute a Subdivision Improvement Agreement and provide improvement securities in accordance with MMC Title XI, Section 17, and submit all other supplemental documents as stipulated in the Improvement Agreement (such as certificate of insurance).

49. Annexation to the Community Facilities District: Permittee shall submit an executed petition affirmatively consenting to annex the subject property to the Community Facilities District (CFD) 2008-1, and agree to pay the special taxes levied by the CFD 2008-1 for the purpose of maintaining the public services. The CFD annexation process shall be completed prior to final map approval. Permittee shall comply with all rules, regulations, policies and practices established by the State Law and/or by the City with respect to the CFD including, without limitation, requirements for notice and disclosure to future owners and/or residents. This condition of approval is nonseverable from the Permit and invalidation or limitation of this condition invalidates the Permit, condition 14 notwithstanding.

PRIOR TO OFF-SITE PLAN APPROVAL/ENCROACHMENT PERMIT ISSUANCE

*The following conditions shall be addressed as part of the off-site improvement plan review and shall be met **prior to** encroachment permit issuance, unless otherwise approved by the Director of Engineering/City Engineer. **(E)***

50. Public Improvement Design Standards: All public improvements shall be designed and constructed in accordance with all applicable public improvement design standards, including but not limited to:
    a. Milpitas Design Guidelines: (http://www.ci.milpitas.ca.gov/milpitas/departments/engineering/design-guidelines/);
    b. Standard details and specifications: (http://www.ci.milpitas.ca.gov/milpitas/departments/engineering/standard-details-and-specifications/);

c. Transit Area Specific Plan design guidelines: (http://www.ci.milpitas.ca.gov/_pdfs/engDesignGuidelines/en_dg_vi_transitAreaSpecific.pdf); and
d. Americans with Disabilities Act (ADA) requirements, where applicable.

51. Sanitary Sewer Calculations: Permittee shall submit a completed "Sewer Needs Questionnaire" form and sanitary sewer calculations to justify lateral size design, allocation of discharge for each of the lateral, and impact to the existing main. Permittee shall be responsible to implement any necessary improvements if there is any identified deficiency to the existing main as a result of the project.

52. Storm Drain Design: Permittee shall submit storm drain hydrology and hydraulic calculations based upon a 10-year storm event to justify the size of the storm drain lateral flowing full, without surcharging the main line pipe, and to be reviewed and approved by the Engineering Department.

53. Domestic Water and Fire Service Calculations: Permittee shall submit potable water and fire service calculations to confirm adequacy of lateral size, pressure and flow, to be reviewed and approved by the Engineering Department and Fire Department. Hydraulic modeling analysis by the City and paid by the Permittee may be required as needed. Permittee shall be responsible to implement any necessary improvements if there is any identified deficiency to the existing main as a result of the project.

54. Specific Improvements: In addition to standard public improvements required under Milpitas Municipal Code (MMC) Title XI, Chapter 1, Section 7, Permittee shall install other specific improvements listed below including incidental improvements as required by the City as part of the encroachment permit.
    a) Installation of separate water service tap and meter for each of the following services: residential, irrigation, and fire.
    b) Installation of separate utility service lines (domestic water, fire service, sanitary sewer) for residential.
    c) Installation of radio-transmitted water meters with a meter antenna, any repeaters or transmitters as needed with dedicated power supplies at no cost to the City at locations acceptable to the City to ensure accurate and timely reception of meter readings. Permittee shall execute a recorded instrument providing dedicated space, access rights and dedicated power supplies to the City for operation/maintenance/repair/replacement of subject radio antenna.
    d) Provide 2" grind and overlay with base repair of existing asphalt pavement to the centerline of the street along the Tarob Court and Lundy Avenue project frontage to the City Engineer's satisfaction.
    e) Street taper design along the Tarob Court project frontage shall be to the City Traffic Engineer's satisfaction.
    f) Installation of new street trees along the project frontage. The locations, spacing of trees and tree species shall be in compliance with applicable City standards and details.

55. Abandonment of Existing City Utilities: Permittee shall cap, abandon or remove any unused existing public utilities based upon City's Abandonment Notes and to the City's satisfaction.

56. Relocation and Adjustment of Existing Public Utilities: Permittee shall relocate and/or adjust existing public utilities as needed that are in conflict with the proposed improvements.

57. Water Service Agreement: Permittee shall complete a water service agreement to obtain water service.

58. Encroachment Permit: Prior to any work in the public right-of-way and/or public easement, obtain an encroachment permit with insurance requirements for all public improvements including a traffic control plan per the latest California Manual on Uniform Traffic Control Devices (MUTCD) standards to be reviewed and approved by the Engineering Department.

59. Pothole Encroachment Permit: Due to multiple new utility service connections along the project frontage, Permittee shall pothole and verify all potential utility crossing conflict as part of the public improvement plan during the design stage.

60. Permittee shall relocate the existing 12" water main along the Tarob Court project frontage. The permittee shall connect the new 12" water main to the existing 12" water main at both ends per City standards and install per backbone guidelines. The existing water main shall be abandoned per the City's Abandonment Notes and to the City Engineer's satisfaction.

61. Permittee shall upsize the existing 15" storm drain to 24" HDPE from the existing manhole within the 20' Public Utility Easement as shown on parcel map in book 431 of maps at pages 2 and 3, to the point of connection on Tarob Court.

62. Permittee shall abandon and remove the existing 6" sanitary sewer line within the 20' Public Utility Easement as shown on parcel map in book 431 of maps at pages 2 and 3. Existing service to 1971 Tarob Court (APN 086-36-033) and existing sewer main within the easement downstream of said service shall remain to continue to serve 1971 Tarob Court. The Permittee shall communicate and coordinate with adjacent property owners of 1971 Tarob Court declaring work on the sanitary sewer line serving 1971 Tarob Court.

63. A new 8-inch recycled water main line shall be installed along the City's Preferred Alignment, as described below, or an alignment the City identifies as the most feasible route for the recycled water main line. The City's Preferred Alignment is, connect to the existing recycled water main line on Tarob Court extending, at a minimum, to the point of future irrigation connection for 2001 Tarob Court.

    The Permittee agrees to fulfill the requirement of installing a new recycled water main line by completing one of the following options at the City's discretion:

    a. If an alignment has not been installed by another party at the time of Building Permit issuance, the Permittee and the City shall enter into a reimbursement agreement to reimburse the permittee for the design and construction of the portion of the new recycled water main line that exceeds the property frontage length of 230 linear feet.
    b. If the recycled water main is under construction or the construction of the recycle water main has been completed, by another party, at the time of Building Permit issuance, the permittee shall pay the City for the cost of design and construction equivalent to the property frontage length, measured to be 230 linear feet. The cost of design and construction shall be based upon a licensed Civil Engineer's cost estimate, approved by the City.
    c. If the installation of a new recycled water main line is determined to be infeasible by the City, the permittee shall pay the City for the cost of design and construction equivalent to the property frontage length, measured to be 230 linear feet for the City's use to fund the City's preferred future recycled water improvements which the City will design and install at a later time. The cost of design and construction shall be based upon a licensed Civil Engineer's cost estimate, approved by the City.

64. Permittee shall obtain approval and encroachment permit from the City of San Jose for work on the City of San Jose manhole due to realignment of the curb. Permittee shall comply with City of San Jose design requirements and submit offsite plans to the City of San Jose for their review and approval of improvements impacting City of San Jose Infrastructure.

PRIOR TO BUILDING PERMIT ISSUANCE

*The following conditions shall be addressed during the building plan check process and shall be met **prior to** any building permit issuance (except demolition permit and rough grade permit), unless otherwise approved by the Director of Engineering/City Engineer. (**NOTE**: Pursuant to Density Bonus approval, standard conditions regarding the reconstruction of the street and the upgrade of stormwater requirements have been requested as regulatory concessions, and therefore do not apply to this project). **(E)***

65. Final Map Recordation: Permittee shall record the final map.

66. Easements on the Building Permit Plans: Permittee shall depict all existing easements to remain based upon current preliminary title report and depict new easements on applicable building permit plans.

67. Stormwater Facility Operation & Maintenance Plan: Permittee shall incorporate design details into applicable construction plans in accordance with City approved Storm Water Control Plan (SWCP). Permittee shall also submit Stormwater Facility Operation & Maintenance Plan that describes operation and maintenance procedures needed to ensure that treatment Best Management Practices (BMPs) and other storm water control measures continue to work as intended and do not create a nuisance (including vector control).

68. Stormwater Management Facilities O&M Agreement: Permittee shall execute and record a Stormwater Management Facilities Operation and Maintenance (O&M) Agreement associated with the SWCP O&M Plan, including perpetual maintenance of treatment areas/units, as reviewed and accepted by the Engineering Department. The subject O&M Agreement shall be referenced in the CC&Rs, if applicable.

69. Water Supply and Force Majeure. The City reserves the right to suspend the issuance of building permits in case of an emergency declaration of water supply in the case of a major catastrophic event that restricts City's assurance to provide water supply.

70. Recycle Water Approval: Permittee shall use recycled water for landscape irrigation purpose, except for the interior courtyard/podium areas within the building footprint where the potable water shall be used for irrigation. Permittee shall comply with California Code of Regulations (CCR), Title 22, Division 4, Chapter 3, titled *"Water Recycling Criteria"*, CCR, Title 17, Division 1, Chapter 5, Subchapter 1 titled *"Drinking Water Supply"* and all other recycled water regulations as listed under the publication titled *"California Department of Public Health Regulations Related to Recycled Water June 18, 2014"*. Permittee shall obtain approval from the California State Water Resources Control Board/Division of Drinking Water, South Bay Water Recycling and the City for recycled water design, including but not limited to on-site irrigation design, based upon South Bay Water Recycling Guidelines and City of Milpitas Supplemental Guidelines. All landscape plants shall be compatible with recycled water.

71. Water Efficient Landscapes: Permittee shall comply with Milpitas Municipal Code Title VIII, Chapter 5 (Water Efficient Landscapes) for landscape design, including but not limited to, providing separate water meters for domestic water service and irrigation service and providing applicable landscape documentation package.

72. Solid Waste and Recycling Facility Design: Permittee shall comply with all applicable City design guidelines/details associated with haul route, turning radius, vertical and horizontal clearance, trash enclosure, staging area, storage area, etc.

73. Recycling Report Prior to Demolition Permit Issuance: Permittee shall submit Part I of a Recycling Report on business letterhead to the Building Department, for forwarding to the Engineering Department for review and approval. The report shall describe the following resource recovery activities:
    a. What materials will be salvaged.
    b. How materials will be processed during demolition.
    c. Intended locations or businesses for reuse or recycling.
    d. Quantity estimates in tons (both recyclable and for landfill disposal). Estimates for recycling and disposal tonnage amounts by material type shall be included as separate items in all reports to the Building Division before demolition begins.

    Permittee shall make every effort to salvage materials for reuse and recycling, and shall comply with the City's demolition and construction debris recycling ordinance.

74. Recycling Report Prior to Building Permit Issuance: Permittee shall submit Part II of the Recycling Report to the Building Department, for forwarding to the Engineering Department. Part II of the Recycling Report shall be supported by copies of weight tags and/or receipts of "end dumps." Actual reuse, recycling and disposal tonnage

amounts (and estimates for "end dumps") shall be submitted to the Building Department for approval by the Engineering Department prior to inspection by the Building Department.

75. Flood Plain Management: This project is in the Flood Zone "AO" with 1' average flood depth, therefore, Permittee shall comply with all applicable flood protection criterion required by the Federal Emergency Management Agency (FEMA) and MMC Title XI, Chapter 15. Permittee shall also submit a Flood Study for the Project demonstrating, to the satisfaction of the City Engineer, that the proposed development has no adverse impact to the surrounding flood plain within the Special Flood Hazard Area (SFHA) and to the flood carrying capacity of the area. The study should include cumulative effects of existing and proposed developments demonstrating the combined effects will not increase the water surface elevation of the Base Flood Elevation (BFE) more than one foot at any point. For the AO Flood Zone, the flood study is required to establish the BFE, and set the building elevation accordingly. The flood study shall be consistent with the requirements in accordance with Title 44 of the Code of Federal Regulations by establishing a hydraulic model and HEC-RAS. The study shall clearly identify the lowest floor elevation as being either the bottom of garage, bottom of first floor residential units, bottom of elevator pit, etc. and shall be completely elevated out of the SFHA.

76. Development Fees: Permittee shall pay the following development fees. The information listed in items "a" through "g" are based upon current fee rates; however, those fee rates are subject to change. The exact fee amount shall be determined at the time of building permit fee payment.
    a. Transit Area Specific Plan fee at $32,781/unit for residential uses. Based on approval for development of 40 units, the estimated Transit Area Specific Plan Development Impact Fee for this project is $1,311,240 ($32,781/unit x 40 units). TASP fees shall be paid prior to Building Permit Final.
    b. Parkland:
        1. The project is required to dedicate 0.35 acres of parkland, equivalent to $971,841.02 fees-in-lieu.
        2. The park portion of the TASP fee is valued at $600,548, equivalent to 0.22 acres. This will be applied to the project parkland requirement.
        3. The applicant will receive credit for 0.13 acres of private recreation space on site. Upon demonstration of provision of this private recreation space to the satisfaction of the Direction of Planning or his/her designee, no additional parkland fees will be due, per table below.

2001 Tarob Court Unit Count	40
2001 Tarob Court Population Estimate	97 persons
TASP Parkland Requirement	3.5 acres/1,000 people or equivalent fees-in-lieu
PARKLAND ACREAGE DUE/FEE EQUIVALENT	**0.35 acres/$971,841.02**
Amount Satisfied Through TASP Fees (Acreage/Dollars)	**0.22 acres/$600,548**
REMAINING DELTA TO BE SATISFIED (Acreage/Dollars)	**0.13 acres/$371,293.02**
Private Recreation Acreage Approved by City	0.13 acres
TOTAL ACREAGE/FEES PROVIDED	**0.26 acres**
REMAINING ACREAGE/FEE REQUIREMENT TO BE MET	**0.0 acres/$0**

BALANCE OF PARKLAND ACREAGE/FEES DUE	**0.0 acres/$0**

c. Storm water connection fee at $16,771/acre for residential.
d. Water connection fee at $1,164/unit for residential, based upon increased water usage.
e. Sewer connection fee at $1,406/unit for residential, based upon increased average wastewater flow.
f. 2.5% of applicable fees in accordance with City Resolution No. 7590 as Permitting Automation Fee.
g. FEMA Flood Zone Designation Letter fee in the amount of $100.00 each.

77. Building foundations adjacent to public utilities shall be designed to be self-supporting such that the building weight is not required to be supported during shoring and excavation of adjacent utilities. If any project building is located next to a City easement, the City is not responsible for any foundation damage that would occur due to excavating in the event of servicing or repairs in that easement.

78. All domestic, irrigation, and fire water services serving the site shall have at least a reduced pressure backflow preventer.

DURING CONSTRUCTION

*The following conditions shall be complied with at all times **during** the construction phase of the project, unless otherwise approved by the Director of Engineering/City Engineer.* ***(E)***

79. Dewatering: If dewatering is needed during construction, Permittee shall obtain a Short-Term Industrial Wastewater Permit from the San Jose/Santa Clara Water Pollution Control Plant for discharging the groundwater to a sanitary sewer system.

80. On-site Recycle Water Coordination: Permittee's cross-connection specialist shall coordinate the phasing of the construction; facilitate the cross-connection testing in order to minimize the impact for occupied buildings during cross-connection testing; sign-off before the water meter set; coordinate on-site construction inspection; complete the site inspection; fill out required paperwork/questionnaire; and provide them to the City for forwarding to South Bay Water Recycling.

81. Prohibition of Potable Water Usage: Permittee shall use recycled water for construction purposes, including dust control and compaction. Permittee shall comply with MMC VIII-6-5.00 and 6-6.00 where potable water usage is prohibited, unless otherwise approved by the City Council.

82. Construction Staging and Employee Parking: Permittee shall place all construction related materials, equipment, and arrange construction workers parking on-site and not located in the public right-of-ways or public easements.

83. Water Shut-down Plan: Permittee shall provide a water shut-down plan at least seven days in advance of the shut-down in coordination with the Engineering Inspector, and notify affected property owners/tenants when cut-in tee(s) is/are required.

PRIOR TO FIRST OCCUPANCY

*The following conditions shall be met **prior to** first building occupancy on either lot, unless otherwise approved the Director of Engineering/City Engineer.*

84. Completion of Public Improvements: Permittee shall complete all public improvements, including but not limited to frontage improvements along Tarob Court and Lundy Avenue, as shown on City approved plans.

85. LOMR-F: Permittee shall submit the FEMA approved LOMR-F for each unit/building associated with the requested occupancy, if project is located in the SFHA.

86. Elevation and/or Flood Proofing Certificate: Permittee's civil engineer shall submit Elevation and/or Flood Proofing Certificate for the lowest finished floor elevation of each building for City record.

87. Landscape Certificate of Completion: Permittee shall submit a Certificate of Substantial Completion that complies with the Milpitas Municipal Code Water Efficient Landscapes ordinance.

88. Certificate of Cross-Connection: Permittee shall ensure that the cross-connection specialist complete the required recycled water construction inspection checklist, cross connection test results and any special inspection checklist as required by the South Bay Recycling Program http://www.sanjoseca.gov/index.aspx?NID=1595 and forward them to the City.

89. Record Drawings: Permittee shall submit record drawings in AutoCAD, Tiff, and PDF formats for City records. Record drawings shall include all public improvements. Additionally, if the project uses recycled water, the permittee shall also submit record drawings of on-site irrigation facilities.

90. Private Job (PJ) Balance: Permittee shall pay for any remaining balance from the Private Job deposit.

91. Backflow Devices: All backflow preventer devices shall be tested by a certified backflow tester, and results of the test shall be submitted to the City before going into service.

FIRE CONDITIONS

*The plans approved by City Council are **not** building plans and have not been reviewed nor approved for conformance to the California Building Code (CBC), California Fire Code (CFC) and the Milpitas Municipal Code (MMC). Do not consider the plan set approved by City Council as final building plans approved by the Fire Department. Building plans **must** be submitted for review and approval before construction is to commence. The following notes are a general list of the applicable code requirements (2016) and are provided to assist with the building permit process. Please note that these are not all inclusive. All applicable Building, Fire and Municipal Code requirements must be met in advance of any building permit approvals or related construction. Note, Jan. 01, 2020, new CA Building Codes go into effect.*

92. Technical Assistance: To determine the acceptability of technologies, processes, products, facilities, materials, and uses attending the design, operation or use of a building or premises subject to inspection by the Fire Code Official, the Fire Code Official is authorized to require the owner or agent to provide, without charge to the jurisdiction, a technical opinion(s), plan review(s) and/or report(s). CFC Section 104.7.2

93. Electronic documents: The Fire Code Official may require electronic base documents for all construction documents and operational permits. The Fire Code Official shall designate the software base format for the electronic documents. CFC Section 105.4.2.2, added by MMC Section V-300-2.11

94. Fire Department Emergency Key Box (aka: Knox Box, Knox Locks, Knox Electric Switches, etc.): The Fire Code Official is authorized to require a key box(es) to be installed in an approved location(s) if necessary for life-saving or fire-fighting purposes. Quantity and location shall be as directed by the Fire Code Official. CFC Section 506. In addition to the building, locked mechanical closets, fire alarm closets, sprinkler riser closets, etc. may need a Fire Dept. approved "Knox" key box.

95. Emergency Responder Radio: A Fire Department approved emergency responder radio coverage system shall be provided. CFC Section 510, MMC V-300-2.57

96. Standby Power for Elevators. Elevators shall be provided with standby power. CFC Section 1009.4

97. Two Way Communication. A tow-way communication system complying with Sections 1009.8.1 and 1009.8.2 shall be provided at the landing serving each elevator or bank of elevators on each accessible floor that is one or more stories above or below the level of exit discharge. CFC Section 1009.8

98. Fire Safety: Fire safety during construction, alteration or demolition of the building shall meet the requirements of Chapter 33 of the California Fire Code and the Standards for Construction Site Fire Safety (un-024) by "unidocs" organization (http//:www.unidocs.org). A Construction Site Fire Safety plan shall be submitted to the Milpitas Fire Prevention Division for review and approval prior to the start of combustible construction. CFC Chapter 33

99. Access Control Devices: When access control devices including bars, grates, gates, electric or magnetic locks or similar devices, which would inhibit rapid fire department emergency access to the building, are installed, such devices shall be approved by the Fire Code Official. All access control devices shall be provided with an approved means for deactivation or unlocking by the fire department. Access control devices shall also comply with Chapter 10 Egress. CFC Section 504.6, added by MMC Section V-300-2.51

100. Fire Department Access: Fire Department apparatus and staff access shall be provided to all buildings and site. Detailed review will be done during construction permit process. CFC Section 503
    a. Minimum Number of Fire Apparatus Access Points: A Minimum of two independent and approved (approved by the Fire Code Official) means of fire apparatus access shall be provided for the site. Buildings or facilities exceeding 30 feet (9144 mm), or three stories in height, or 50,000 square feet (5760 m^2) shall be provided with at least two means of fire apparatus access for each structure. International Fire Code, Section D104.1, adopted and amended by MMC V-300-2.143
    b. Turning Radius: Fire apparatus access roads shall meet the Milpitas Fire Department turning radii guidelines and shall provide continuous apparatus travel. Turning radii for fire apparatus access roads shall be a minimum net clearance of 48 feet 6 inches for the outside radius and 28 feet 0 inches for the inside radius. The layout for the outside and the inside radius shall be from the same reference point (center). CFC Section 503.2.4
    c. Fire Apparatus Clearance: Fire apparatus access roads shall provide a minimum clear width of 26 feet. This requirement is for the use and function of a fire ladder apparatus. International Fire Code, Appendix D, Sections D103.1 and D105.2, adopted and amended by Milpitas Municipal Code. MMC V-300-2.142 and 2.145
    d. Timing of Installation and Serviceability of Fire Protection Elements: When fire apparatus access roads or a water supply for fire protection is required to be installed, such protection shall be installed and made serviceable prior to and during the time of construction. Combustible construction shall not begin until water mains and hydrants are operational and fire apparatus access roads are installed (paved, or other acceptable Fire Department roads that are weather resistive and able to meet the fire apparatus requirements). CFC Section 501.4
    e. Fire Apparatus Access: Fire apparatus access shall extend to within 150 feet of all portions of exterior walls of the building/structure per the California Fire Code Section 503.1.1. When there is a dead-end condition, means for fire apparatus turn-around shall be provided.
    f. Adjacent Access Rights: No source of access from lands adjoining a property to be developed shall be considered fire apparatus access roads, unless there is obtained the irrevocable and unobstructed rights and recorded as an ingress/egress access easement with the Country of Santa Clara. CFC Section 503.7, added by MMC V-300-2.48
    g. Fire Access Road Materials and Load Bearing Requirements: Fire access roads shall be paved (concrete and/or asphalt cement, or other concrete type pavement approved by the Fire Dept.). Fire apparatus access roads/lanes and emergency vehicle roads shall be designed and maintained to support the imposed loads of fire apparatus and shall be surfaced so as to provide all-weather capabilities. Design criteria shall be based on the City of Milpitas fire apparatus Sutphen S95 Aerial Platform unit. Please contact the Fire Prevention Division for specifications. CFC Section 503.2.3

h. Obstruction of Fire Access: Ground structures (including landscape) and building projections shall not encroach or impede the fire apparatus access requirements. CFC Section 503.4

i. Emergency Vehicle Access (EVA): EVA roads, when required, shall meet the fire department site access requirements. CFC Section 503.

j. Marking of Fire Access Roads. The required access road shall be designated and clearly marked as a fire lane. The designated fire lane shall be identified as set forth in Section 22500.1 of the Vehicle Code. The designation shall be indicated (1) by a sign posted immediately adjacent to, and visible from, the designated place clearly stating in letters not less than one inch in height that the place is a fire lane, (2) by outlining or painting the place in red and, in contrasting color, marking the place with the words "FIRE LANE", which are clearly visible from a vehicle, or (3) by a red curb or red paint on the edge of the roadway upon which is clearly marked the words "FIRE LANE". CFC Section 503.3. Minimum marking shall be pole signage and red curb with "FIRE LANE" stencil. Signage and red curbs shall be done throughout and as needed to clearly identify the no parking zones.

Minimum marking shall be (1) pole signage and (3) red curb with "FIRE LANE – CVC 22500.1" stencil.

k. Buildings with Courtyards. Fire access shall be provided to enclosed courts for firefighting and rescue operations. Each court shall be designed to provide readily accessible method of bring a fire department ground ladder (36' long) into the courtyard. Please anticipate and accommodate personnel carrying ladder. CFC Section 102.9

l. Building Setbacks: Building/structure set back, proximity to fire access roads. At least one of the required access routes meeting the Fire Dept. conditions shall be located within a minimum of 15 feet and a maximum of 30 feet from the building, and shall be positioned parallel to the entire side of the building. 2016 International Fire Code, Section D105.3, adopted by MMC Section V-300-1.01

m. Site Design Changes: The Fire Department reserves the right to request site design changes as needed to meet the requirements of the CFC, and/or make the request for additional fire protection measures in conformance with the CFC Section 102.9.

101. Fire Protection Water Supply (Hydrants, On-site and/or Public): An approved water supply (hydrants on-site and/or public) capable of supplying the required fire flow for fire protection shall be provided upon which facilities, buildings, or portions of buildings are hereafter constructed or moved into or within the jurisdiction. Water supply shall meet the Fire Code and the City of Milpitas Engineering Division water supply guidelines and the CFC Section 507, Appendix B and Appendix C. Note, the Civil plans submitted under this Planning review are not approved for construction.

a. Water System Calculations: Private fire service mains and appurtenances shall be designed and installed in accordance with the City of Milpitas Engineering design guideline requirements and the NFPA 24. Design calculations and all the necessary design information for the water system to meet the domestic and fire flow requirements as per the City of Milpitas Engineer Division water design requirements shall be provided as part of the construction permit process. CFC Section 507.

The minimum water flow at the worst case hydrant outlet within the private system shall be not less than 3,000 gpm.

b. Fire Hydrant Location: The location and quantity of hydrants will be evaluation during the construction permit process. This applies to the on-site private streets as well as to the public streets. CFC Section 507.5

c. Hydrant for Automatic Fire Sprinkler/Standpipe Systems: Buildings equipped with an automatic fire sprinkler system and/or a standpipe system installed in accordance with Sections 903 and or 905 shall have a fire hydrant within 50 feet of the fire department connections. CFC Section 507.1.1, amended by MMC Section V-300-2.53

d. Private Hydrant Requirements: Private hydrants shall have the bottom 6 inches of the hydrant painted, with a weather resistive paint, white in color. CFC Section 507.5.7, added by MMC V-300-2.54.

e. No Parking in Front of Hydrants: No parking is permitted in front of fire hydrants. Hydrants located on streets (Public or Private Street) shall have an unobstructed clearance of not less than 30 feet per CA Vehicle Code 22514

102. Automatic Fire Sprinkler System for Structures:
   a. Automatic Fire Sprinkler. The buildings shall be provided with an automatic fire sprinkler system in conformance with the NFPA 13 Standards. Note, system type will depend on building/structure "construction type" analysis. California Fire Code Section 903
   b. Sprinkler Valves: All valves controlling the water supply for the automatic sprinkler system shall be electrically supervised by a listed fire alarm control unit. CFC 903.4
   c. Fire Riser Location. The fire sprinkler system riser shall not be located within electrical rooms or storage closets and shall be provided with clear access and working clearance. California Fire Code Section 903.3.5.3, added by MMC Section V-300-2.65
   d. Sprinkler Design. Hydraulic design for the automatic fire sprinkler system shall provide a minimum of 20% safety margin. CFC Section 903.3.5.6, MMC V-300-2.68

103. Requirements for Fire Service Water Laterals for Building Sprinkler Systems: Each building shall have a fire service water laterals for the automatic fire sprinkler system and shall meet the California Fire Code requirements Chapter 9 and the NFPA applicable Standards. Note that the utilities drawings provided are not reviewed nor approved for construction. CFC Section 912.1
   a. FDC/PIV (fire department connection/post indicating valve) Location(s). The location of the fire department FDC's/PIV's shall be at a readily visible and accessible location off the fire access road and approved by the Fire Code Official. FDC's/PIV's shall not be located behind parking stalls nor behind any other obstruction. Final review for location for the FDC's/PIV's will be conducted during the construction permit process. CFC Section 912.2
   b. FDC/PIC Signage. A metal sign with raised letters at least 1 inch in size shall be mounted on all fire department connections. Signage shall be reflective, weather resistive and approved by the Fire Code Official. CFC Section 912.5
   c. Buildings equipped with an automatic fire sprinkler system and or a standpipe system installed in accordance with Section 903 and or 905 of the CA Fire Code shall have a fire hydrant within 50 feet of the fire department connections. CA Fire Code Section 507.5.1.1 Added by MMC V-300-2.53
   d. Fire Service Water Lines: Service water supply laterals for the sprinkler systems and the on-site fire hydrants shall be independent of each other. NFPA 13, Chapter 24
   e. Backflow Protection. Potable water supply to the automatic sprinkler and/or the standpipe systems shall be protected against backflow as required by the Health and Safety Code section 13114.7 and the City of Milpitas Utilities Engineering Division. CFC Section 912.6
   f. Water Drainage. All new installations of sprinkler systems shall preclude sprinkler test and system drain water from discharging into the storm drain; provisions to direct water to the sanitary sewer or landscape or other approved means shall be provided. Sprinkler system design shall include the proposed method for drainage of sprinkler system discharge. Storm Water Pollution Regulations.

104. Fire Alarm System, R-2 Occupancy: A fire alarm system and smoke alarms shall be installed in Group R-2 Occupancies as required in Sections 907.2.9.1 through 907.2.9.4. CFC Section 907.2.9
CFC Section 907.2.9.1 - Manual Fire Alarm System
CFC Section 907.2.9.2 - Smoke Alarm (in accordance with 907.2.11)
   a. Manual Fire Alarm System: A manual fire alarm system that activated the occupant notification system in accordance with Section 907.5 shall be installed in Group R-2 occupancies. CFC 907.2.9.1
   b. Smoke Alarm, R-2 Occupancy: R-2 Occupancy, listed single and multiple-station smoke alarms complying with UL217 shall be installed in accordance with Sections 907.2.11.2 through 907.2.11.6 and the NFPA 72. CFC Section 907.2.11

c. Visible Alarm Notification: For Group R-2 required by Section 907 to have a fire alarm system, all dwellings units and sleeping units shall be provide with the capability to support visible alarm notification appliances in accordance with NFPA 72. CFC 907.5.2.3.3
d. Fire Alarm Zones: Fire alarm system(s) shall be zoned as per the requirements of the CFC Sections 907.6.3 and 907.6.4.
e. Fire Alarm Panel: Fire alarm panel (or fire alarm annunciator panel) shall be located in a readily accessible location and shall be provided with the necessary access and working clearance as required by the CA Electrical Code. CFC Section 907.6.4.1.1
f. Fire Alarm Monitoring: Fire alarm monitoring (approved supervising station - UL, or FM approved). Fire alarm systems required by the Fire Code or by the California Building Code shall be monitored by an approved supervising station in accordance with the NFPA 72. CFC Section 907.6.6

105. Building/Structure Other Requirements:
a. Stairs to Roof: All stairs shall run up to the roof. The fire code official shall determine the required number and location of stairway(s) to the roof. CFC Section 504.3.1, MMC Section V-300-2.49
b. Roof stairs. When there are roof planes with vertical difference of more than 24" there shall be stairs for access between the different roof planes. The Fire Code Official shall determine the location for the stairs. CFC Section 102.9
c. Roof Guardrails at Interior Courts. Roof openings into interior courts that are bounded on all sides by building walls shall be protected with guardrails. The top of the guardrail shall not be less than 42 inches in height above the adjacent roof surface that can be walked on. Intermediate rails shall be designed and spaced such that a 12-inch diameter sphere cannot pass through. CFC 316.7, added by Milpitas Municipal Code V-300-2.45

Exception: Where the roof opening is greater than 600 square feet in area.
d. Premises Identification: New and existing buildings shall have approved address numbers, building numbers or approved building identification placed in a position that is plainly legible and visible from the street or road fronting the property. These numbers shall contrast with their background. Address numbers shall be Arabic numerals or alphabet letters and shall be consistent with Milpitas standardized addressing guidelines. CFC Section 505. The Fire Dept. may require the installation of address numbers at multiple building locations. CFC Section 102.9
e. Address Illumination: All required addresses shall be illuminated. CFC Section 505.3, added by MMC V-300-2.52.
f. Medical Service Elevators. All new passenger service elevators shall meet the medical service elevator requirements in the California Building Code, 2016 Edition, Chapter 30. CFC Section 607.1.1, MMC V-300-2.59
g. Standpipe System: Standpipe system shall be installed in accordance with the California Fire Code Section 905.2 and NFPA 15. When stairs are provided with intermediate landings, the standpipes shall be located at the bottom floor level, at the top floor level and at all intermediate landings. CFC Section 905.4
h. Portable Fire Extinguishers. Portable fire extinguishers shall be selected, installed and maintained in accordance with CFC Section 906.

106. Electrical Generators:

a. Fuel tank(s) located below grade shall be considered underground tanks in accordance with the California code of Regulations, Title 23, Division 3, Chapter 16 (State Underground Tank Regulations).
b. If the fuel tank system(s) is not to be considered an underground tank, as defined by the underground tank regulations, provide documentation demonstrating compliance with the specified State Water Resource Control Board's Guidance letter LG-165-2.
c. Construction drawings, for the fuel tank, shall be submitted to the City for compliance with the California Fire Code Chapters 27 and 34.

107. Landscape sheets: The proposed landscaping may be impacted by the comments above and the requirements for fire access, fire systems and devices (such as apparatus access, hydrants, fire service lines, fire department connections valves, etc.). The Fire Dept. reserves the right to relocate, delete or change the proposed landscaping when in conflict with fire systems and devices. CFC 507.5.4.

108. Plan Submittal: Complete plans and specifications for all aspects of fire protection systems shall be submitted to the Fire Department for review and approval prior to system installation. CFC Section 901.2

BUILDING CONDITIONS

General

109. Applicable Codes: Applicable codes shall be 2016 California Building Code (CBC), California Mechanical Code (CMC), California Electrical Code (CEC), California Plumbing Code (CPC), Green Building Standards Code (CalGreen), California Energy Code (CEnC) and 2017 Milpitas Municipal Code (MMC).

110. Build It Green/LEED Requirement: Residential portion of the building shall meet Build It Green 50 Green Points or LEED for Homes Certified threshold per MMC sec. II-20-3.01.

111. Licensed Engineer/Architect: Engineer or Architect licensed in the State of California shall prepare the plans. Structural design calculations and plans shall be wet signed and stamped when applying for a building permit.

112. Application for New Building Address: Applicant shall apply for new building addresses prior to submitting for a building permit.

113. Occupancy Group Designations: Apartment/Condominium building shall be classified as Group R2 Occupancy per CBC sec. 310 and private garages not exceeding 1,000 square feet as Group U Occupancy per sec. 312. Each private garage shall be separated from other private garage by 1 hr fire barriers and/or 1 hr horizontal assemblies per CBC sec. 406.3.1. Multiple private garages not separated by fire barriers shall be classified as Group S-2 Occupancy per sec. 311.

114. Fire Rating for Apartment Buildings: Apartment/Condominium buildings over 2 stories high shall be one-hour fire-rated minimum (Type V-A) when allowable area increase with sprinkler is used per CBC Table 504.4.

115. Allowable Building Area: Allowable building area for the building shall be as per CBC Table 506.2.

116. Exterior Wall Openings: The maximum area of protected and unprotected openings in exterior walls shall comply with CBC sec. 705.8.

117. Separating Units Requirements: Wall and floor separating units in the same building and separating units from other occupancies are required to be one-hour fire resistive construction per CBC sec. 420, 708 and 711.

118. Apartment Building Considered Separate and Distinct: Apartment/condominium building shall be considered as separate and distinct buildings for the purpose of determining area limitations, continuity of fire walls, limitation of number of stories and type of construction where it is separated from Group S-2 garage by 3-hour fire rated horizontal assembly, garage is not more than one story above grade and of Type I-A construction as per CBC sec. 510.2.

119. Required Separation in Residential Building: Required separation in buildings between dwellings and private garages shall be as per CBC sec. 420.2 and 420.3.

120. Required Separation in Residential Building: Required separation in buildings with mixed occupancies shall be per CBC sec. 508

121. Corridor Fire Rating: Corridor with occupant load over 10 shall be one-hour rated with 20-minute doors leading to it per CBC sec. 1020.1.

122. Minimum Number of Exits: Minimum no. of exits shall be provided per CBC Table 1006.3.1 and the exits provided shall comply with CBC sec. 1022 through 1027. The required number of exits from any story shall be maintained until arrival at grade or public way per CBC sec. 1006.3.1. Elevator shall not be used as a component of a required means of egress per CBC sec. 1003.7, except elevators are used as an accessible means of egress in accordance with sec. 1009.4.

123. Required Egress: At least one required accessible means of egress shall be an elevator complying with CBC sec. 1009.4 in buildings where a required accessible floor is four or more stories above or below a level of exit discharge per sec. 1009.2.1.

124. Two-Way Communication System: Two way communication system is required at elevator landing on each accessible floor that is one or more stories above or below the story of exit discharge per CBC sec. 1009.8.

125. Exit Stair Enclosures: Exit stair enclosures shall not provide exit through corridor as per CBC sec. 1022.1, but shall extend to exterior of the building with an exit passageway.

126. Mezzanines: Mezzanine in the upper units shall be considered a story if it does not meet requirements of CBC sec. 505.2

127. Carbon Monoxide/Smoke Detectors Required: In the dwelling units, provide carbon monoxide detectors and smoke detectors per CBC sec. 915 and 907.2.11.

128. Escape Window Location: Escape bedroom windows below the 4th floor shall open into a public street, yard or exit court that opens to a public way as per CBC sec. 1030.1.

129. Exit Courts: Exit from exit courts shall not reenter exit access as per CBC sec. 1028.1 and sec. 1028.5

130. Exit Courts: Required exit courts to which escape bedroom windows open, shall be provided with exiting as per CBC sec. 1028.1.

131. Elevator Enclosure: Elevator shall be enclosed in a shaft enclosure per CBC sect. 713.2 and 713.4.

132. Elevator Hoistway Opening: Elevator hoistway opening shall be protected and enclosed within a shaft enclosure per CBC 3006.2 and 712.1.1.

133. Elevator Hoistway Door Opening: Elevator hoistway door opening shall be protected per CBC 3006.3.

134. Elevator Lobby Sign: Elevator lobby identification signs shall be provided at any door with direct access to an enclosed elevator lobby at landings in interior exit stairways where two or more doors lead to the floor level per CBC 1023.10.

135. Interior Stairway Enclosure: Interior stairway shall be enclosed per CBC sec. 1023.2.

136. Roofing Material: Roofing material shall be as per CBC Table 1505.1.

137. Exit Doors: Doors in a room with occupant load of 50 or more persons shall swing in the direction of exit per CBC sec. 1010.1.2.1. Exit doors from assembly occupancy shall be provided with panic hardware per sec. 1010.1.10.

138. Exit Signs: Provide exit signs and tactile exit signs when two exits are required per CBC sect. 1013.1 and 1013.4.

139. Building Occupancy Frontage: Buildings that house Group A Occupancy shall front directly on or discharge to a public street not less than 20 feet in width per sec. 1029.2 and 1029.3. The main entrance to the building shall be located on a public street or on the exit discharge.

140. Occupant Load: Occupant load factor for assembly and multi-use room without fixed seats, including clubhouse, common use deck area, courtyard, etc., shall be 1 occupant per 7 sq. ft per CBC Table 1004.1.2.

141. Exit Enclosure: Exit enclosure in building less than four stories in height shall be one-hour fire-resistive construction per CBC sec. 1023.2.

142. Exit Enclosure: Exit enclosure in building four or more stories in height shall be two-hour fire-resistive construction per CBC sec. 1023.2.

143. Stairways: In buildings four or more stories in height, one stairway shall extend to the roof surface through a penthouse complying with CBC sec. 1510.2, unless the roof has a slope steeper than 4:12 per CBC sec. 1011.12. In buildings without an occupied roof, access to the roof shall be permitted to be a roof hatch or trap door not less than 16 sq ft with a min. dimension of 2ft and accessed by an alternating tread device, ship ladder or a permanent ladder.

144. Exterior Openings: Exterior openings required for natural light shall open directly onto a public way, yard or court as set forth in CBC sec. 1205.1.

145. Egress Balconies: Egress balconies shall comply with CBC sec. 1021.

146. Egress Courts: Egress courts shall comply with CBC sec. 1028.4.

147. Acoustical Report: Provide acoustical report to determine sound insulation requirements for at least exterior walls. Interior sound insulation shall be as per CBC sec.1207 or as per acoustical report.

148. Ventilation Requirements for Dwelling Units with Non-Openable Windows: Dwelling units, which has non-openable windows as required by acoustical report shall be provided with mechanical ventilation per CBC sec. 1203.1 and CMC sec. 402.3. As per City policy BDP-ME05, City does not allow the use of exhaust only fans to achieve the fresh outside air requirement through infiltration.

149. Ventilation Requirements for Studio Units: In studios, natural light and ventilation for sleeping areas shall meet requirements per CBC sec.1203.5 and sec.1205.2. Any room is permitted to be considered as a portion of an adjoining room for natural lighting and ventilation purpose where the common wall is open and unobstructed and provides an opening of not less than 1/10 of the floor area of the interior room and not less than 25 square feet per CBC 1205.2.1.

150. Electric Vehicle Charging Stations Requirement: Where 17 or more multifamily dwelling units are constructed on a building site, 3% of the total number of parking spaces provided for all types of parking facilities, but no less than 1, shall be electric vehicle charging stations (EVCS) capable to supporting future electric vehicle supply equipment per CalGreen sec. 4.106.4.2.

151. Electric Vehicle Charging Stations Location: At least one EVCS shall be located in common use areas and available for use by all residents per CalGreen sec. 4.106.4.2.1. Per City Policy No. BDP-BLG17 and CalGreen sec. 4.106.4.2.2, one in every 25 EVCS, but no less than 1, shall be accessible and located on an accessible route. Accessible EV charging parking space shall not be counted as one of the required accessible parking spaces as required by CBC, because the space is allowed to be used by non-disabled people.

152. Solar Ready Requirement: The buildings shall comply with solar ready requirements per CEnC 110.10.

153. Mechanical Duct Location: No mechanical duct shall penetrate exterior walls unless approved by Planning Division.

154. Balconies, Landings and Decks: Balconies, landings, decks, stairs and similar floor projections exposed to the weather shall comply with City Policy No. BDP-BLG40: http://www.ci.milpitas.ca.gov/_pdfs/BLG40_RequirementsforConstructionofBalconies.pdf.

ACCESSIBILITY

155. Site Accessibility Plan: Provide site accessibility plan.

156. Group U Private Garages: Group U private garages, which are accessory to covered multifamily dwelling units shall be accessible as required in CBC sec. 1109A

157. Accessible Parking Provided: People with disabilities accessible parking shall be provided per CBC sec. 1109A.3 (2% shall be accessible of the covered dwelling units). Signage is not required.

158. Accessible Parking Required: Each type of parking shall be accessible as per CBC sec. 1009A.3 and 1009A.4.

159. Accessible Assigned Parking Requirement: If assigned parking spaces are provided for residents, at least 2% of the assigned parking spaces shall be accessible in each type of parking facility per CBC 1109A.4.

160. Accessible Visitor Parking Requirement: If unassigned or visitor parking is provided, a minimum of 5% parking stalls shall be accessible and shall be provided with signage as per CBC sec. 1009A.5.

161. Accessible Parking Location: Accessible parking spaces shall be dispersed and located closest to the accessible entrances and elevators per CBC per sec.1009A.7.

162. Accessible Parking Location: Accessible parking spaces shall be located so that persons with disabilities is not compelled to walk or wheel behind parked cars other that their own as per sec. 1109A.7.

163. Van Accessible Parking for Resident and Guest: One in every eight accessible parking spaces for resident and guest parking shall be " Van accessible ", but not less than one per CBC sec. 1109A.8.6.

164. Van Accessible Parking for Public Parking: One in every six accessible parking spaces for public parking (e.g. retail space or leasing office, etc.) shall be " Van accessible ", but not less than one per CBC sec. 11B-208.2.4.

165. Accessible Routes of Travel: An accessible route of travel shall be provided to all accessible building entrances. At least one accessible route shall be provided from public transportation stop, accessible parking and public street to building entrance per CBC sect. 1110A.1. When more than one route is provided, all routes shall be accessible.

166. Accessibility Signs: Accessibility signs shall be provided at every primary public entrance and at every major junction along or leading to an accessible route of travel and at building entrance that are accessible per CBC, sec. 1110A.2

167. Accessible Access: All primary entrances and required exit doors to building and facilities shall be accessible to people with disabilities per CBC, sec. 1117A.2.

168. Egress Clearance: Exit stairways considered as an accessible means of egress shall be min. 48" clear width between handrails and provided with the area of refuge per CBC sec. 1009.3 unless building is provided with approved automatic fire sprinkler system.

169. Egress Elevator: At least one accessible means of egress shall be an elevator per CBC sec. 1009.2.1 unless building is provided with approved automatic fire sprinkler system and horizontal exit at each floor and approved by Fire Department to exempt this requirement.

170. Accessible Elevators: All elevators shall be accessible per CBC sec. 1124A and at least one shall be medical emergency service elevator as per sec. 3002.4a.

171. Parking Structure Clearances: All entrances to and vertical clearances within parking structures shall have a minimum of 8 feet 2 inches where required for persons with disabilities per CBC sec. 1109.A.8.1.

172. Accessible Means of Egress: Each accessible portion of the space shall be served by accessible means of egress in at least the same number as required by CBC sec. 1006.2 or 1006.3 per sec. 1009.1.

173. Areas of Refuge: Areas of refuge shall be provided with a 2-way communication system between the area of refuge and a central control point per CBC sec. 1009.6.3.

174. Two-Way Communication System: 2-way communication system shall be provided at each elevator landing serving each accessible floor per CBC 1009.8.

175. Accessible Elevators: All elevators shall be accessible as per CBC sec. 1124A, except private elevators serving one dwelling unit.

176. Medical Emergency Service Elevators: All elevators in buildings four or more stories in height (including private elevator) shall be provided with not less than one medical emergency service to all landings meeting the provisions of CBC sec. 3002.4a.

177. Elevator Emergency Operation: If an elevator is considered as part of an accessible means of egress, it shall comply with the emergency operation, signaling device and standby power requirements and shall be accessed from an area of refuge per CBC sec. 1009.4.

178. Accessible Bathing and Toilet Facilities: Bathing and toilet facilities within covered multifamily dwelling units shall comply with CBC sec. 1134A.

179. Maneuvering Clearance: Provide maneuvering clearance at all interior doors per CBC sec. 1132A.5 and at entrance doors and exit doors per CBC sec. 1126A.3.

180. Accessible Kitchens: Kitchens within covered multifamily dwelling units shall comply with CBC sec. 1133A.

181. Bread Board Clear Space: Where bread board is provided in lieu of 30" work surface per CBC 1133A.4 exception, clear floor space shall be provided at each bread board and the clear floor space shall extend min. 19" into the knee and toe space per CBC 1133A.7.

182. Accessible Entrance: Covered multifamily dwellings served by an elevator, including private elevator, shall be designed and constructed to provide at least one accessible entrance on an accessible route per CBC sec. 1106A.1 and the units shall be adaptable and accessible into and throughout the dwelling unit as provided in Division IV per CBC sec. 1128A.

183. Multistory Dwelling Units Without Elevators: Multistory dwelling units without elevator shall comply with CBC sec. 1102A.3.1

PUBLIC AND COMMON AREA

184. Accessible Public-Use Areas: Public use areas shall be accessible per CBC Ch. 11B and common-use areas for residents and their guests shall be accessible per CBC sec. 1127A.

185. Accessible Common Facilities: Fitness center, swimming pools and all common facilities shall be fully accessible to people with disabilities per CBC sec. 1102A.4, sec.1141A and sec.1127A.

ENGINEERING

186. Storm Drain and Sanitary Sewer System: Storm drain and sanitary sewer system shall be gravity system without use of mechanical device.

187. Utility Lines: No utility lines shall cross property lines unless an easement agreement between the properties are recorded with the County and shall be submitted as part of the submittal documents and noted on the plans.

188. Soil Report: A soil report shall be provided when applying for grading, site improvement and building permit.

189. Paving: Paving of driveways and parking lot shall comply with MMC sec. II-13-18.

190. Concrete Flat Work: All non-structural concrete flat work shall be as per MMC sec. II-13-17.05.

191. Erosion and Sediment Control Plan: Erosion and sediment control plan shall be submitted when applying for grading permit as per MMC sec. II-13-10.

192. Recordation of Easements: Prior to issuance of building permit, all the easements including private storm drain easement through adjacent parcels shall be recorded. The developer shall include interim erosion control provisions and schedules in the construction plans for areas, which will not have permanent erosion control features installed (such as landscaping) prior to any occupancy so that erosion and sediment control can be sustained as per MMC sec. II-13-11.

ELECTRICAL

193. New Electrical Services: All new electrical services shall be underground per MMC sec. II-6-2.02.

194. Building Main Services Disconnect: The building main services disconnect shall be located on the first floor level of the building per MMC sec. II-6-2.03.

195. Grounding System: Grounding system shall comply with MMC sec. II-6-2.04.

STRUCTURAL

196. Structural Design Calculations: Provide two complete sets of structural design calculations (vertical and lateral) and five sets of construction plans and details when applying for a building permit. Plans and calculations shall be wet signed and stamped by Civil/Structural Engineer.

LEGEND

P = Planning Department

B = Building Department
E = Engineering Department
F = Fire Department
CAO = City Attorney's Office
ALL = All Reviewing Departments

NOTICE OF RIGHT TO PROTEST

The Conditions of Project Approval set forth herein include certain fees, dedication requirements, reservation requirements, and other exactions. Pursuant to Government Code Section 66020(d)(1), these Conditions constitute written notice of a statement of the amount of such fees, and a description of the dedications, reservations, and other exactions. You are hereby further notified that the 90-day approval period in which you may protest these fees, dedications, reservations, and other exactions, pursuant to Government Code Section 66020(a), began on date of adoption of this resolution. If you fail to file a protest within this 90-day period complying with all of the requirements of Section 66020, you will be legally barred from later challenging such exactions.

AGREEMENT

Permittee/Property Owner

The undersigned agrees to each and every condition of approval and acknowledges the NOTICE OF RIGHT TO PROTEST and hereby agrees to use the Project property on the terms and conditions set forth in this resolution.

Dated: _____

_____
Signature of Permittee

EXHIBIT 2

ADDENDUM TO THE TRANSIT AREA SPECIFIC PLAN ENVIRONMENTAL IMPACT REPORT

2001 TAROB COURT

MILPITAS, CA

MAY 8, 2019 (REVISED: JULY 10, 2019)

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A11 UNIT 1 & 2 FLOOR PLANS
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A13 UNIT 4 FLOOR PLANS

L001 PRELIMINARY LANDSCAPE PLAN
L002 COURTYARD ENLARGEMENT
L003 TERRACE ENLARGEMENT
L004 SITE AMENITY LEGEND
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L006 SITE AMENITIES (TERRACE)
L007 SITE FURNISHINGS (GROUND LEVEL & COURTYARD)
L008 SITE FURNISHINGS (GROUND LEVEL & COURTYARD)
L009 SITE FURNISHINGS (COURTYARD)
L010 SITE FURNISHINGS (TERRACE)
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L013 IRRIGATION DETAILS (PRIVATELY MAINTAINED LANDSCAPE AREAS, GROUND LEVEL & COURTYARD)
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L018 PLANTING DETAILS (PRIVATELY MAINTAINED LANDSCAPE AREAS, GROUND LEVEL & COURTYARD)
L019 PLANTING DETAILS (PUBLICLY MAINTAINED LANDSCAPE AREAS)

The True Life Companies
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925.824.4300

SDG Architects, Inc.
3361 Walnut Blvd. Suite 120
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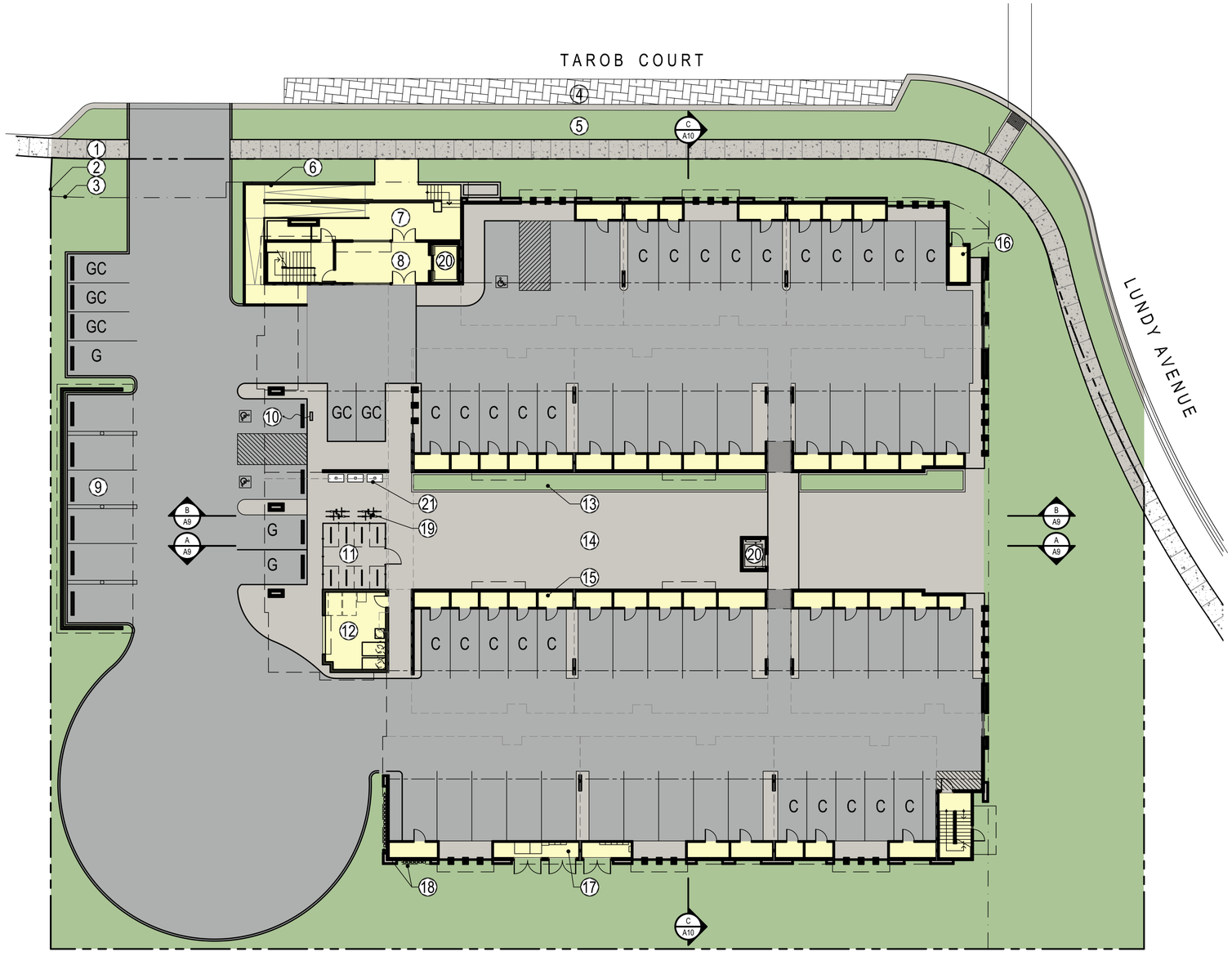
925.634.7000 | sdgarchitectsinc.com



SITE PLAN

PROJECT DESCRIPTION

4-STORY CONDOMINIUM BUILDING WITH 40 RESIDENTIAL DWELLING UNITS ABOVE GROUND PARKING

ZONING: R3-TOD

BUILDING INFORMATION

UNIT MIX:

PLAN 1 2BR	1,277 SF	15	19,155
PLAN 2 2BR	1,470 SF	3	4,410
PLAN 3 ALT 3BR	1,482 SF	2	2,964
PLAN 3 3BR	1,486 SF	6	8,916
PLAN 4 3BR	1,520 SF	14	21,280
TOTAL UNITS		40	56,725

DWELLINGS:	40
DENSITY (40 DU / 1.22 ACRES):	32.8 DU/AC
NUMBER OF STORIES:	4 STORIES
BUILDING HEIGHT (NOT INCLUDING MECH. SCREENS):	APPROX. 49'
ALLOWABLE BUILDING HEIGHT:	75'
AREA:	
GARAGE	18,220 SF
LIVING	56,719 SF
LOBBIES & CIRCULATION	13,654 SF
COMMON TERRACE & LOUNGE	1,120 SF
UTILITY	697 SF
PRIVATE STORAGE	2,352 SF
TOTAL	92,762 SF

OCCUPANCY GROUPS — R-2 (CONDOMINIUMS), S-2 (PARKING)

CONSTRUCTION TYPE — TYPE V-A SPRINKLERED

PARKING	REQUIRED	PROVIDED
RESIDENTIAL - 40 UNITS AT 1.6 COVERED SPACE EACH	64 SPACES	64
GUEST - 15% OF REQUIRED	10 SPACES	10
TOTAL	**74 SPACES**	**74**

COMPACT & STANDARD SPACES PROVIDED

TOTAL COMPACT (40% ALLOWED)	30 (30 / 74 = 40%)
TOTAL STANDARD	44
TOTAL PROVIDED	**74**

BICYCLE PARKING		REQUIRED	PROVIDED
LONG TERM	1 PER 4 UNITS	10 SPACES	16
SHORT TERM	5% OF PARKING	4 SPACES	4

EV CHARGING STATIONS	**PROVIDED**
ACCESSIBLE CHARGING SPACES	1
EV READY SPACES - LOCATION T.B.D.	3 (MIN.)

PRIVATE STORAGE ROOMS PROVIDED — 43

KEYNOTES

1. SIDEWALK
2. PROPERTY LINE
3. PROPOSED P.U.E.
4. ON-STREET PARALLEL PARKING
5. LANDSCAPING
6. ACCESSIBLE RAMP FROM ENTRY TO SIDEWALK
7. ENTRY TERRACE
8. LOBBY
9. COVERED PARKING - SEE SHEET **A10**
10. ELECTRIC VEHICLE CHARGING STATION
11. BICYCLE STATION - LONG-TERM STORAGE
12. TRASH ROOM - SEE SHEET **A10**
13. WATER TREATMENT PLANTER
14. COURTYARD
15. PRIVATE STORAGE ROOMS, TYP.
16. FIRE RISER ROOM
17. ELECTRICAL CABINETS
18. GAS METERS
19. SHORT TERM BICYCLE PARKING
20. ELEVATOR
21. MAILBOXES

G GUEST PARKING SPACE
C COMPACT PARKING SPACE
GC COMPACT GUEST PARKING SPACE

NORTH

0 4' 8' 12' 16' 32'

2001 TAROB COURT
Milpitas, CA
May 8, 2019 (REVISED: JULY 10, 2019)

ARCHITECTURAL SITE PLAN
A1

The True Life Companies
12647 Alcosta Blvd., Suite 470 San Ramon CA 94583
925.824.4300

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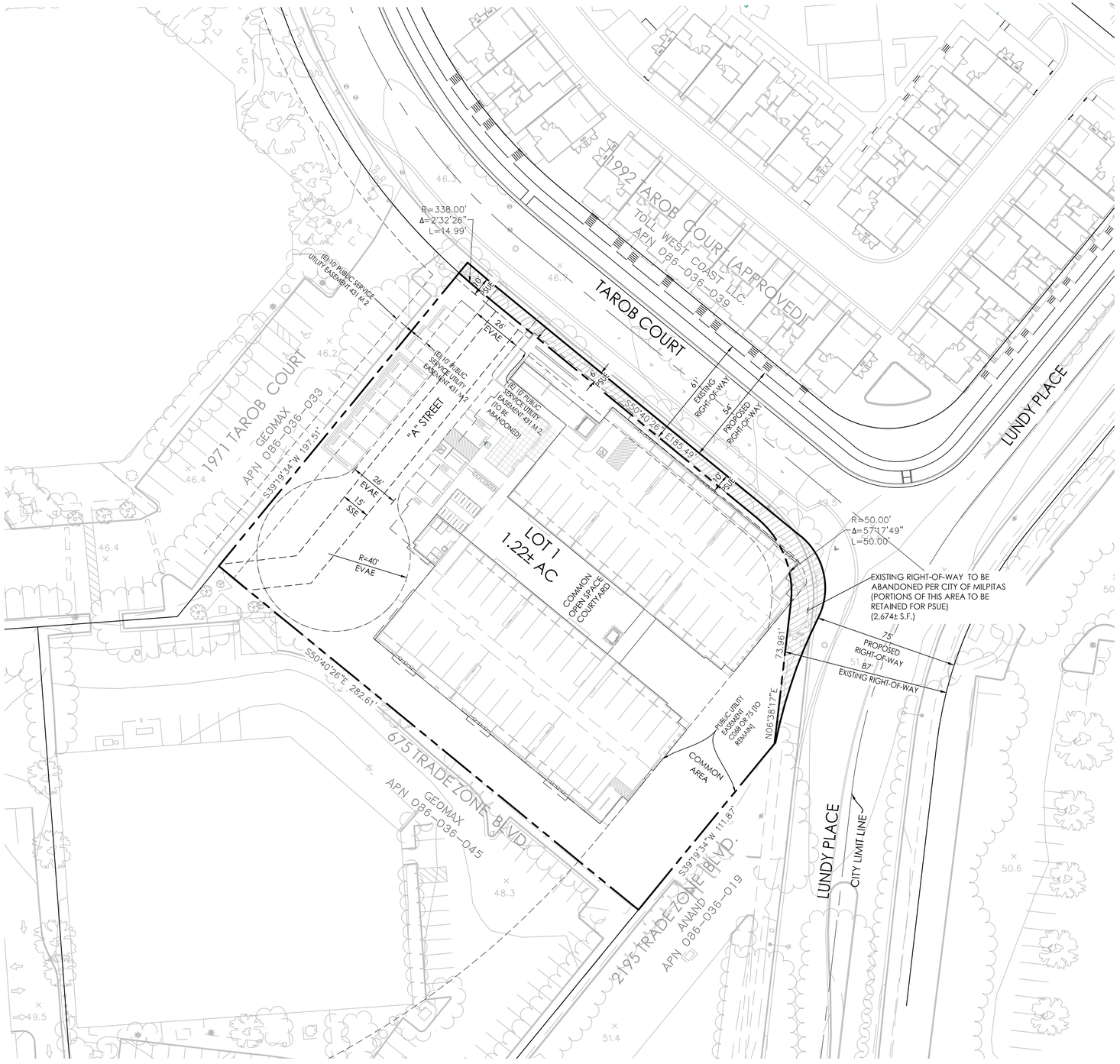
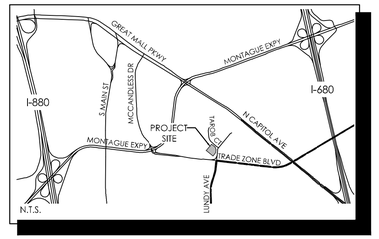


LOCATION MAP



LEGEND

PROPOSED		EXISTING
	PROJECT BOUNDARY	
	RIGHT-OF-WAY	
	EASEMENT LINE	
	CENTERLINE	
	BUILDING	
	HARDSCAPE	
	TREE	
	RIGHT OF WAY ABANDONMENT	

ABBREVIATIONS

EVAE	EMERGENCY VEHICLE ACCESS EASEMENT
EX	EXISTING
FC	FACE OF CURB
PSUE	PUBLIC SERVICE UTILITY EASEMENT
R	RADIUS
R/W	RIGHT OF WAY
SSE	SANITARY SEWER EASEMENT

SHEET INDEX

TM01	VESTING TENTATIVE MAP FOR CONDOMINIUM PURPOSES
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TM05	PRELIMINARY FLOODPLAIN MANAGEMENT PLAN
TM06	PRELIMINARY UTILITY PLAN
TM07	SOLID WASTE/FIRE ACCESS PLAN
TM08	PARKING PLAN
TM09	PRELIMINARY STORMWATER CONTROL PLAN
TM10	CONDITIONS OF APPROVAL
P 1.0	OPEN SPACE EXHIBIT

REGISTERED PROFESSIONAL ENGINEER
KARRIE MOSCA
No. 60815
Exp. 12-31-20
CIVIL
STATE OF CALIFORNIA

PROJECT NOTES

APPLICANT
THE TRUE LIFE COMPANIES, LLC
12647 ALCOSTA BOULEVARD, SUITE 470
SAN RAMON, CA 94583
CONTACT: LEAH BENISTON PHONE: (925) 380-1699

OWNER
CAROLI CORTESE
3626 NORCROSS CT.
SAN JOSE, CA 95148

ENGINEER/PLANNER
WOOD RODGERS, INC.
4670 WILLOW ROAD, SUITE 125
PLEASANTON, CA 94588
CONTACT: KARRIE MOSCA/PAUL MEUSER
PHONE: (925) 847-1547

PROJECT ADDRESS
2001 TAROB COURT, MILPITAS, CA 95035

ASSESSOR'S PARCEL NO.
086-036-034

AREA
1.22± ACRES GROSS

DENSITY
32.8± DWELLING UNITS/ACRE

NUMBER OF LOTS / UNITS
1 LOT| 40 CONDOMINIUM UNITS

EXISTING USE
INDUSTRIAL

PROPOSED USE
MULTI-FAMILY RESIDENTIAL

EXISTING GENERAL PLAN
MULTI-FAMILY RESIDENTIAL HIGH DENSITY (MFH) 21-40 UNITS/GROSS ACRE

PROPOSED GENERAL PLAN
MULTI-FAMILY RESIDENTIAL HIGH DENSITY (MFH) 21-40 UNITS/GROSS ACRE

EXISTING ZONING
R3 - HIGH DENSITY, TRANSIT ORIENTED

PROPOSED ZONING
R3 - HIGH DENSITY, TRANSIT ORIENTED

PARK DISTRICT
MILPITAS RECREATION SERVICES DIVISION

FIRE PROTECTION
MILPITAS FIRE DEPARTMENT

SCHOOL DISTRICT
BERRYESSA UNION SCHOOL DISTRICT

SEWER
CITY OF MILPITAS

STORM DRAIN
CITY OF MILPITAS

WATER
CITY OF MILPITAS

ELECTRICITY & GAS
PG&E

TELEPHONE
AT&T, COMCAST

CABLE TV
AT&T, COMCAST

FLOOD ZONE
"AO" - FLOOD DEPTHS OF 1 TO 3 FEET (USUALLY SHEET FLOW ON SLOPING TERRAIN); AVERAGE DEPTHS DETERMINED. FOR AREAS OF ALLUVIAL FAN FLOODING, VELOCITIES ALSO DETERMINED.

MAP NUMBER: 06085C0067J

EFFECTIVE DATE: FEBRUARY 19, 2014

BASIS OF BEARINGS
THE BASIS OF BEARINGS FOR THIS SURVEY IS THE CALIFORNIA STATE PLANE COORDINATE SYSTEM, ZONE 3, NAD83, AS MEASURED BETWEEN FOUND MONUMENTS IN TAROB COURT. SAID BEARING BEING N50°39'32"W. ALL DISTANCES SHOWN ARE GROUND BASED. TO OBTAIN GRID DISTANCES DIVIDE GROUND DISTANCE BY A COMBINATION FACTOR = 1.000049802

BENCHMARK
USC&GS BRASS DISK IN TOP OF NORTH END OF WEST HEADWALL WPRR CULVERT CROSSING OF PENITENCIA CREEK, NORTH OF LUNDY ROAD. ELEV=51.880' (NAVD88)

DATUM
NORTHERN AMERICAN DATUM OF 1983 (NAD83), AND CALIFORNIA COORDINATE OF 1983, ZONE 3

CONDOMINIUM MAP
A CONDOMINIUM MAP WILL BE RECORDED FOR LOT 1. THE SUBDIVISION IS A CONDOMINIUM PROJECT AS DEFINED IN SECTION 1350 ET. SEQ. OF THE CIVIL CODE OF THE STATE OF CALIFORNIA AND FILED PURSUANT TO THE SUBDIVISION MAP ACT.

DIMENSIONS
ALL DIMENSIONS ARE PRELIMINARY AND SUBJECT TO FINAL SUBDIVISION MAP.

NOTES
1. SUBDIVIDER RESERVES THE RIGHT TO FILE MULTIPLE FINAL MAPS.
2. ADDITIONAL EASEMENTS MAY BE NECESSARY ON PRIVATE LOTS, SUCH AS PUBLIC SERVICE EASEMENTS FOR JOINT TRENCH FACILITIES. ADDITIONAL EASEMENTS WILL BE ADDED TO THE FINAL MAP.

2001 TAROB COURT
Milpitas, CA
May 8, 2019

VESTING TENTATIVE PARCEL MAP FOR CONDOMINIUM PURPOSES

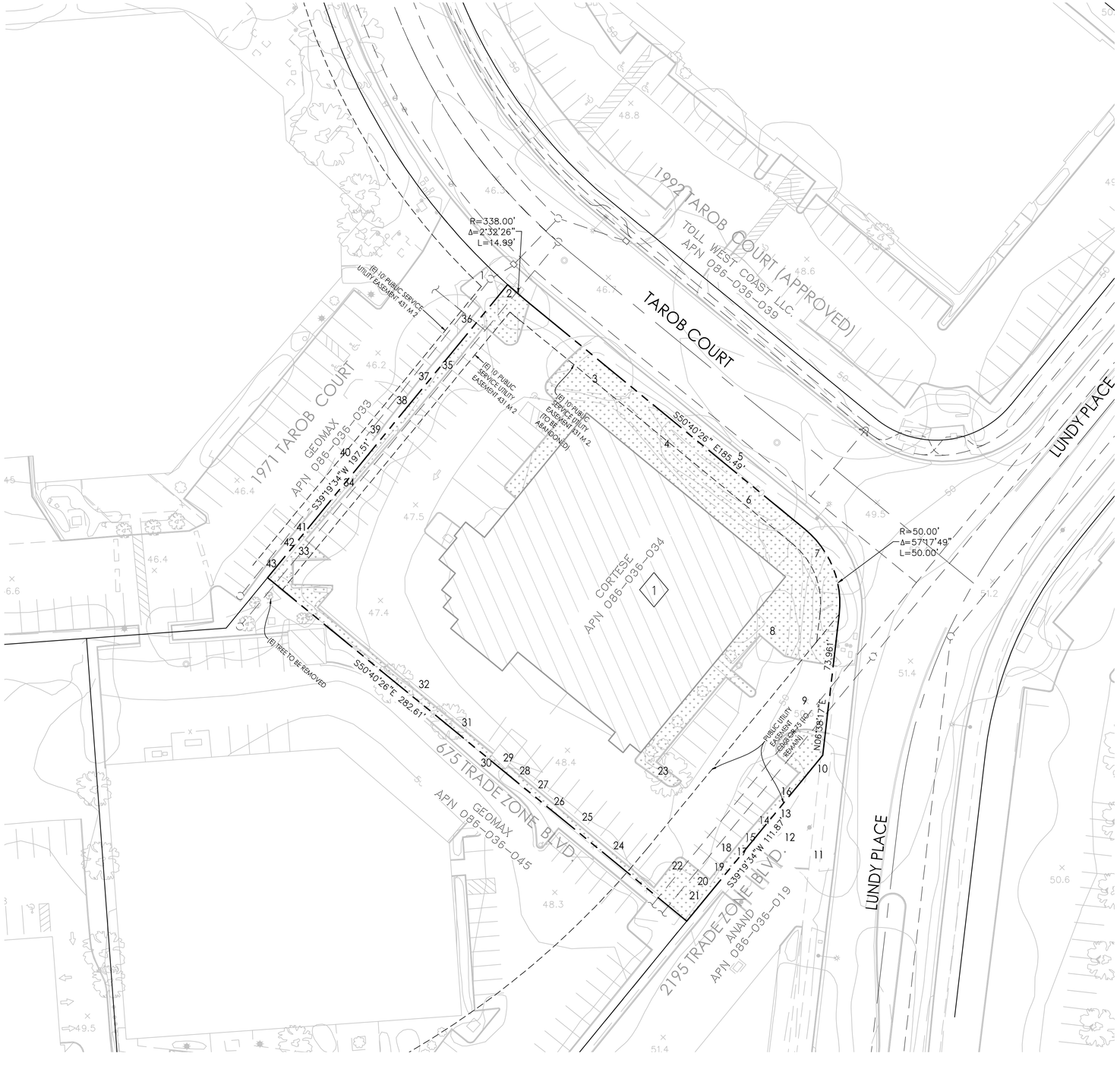
TM01

The True Life Companies
12647 Alcosta Blvd., Suite 470 San Ramon CA 94583
925.824.4300

NORTH

0 30 60 120
SCALE: 1" = 30'

WOOD RODGERS
BUILDING RELATIONSHIPS ONE PROJECT AT A TIME
4670 WILLOW ROAD, SUITE 125 Tel 925.847.1556
Pleasanton, CA. 94588 Fax 925.847.1557



ABBREVIATIONS

E	EAST
EAE	EMERGENCY VEHICLE ACCESS EASEMENT
EX	EXISTING
FDC	FIRE DEPARTMENT CONNECTION
G	GAS
L	LENGTH
N	NORTH
OH	OVERHEAD LINE
PFWLE	PRIVATE FIRE WATER LINE EASEMENT
PRIEE	PRIVATE INGRESS & EGRESS EASEMENT
PIV	POST INDICATOR VALVE
PMSDE	PRIVATE MUTUAL STORM DRAIN EASEMENT
PPE	PRIVATE PARKING EASEMENT
PRSSE	PRIVATE SANITARY SEWER EASEMENT
PSUE	PUBLIC SERVICE UTILITY EASEMENT
PWLE	PRIVATE WATER LINE EASEMENT
R	RADIUS
R/W	RIGHT OF WAY
S	SOUTH
SS	SANITARY SEWER
SD	STORM DRAIN
PSDE	PRIVATE STORM DRAIN EASEMENT
SF	SQUARE FEET
W	WATER

LEGEND

PROPOSED		EXISTING
	PROJECT BOUNDARY	
	PROPERTY LINE	
	EASEMENT LINE	
	CENTERLINE	
	MONUMENT LINE	
	SANITARY SEWER	EX.8"SS
	STORM DRAIN	EX.18"SD
	POTABLE WATER	EX.10"W
	POWER POLE	
	STREETLIGHT	
	TREE	
	TREE NUMBER	32
	BUILDING TO BE DEMOLISHED	

1 ALL BUILDINGS, STRUCTURES, PAVEMENT, CURBS & HARDSCAPE TO BE DEMOLISHED WITHIN PROJECT BOUNDARY

TREE TABLE

TREE NUMBER		DESCRIPTION
X	1	8" LONDON PLANE
X	2	13" LONDON PLANE
X	3	21" LONDON PLANE
X	4	21" LONDON PLANE
X	5	14" LONDON PLANE
X	6	16" LONDON PLANE
X	7	20" LONDON PLANE
X	8	11" CAMPHOR
	9	15" LONDON PLANE
	10	10" JAPANESE BLACK PINE
	11	15" JAPANESE BLACK PINE
	12	15" COAST REDWOOD
	13	14" COAST REDWOOD
	14	8" SILVER DOLLAR GUM
	15	14" COAST REDWOOD
	16	25" SILVER DOLLAR GUM
	17	9" SILVER DOLLAR GUM
	18	26" SILVER DOLLAR GUM
	19	9" CANARY ISLAND PINE
	20	21" CANARY ISLAND PINE
	21	19" CANARY ISLAND PINE
	22	11" LONDON PLANE
X	23	11" LONDON PLANE
X	24	18" RAYWOOD ASH
X	25	16" RAYWOOD ASH
X	26	11" VALLEY OAK
X	27	6" XYLOSMA
X	28	5" XYLOSMA
X	29	6" XYLOSMA
X	32	12" XYLOSMA
X	33	13" LONDON PLANE
X	34	9" RAYWOOD ASH
X	35	17" RAYWOOD ASH
X	36	16" RAYWOOD ASH

NOTE: TREES MARKED WITH AN "X" ARE TO BE REMOVED. FIELD VERIFICATION OF TREE LOCATIONS NECESSARY PRIOR TO REMOVAL. SEE ARBORIST REPORT FOR MORE DETAIL.

2001 TAROB COURT

Milpitas, CA

May 8, 2019

EXISTING CONDITIONS PLAN & DEMOLITION PLAN

TM02

The True Life Companies

12647 Alcosta Blvd., Suite 470 San Ramon CA 94583

925.824.4300

NORTH

SCALE: 1" = 30'

WOOD RODGERS

BUILDING RELATIONSHIPS ONE PROJECT AT A TIME

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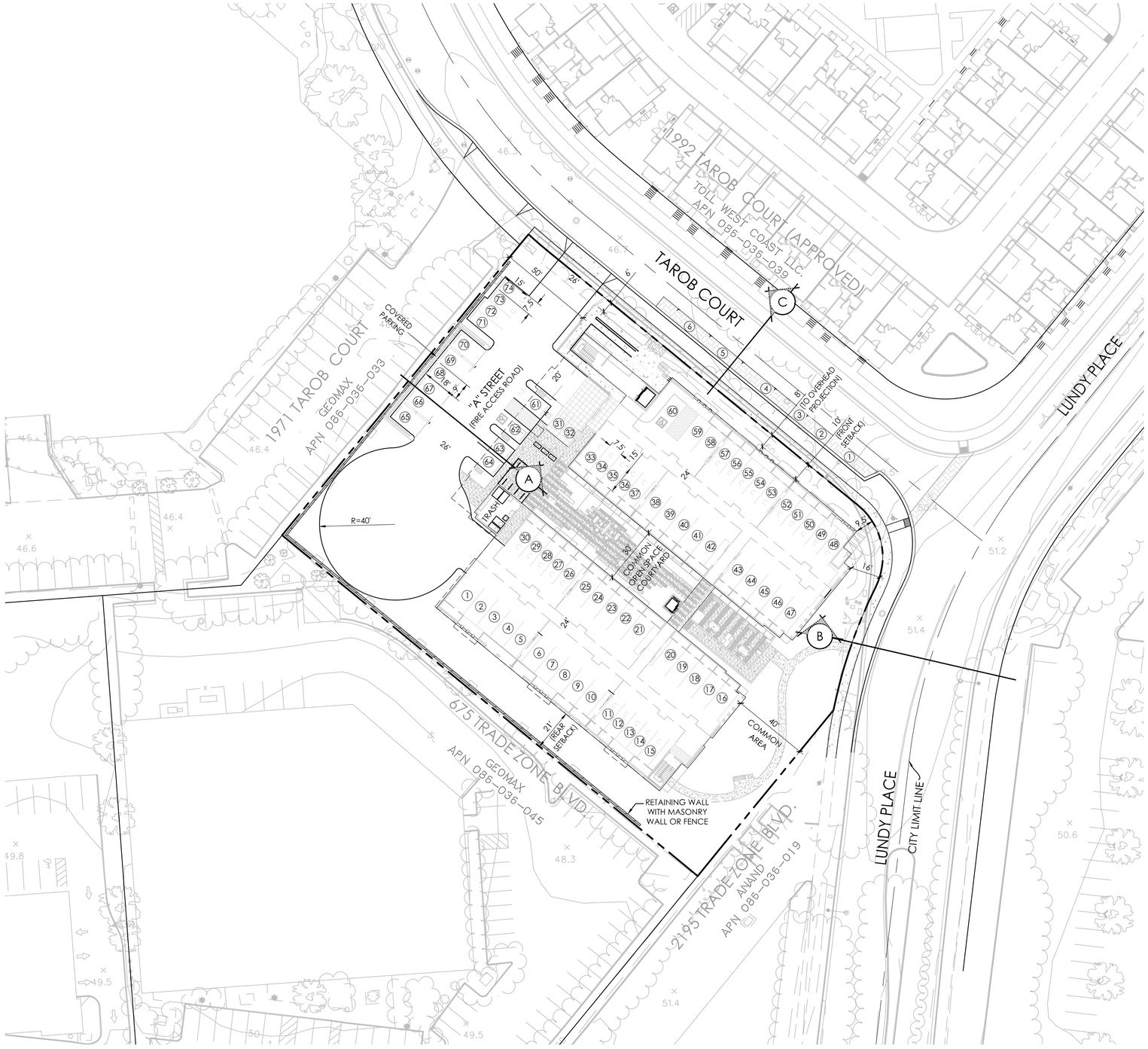
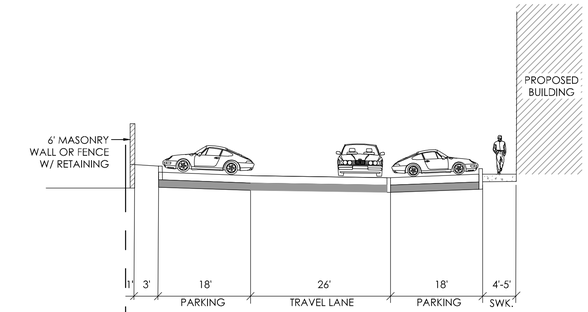
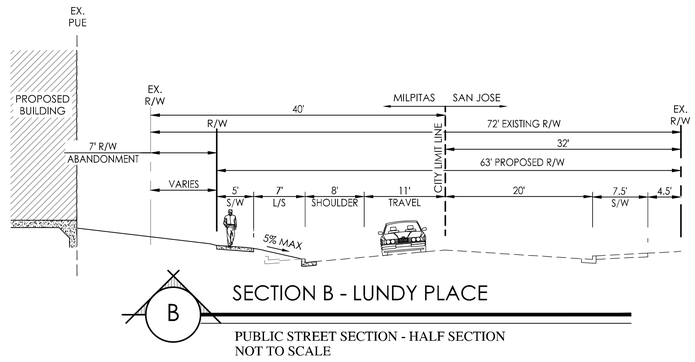
Pleasanton, CA. 94588 Fax 925.847.1557





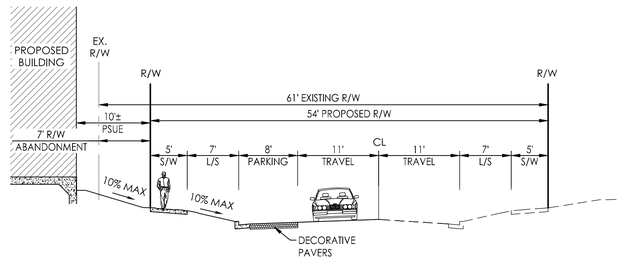
SECTION A

PRIVATE STREET SECTION
NOT TO SCALE
* CROSS SLOPE AND CURB TYPE VARY THROUGHOUT SITE. SEE GRADING PLAN.



SECTION B - LUNDY PLACE

PUBLIC STREET SECTION - HALF SECTION
NOT TO SCALE



SECTION C - TAROB COURT

PUBLIC STREET SECTION - HALF SECTION
NOT TO SCALE

NOTE:
EAST SIDE OF TAROB COURT ASSUMES RECORDATION OF THE FINAL MAP ASSOCIATED WITH 1992 TAROB COURT.

2001 TAROB COURT

Milpitas, CA
May 8, 2019

PRELIMINARY SITE PLAN
TM03

The True Life Companies
12647 Alcosta Blvd., Suite 470 San Ramon CA 94583
925.824.4300

SCALE: 1" = 30'

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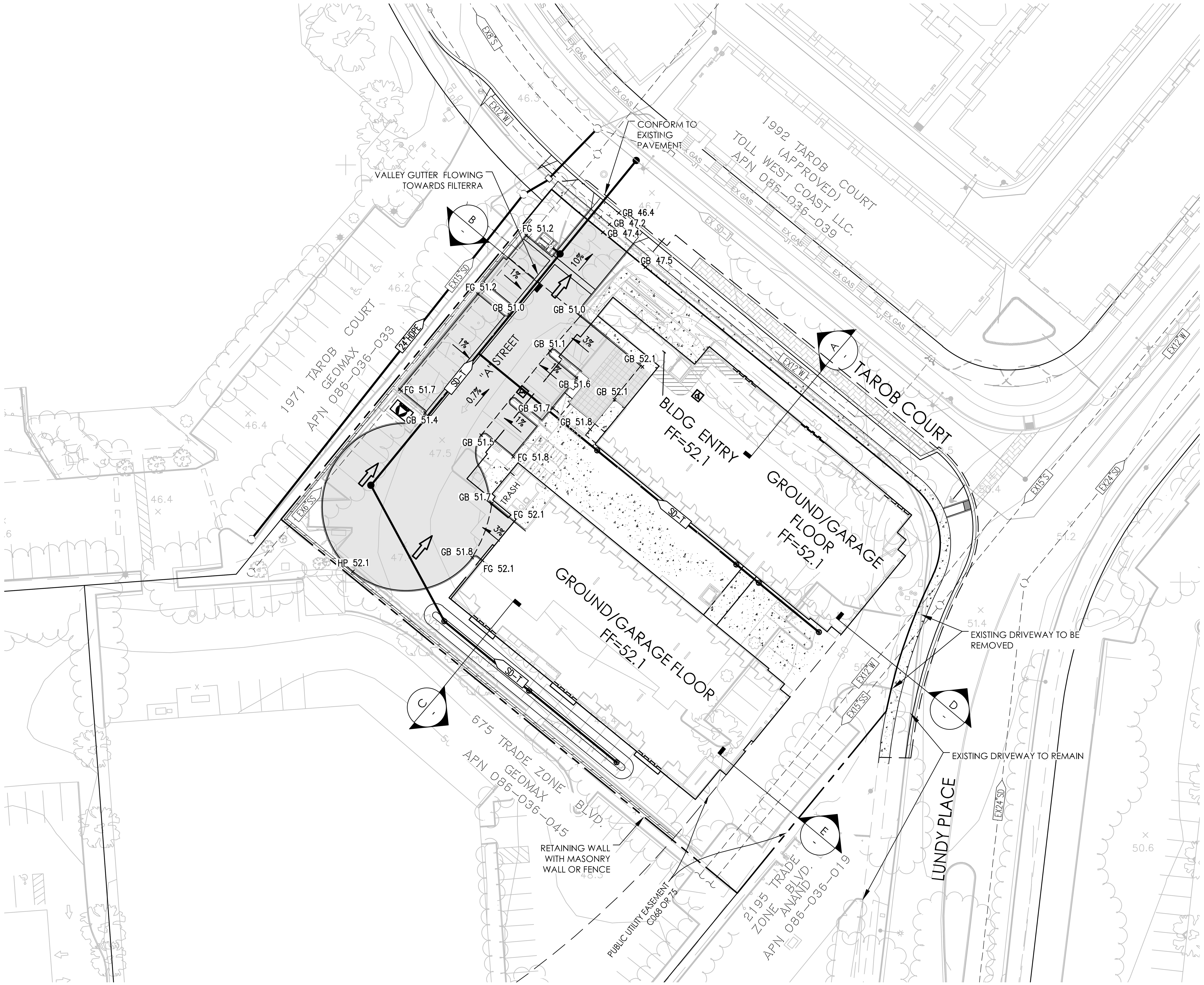
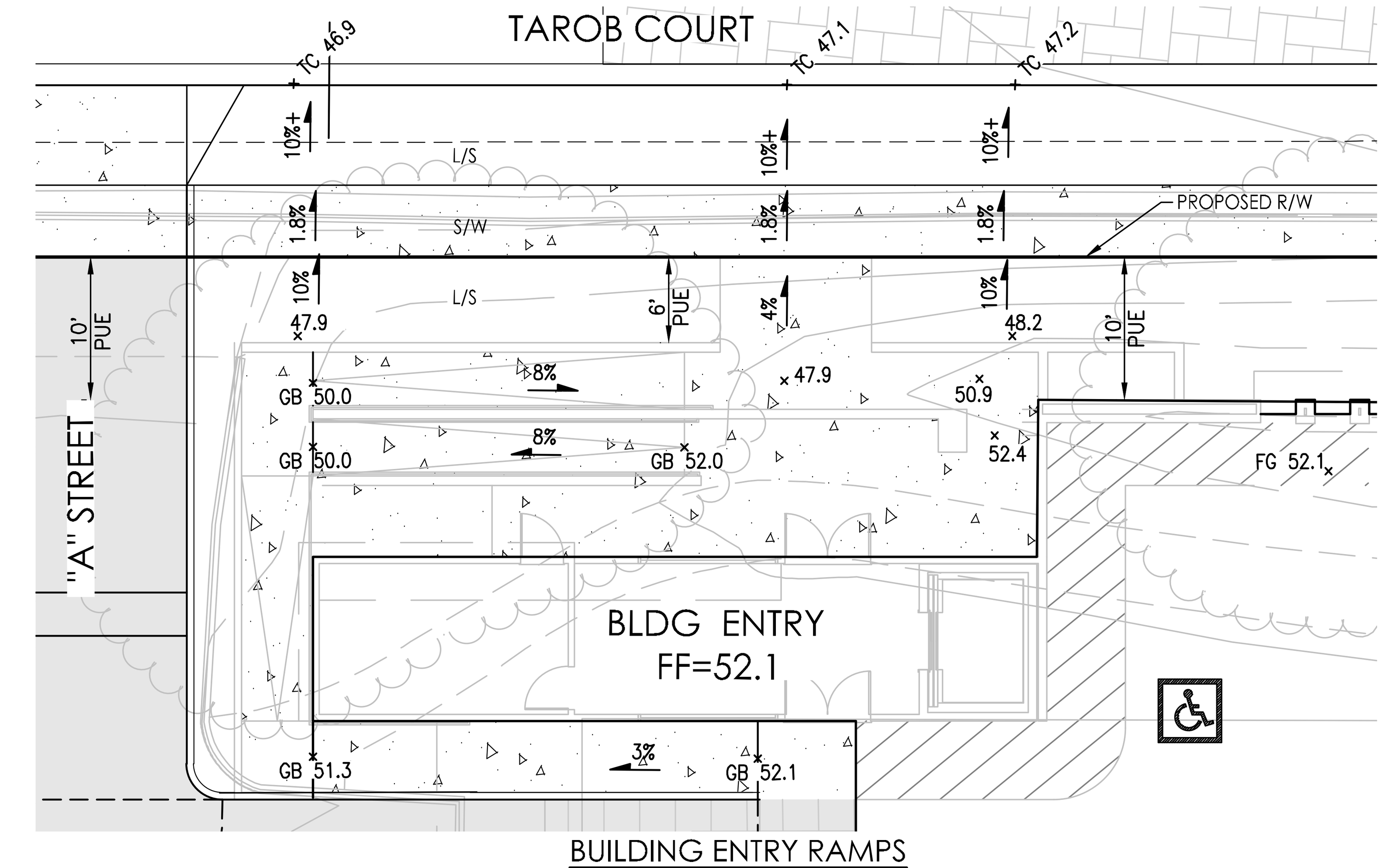
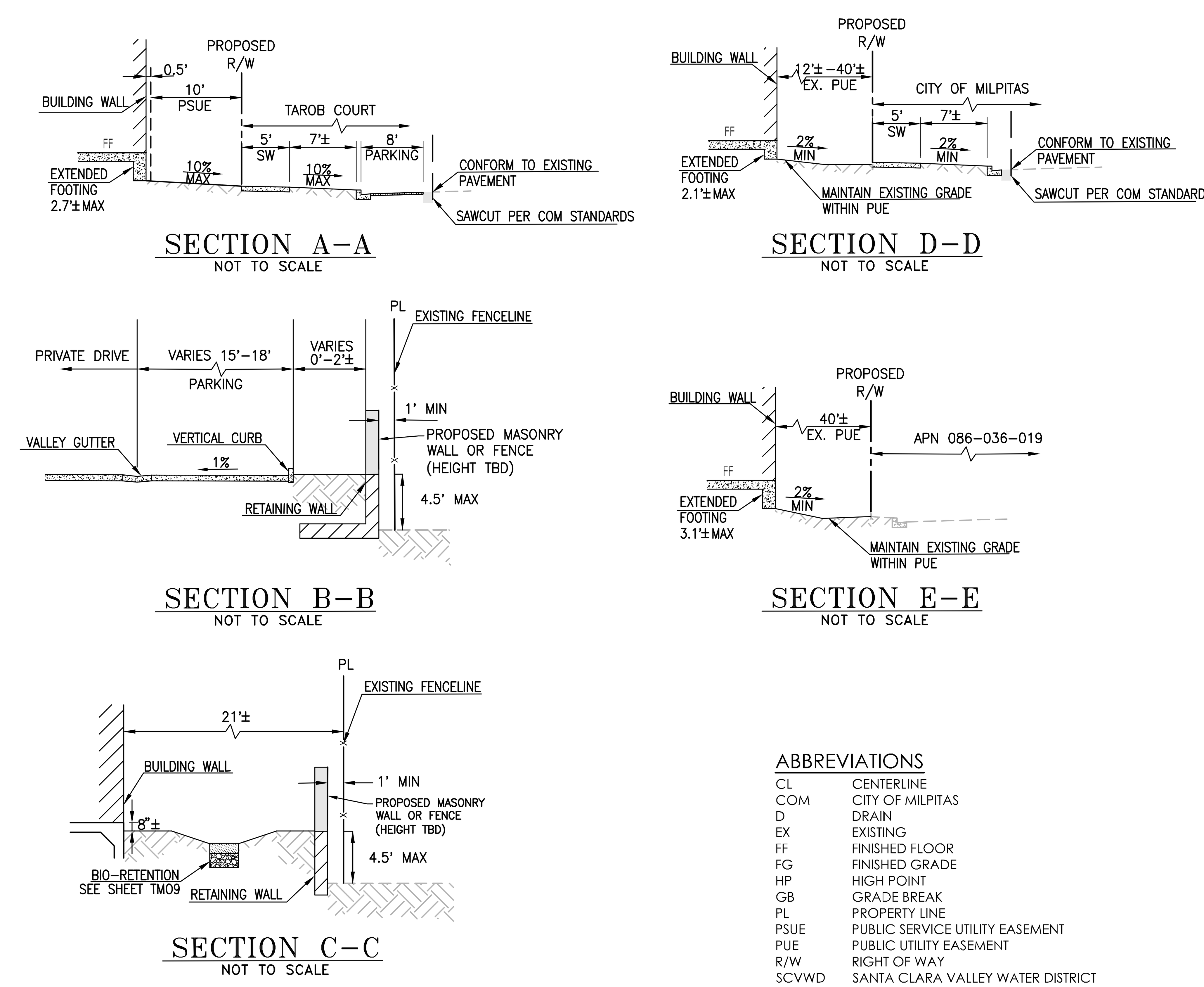
4670 WILLOW ROAD, SUITE 125 Tel 925.847.1556
Pleasanton, CA. 94588 Fax 925.847.1557





SCALE: 1"=10'

LEGEND
OVERLAND RELEASE DIRECTION



ABBREVIATIONS

CL	CENTERLINE
COM	CITY OF MILPITAS
D	DRAIN
EX	EXISTING
FF	FINISHED FLOOR
FG	FINISHED GRADE
HP	HIGH POINT
GB	GRADE BREAK
PL	PROPERTY LINE
PSUE	PUBLIC SERVICE UTILITY EASEMENT
PUE	PUBLIC UTILITY EASEMENT
R/W	RIGHT OF WAY
SCVWD	SANTA CLARA VALLEY WATER DISTRICT
SW	SIDEWALK
TBA	TO BE ABANDONED
VAR	VARIES

EARTHWORK SUMMARY

DESCRIPTION	CUT/EXPORT[1] (CY)	FILL (CY)	NET FILL (CY)
ROUGH GRADE	1,410	7,200	7,200

EARTHWORK NOTES:

1. THIS ESTIMATE ASSUMES 8" OF THE EXISTING SITE WILL BE OFF HAULED DUE TO DEMOLITION AND REMOVAL OF THE BUILDING FOUNDATION AND PARKING LOT
2. ALL QUANTITIES SHOWN ON THIS PLAN ARE APPROXIMATE. CALCULATED CUT AND FILL AREA TO "ROUGH GRADE" AND EXISTING GROUND. THE ACTUAL AMOUNT OF EARTH MOVED IS VARIABLE DEPENDENT ON COMPACTION, CONSOLIDATION, STRIPPING REQUIREMENTS AND THE CONTRACTOR'S METHOD OF OPERATION.
3. REUSE OF EXISTING ON-SITE MATERIALS HAS NOT BEEN FACTORED INTO THE EARTHWORK QUANTITIES.

2001 TAROB COURT

Milpitas, CA
May 8, 2019

PRELIMINARY GRADING AND DRAINAGE PLAN

TMO4

The True Life Companies
12647 Alcosta Blvd., Suite 470 San Ramon CA 94583
925.824.4300

SCALE: 1" = 30'
0 30 60 120

WOOD RODGERS
BUILDING RELATIONSHIPS ONE PROJECT AT A TIME
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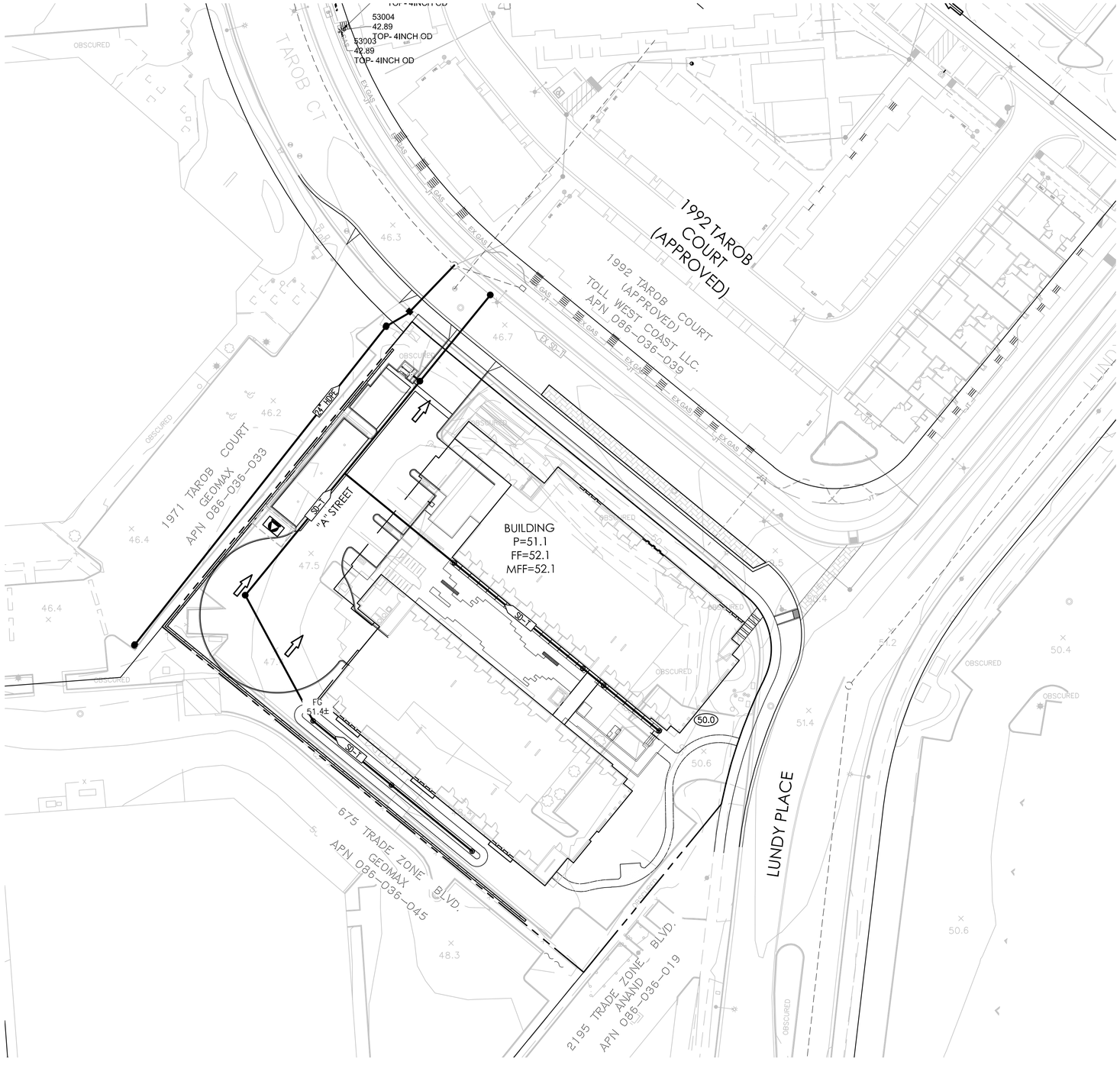
Pleasanton, CA. 94588 Fax 925.847.1557



ABBREVIATIONS

BFE	BASE FLOOD ELEVATION
BLDG	BUILDING
BSW	BACK OF SIDEWALK
CL	CENTERLINE
D	DRAIN
FEMA	FEDERAL EMERGENCY MANAGEMENT AGENCY
FF	FINISHED FLOOR
FG	FINISHED GRADE
HAG	HIGHEST ADJACENT GRADE (EXISTING)* (50.0)
⇨	OVERLAND RELEASE
P	PAD ELEVATION
PL	PROPERTY LINE
MFF	MINIMUM FINISHED FLOOR
R/W	RIGHT OF WAY
SCVWD	SANTA CLARA VALLEY WATER DISTRICT
SW	SIDEWALK
VAR	VARIES
SDT	TREATED STORMWATER
SDUT	UNTREATED STORMWATER
SDOF	OVERFLOW FOR STORM EVENTS ABOVE THE WATER QUALITY EVENT
SDFM	FORCEMAIN STORMWATER
WSEL	EAST PENITENCIA WATER SURFACE ELEVATION

FEMA BFE	WSEL	STUDY BFE	MAX BFE	HAG	MFF	BLDG FF	BLDG P
49.5	NA	51.1	51.1	50	52.1	52.1	51.1

NOTES:

1. THE CITY OF MILPITAS FLOODPLAIN ORDINANCE SECTION XI–15–5.1(C)(1) REQUIRES THAT FINISH FLOOR ELEVATIONS BE 1 FOOT ABOVE THE HIGHEST ADJACENT GRADE ELEVATION PLUS THE DEPTH OF FLOODING (HAG+2') WITHIN AN AO(1) ZONE AND 1 FOOT ABOVE THE BFE FOR PROJECTS WITHIN ALL OTHER FLOOD ZONES. THE PROJECT WILL DESIGN THE FINISH FLOORS TO BE AT LEAST ONE FOOT ABOVE THE FEMA BFE, EAST PENITENCIA WSEL, HAG + 1', AND DETAILED STUDY BFE (WHICHEVER IS HIGHER).
2. FLOOD ZONE: AO(1) – FLOOD DEPTHS ARE 1', SPECIAL FLOOD HAZARD AREA SUBJECT TO INUNDATION BY THE 1% ANNUAL CHANCE FLOOD
3. ALL USES ARE RESIDENTIAL
4. FLOOD PROOFING IS NOT REQUIRED. ALL BUILDINGS AND ABOVE GROUND UTILITIES TO BE RAISED TO ABOVE THE BASE FLOOD ELEVATION.
5. RECEIVING WATER: PENITENCIA CREEK
6. SEE SHEET TM04 FOR GRADING CROSS SECTIONS

* HAG VALUE DETERMINED IN COORDINATION WITH SCHAAF & WHEELER

2001 TAROB COURT

Milpitas, CA

May 8, 2019

PRELIMINARY FLOODPLAIN MANAGEMENT PLAN

TM05

The True Life Companies
12647 Alcosta Blvd., Suite 470 San Ramon CA 94583
925.824.4300

NO 401

0 30 60 120 SCALE: 1" = 30'

WOOD RODGERS
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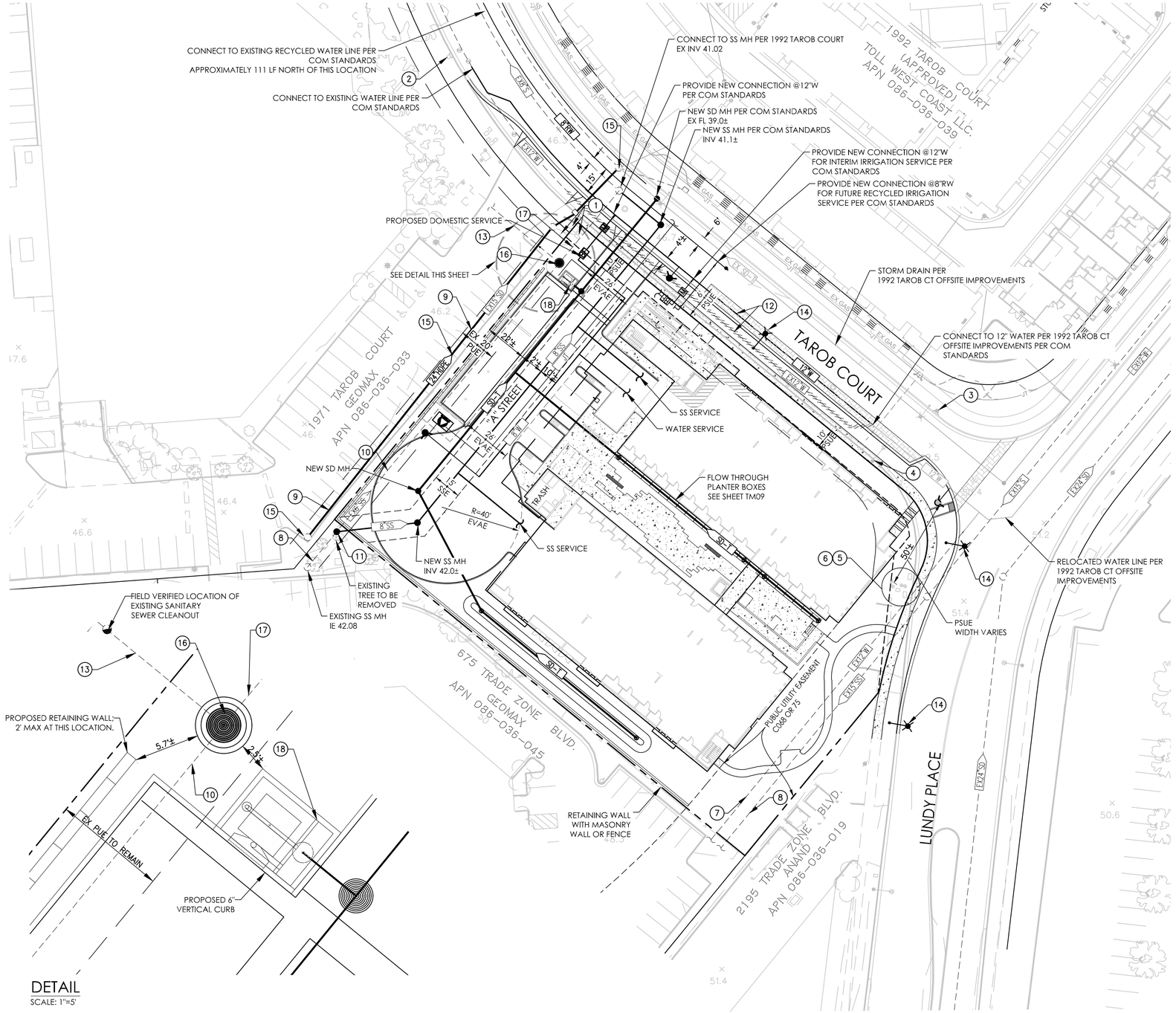
Pleasanton, CA. 94588 Fax 925.847.1557



DETAIL
SCALE: 1"=5'

LEGEND

EXISTING	PROPOSED	
		RIGHT-OF-WAY
		PROJECT BOUNDARY
EX12"SD	SD-T	TREATED STORMWATER (SD-T)
		STORM DRAIN OR SANITARY SEWER MANHOLE
		AREA DRAIN
EX 8"S	8"SS	SANITARY SEWER PIPE
	SS	BLDG SANITARY SEWER SERVICE (SIZE TBD)
EX 8"W	8"W	WATER PIPE
		FIRE HYDRANT
	8" M	MASTER WATER METER & BACKFLOW PREVENTOR DOMESTIC WATER/IRRIGATION SERVICE
		PROPOSED TRANSFORMER LOCATION
		PROPOSED FILTERRA, SEE DETAIL ON TM09
		REMOVE EXISTING PIPE

GENERAL NOTES

1. EX JOINT TRENCH BOXES TO REMAIN
2. EX FIRE HYDRANT
3. FIRE HYDRANT PER 1992 TAROB
4. EXISTING STREET LIGHT IS REQUIRED TO BE REMOVED
5. EX WATER SERVICE TO BE REMOVED. EXISTING FIRE SERVICE TO BE UTILIZED FOR PROPOSED PROJECT. FIELD VERIFY THE SIZE AND CONDITION OF THE EXISTING FIRE SERVICE WATER LATERAL AS IT SHALL NOT BE LESS THAN 6" IN SIZE, AND IN ACCEPTABLE (TO THE CITY) CONDITION. UPGRADE THE BACKFLOW DEVICE TO THE CURRENT CITY STANDARD AND REPLACE THE POST INDICATING VALVE AND FIRE DEPARTMENT CONNECTION WITH NEW DEVICES.
6. EX IRRIGATION SERVICE TO REMAIN FOR PUBLIC IRRIGATION
7. EX WATER PIPE TO REMAIN
8. EX SANITARY SEWER PIPE TO REMAIN
9. EX STORM DRAIN PIPE TO REMAIN
10. EX SANITARY SEWER PIPE TO BE REMOVED BETWEEN NEW MANHOLES; SEE (11) & (16)
11. CONNECT TO EX SANITARY SEWER WITH NEW MANHOLE PER COM STANDARDS
12. EXISTING WATER MAIN TO BE RELOCATED AS SHOWN
13. EXISTING SANITARY SEWER FROM 1971 TAROB COURT TO REMAIN
14. INSTALL NEW STREET LIGHT PER THE CITY'S TRANSIT AREA SPECIFIC PLAN
15. EX 15" SD ON 1971 TAROB COURT PROPERTY TO BE REPLACED WITH 24" HDPE FROM EXISTING MANHOLE AT SOUTHWESTERN CORNER AS SHOWN ON PLAN TO EXISTING MANHOLE IN TAROB COURT.
16. CONNECT TO EX SANITARY SEWER WITH NEW MANHOLE PER COM STANDARDS
17. EXISTING SANITARY SEWER TO REMAIN
18. PROPOSED FILTERRA BIORETENTION SYSTEM; SEE SHEET TM09 FOR DETAILS

ABBREVIATIONS

APN	ASSESSOR PARCEL NUMBER
BLDG	BUILDING
COM	CITY OF MILPITAS
ESMT	EASEMENT
EX	EXISTING
EVAE	EMERGENCY VEHICLE ACCESS EASEMENT
PSUE	PUBLIC SERVICE UTILITY EASEMENT
MH	MANHOLE
RW	RECYCLED WATER
SS	SANITARY SEWER
SSE	SANITARY SEWER EASEMENT
TBA	TO BE ABANDONED

UTILITY NOTES

1. STORM DRAIN
   - MINIMUM SLOPE: 0.005 WITH MINIMUM VELOCITY OF 2 FEET/SECOND
   - MINIMUM PIPE SIZE: 12"
   - STORM DRAIN FACILITIES MAY BE RCP OR N-12 PIPE
2. SANITARY SEWER
   - MINIMUM SLOPE: 0.0035 (EXISTING SLOPE: 0.0035±)
   - SANITARY SEWER PIPE TO BE SDR-26 PVC
4. WATER PIPE TO BE CLASS 200 AWWA C900
5. UTILITIES SHOWN ON THIS PLAN ARE PRELIMINARY AND SUBJECT TO CHANGES PENDING FINAL DESIGN. FINAL DESIGN SHALL ADHERE TO COM STANDARDS.
6. ALL ON-SITE WATER AND STORM DRAIN TO BE OWNED AND MAINTAIN BY THE PROJECT HOA.
7. ON SITE SEWER TO BE OWNED AND MAINTAINED BY THE COM.

2001 TAROB COURT

Milpitas, CA

May 8, 2019 (REVISED: JULY 10, 2019)

PRELIMINARY UTILITY PLAN
TM06

The True Life Companies
12647 Alcosta Blvd., Suite 470 San Ramon CA 94583
925.824.4300

NO 402

0 30 60 120 SCALE: 1" = 30'

WOOD RODGERS
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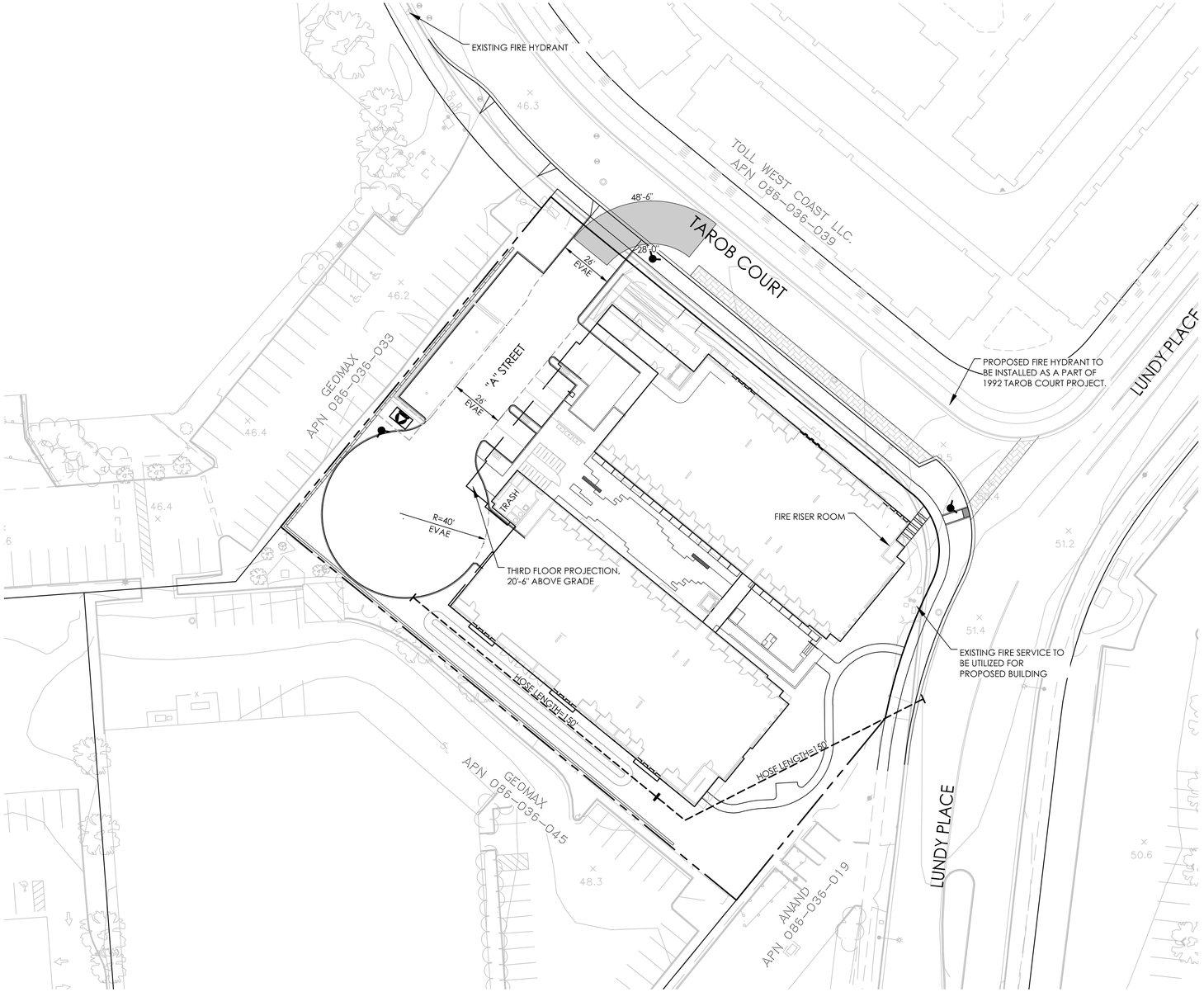
Pleasanton, CA. 94588 Fax 925.847.1557



FIRE ACCESS NOTES

1. PRIVATE STREET IS FIRE ACCESS ROAD. WIDTH IS 26' WIDE ADJACENT TO STRUCTURE. CUL-DE-SAC HAS A 40' RADIUS PROVIDED FOR TRUCK TURNAROUND PER JAMIE GARCIA'S EMAIL DATED SEPTEMBER 19, 2018. FIRE TRUCK TURNING TEMPLATE IS NOT AVAILABLE.
2. FIRE ACCESS ROAD ALSO SERVES AS ROUTE FOR SOLID WASTE VEHICLE.

SOLID WASTE NOTES

1. PER MEETING WITH SAL SAN FILIPPO FROM MILPITAS SANITATION ON DECEMBER 18, 2018, THE SITE MEETS THE REQUIREMENTS FOR SOLID WASTE HANDLING.

DELIVERY VEHICLE NOTES

1. PRIVATE STREET SERVES AS ACCESS ROAD AND LOADING AREA FOR DELIVERY VEHICLES INCLUDING MOVING VANS AND TRUCKS.

2001 TAROB COURT

Milpitas, CA

May 8, 2019 (REVISED: JULY 10, 2019)

PRELIMINARY FIRE TRUCK ACCESS/SOLID WASTE HANDLING PLAN

TM07

The True Life Companies
12647 Alcosta Blvd., Suite 470 San Ramon CA 94583
925.824.4300

NORTH

0 60

SCALE: 1" = 30'

30 120

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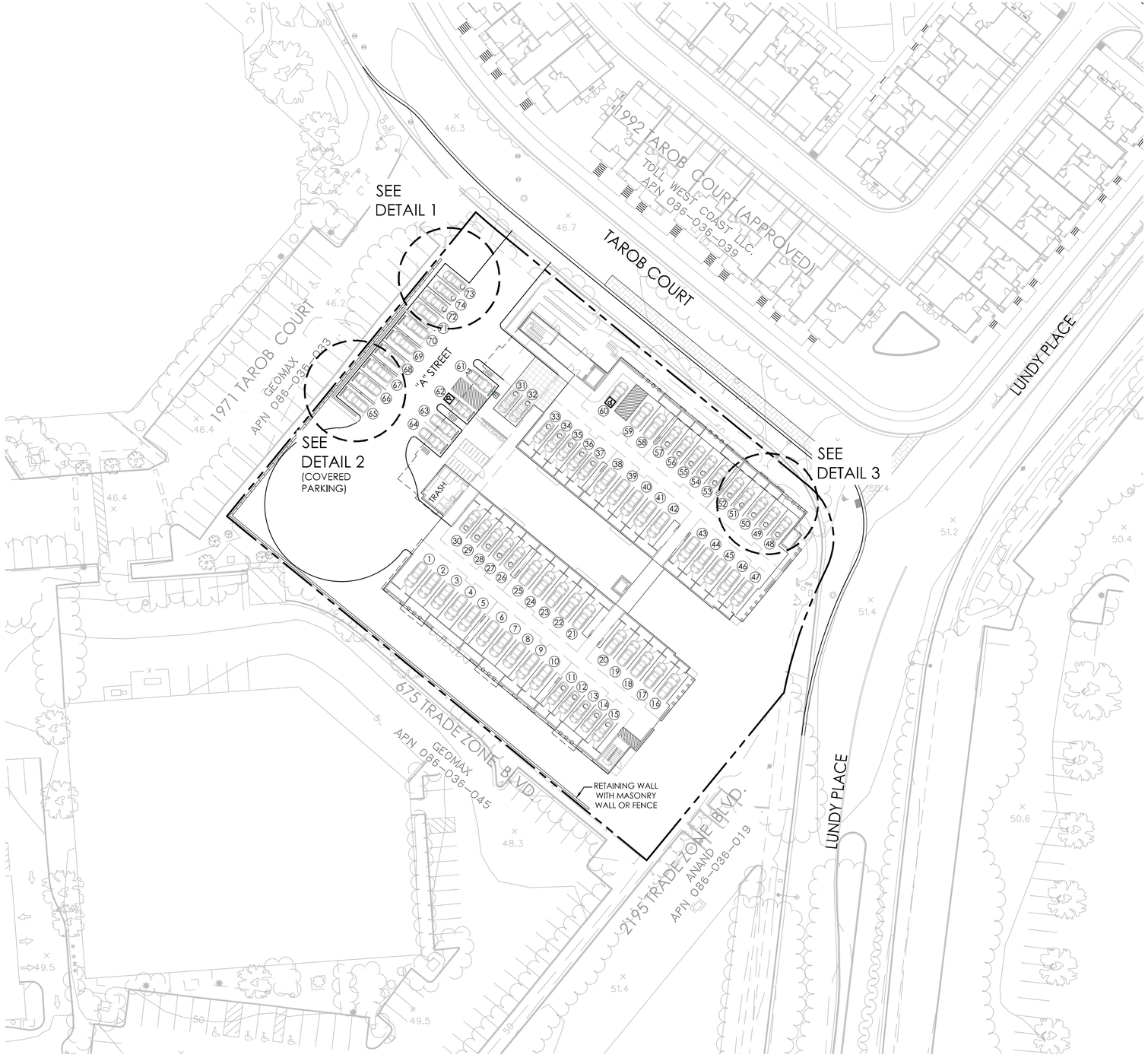


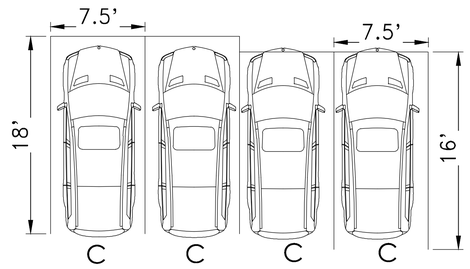
PARKING SUMMARY

DESCRIPTION	UNIT COUNT	REQUIRED PARKING RATIO	PARKING REQUIRED	PROVIDED PARKING RATIO	PARKING PROVIDED
GARAGE SPACES	40	1.6 SPACES/ DU	64	1.6 SPACES/DU	64
ON-SITE GUEST	-	15% OF REQUIRED	10	-	10
TOTAL	40	-	74	-	74

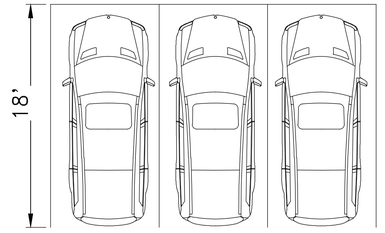
NOTES:

1. GUEST PARKING INCLUDES 1 ACCESSIBLE SPACE AND 1 VAN ACCESSIBLE SPACE.
2. GUEST PARKING IS BASED ON PRELIMINARY DESIGN. ACTUAL PARKING PROVIDED MAY VARY WITH FINAL DESIGN IN ACCORDANCE WITH MINIMUM GUEST REQUIREMENTS.
3. "C" = COMPACT PARKING SPACE
4. MILPITAS ZONING ORDINANCE SECTION 10-53.07(B) ALLOWS FOR UP TO 40% COMPACT STALLS. 30 COMPACT STALLS ARE PROPOSED (40%).

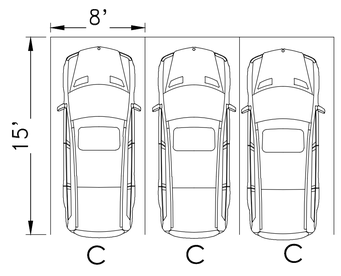
PARKING DETAIL 1
(COMPACT SPACE INTERIOR/EXTERIOR)



PARKING DETAIL 2
(STANDARD SPACE INTERIOR, EXTERIOR, & COVERED PARKING)



PARKING DETAIL 3
(COMPACT SPACE INTERIOR)



2001 TAROB COURT
Milpitas, CA
May 8, 2019 (REVISED: JULY 10, 2019)

PARKING PLAN
TM08

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925.824.4300

NORTH

0 30 60 120
SCALE: 1" = 30'

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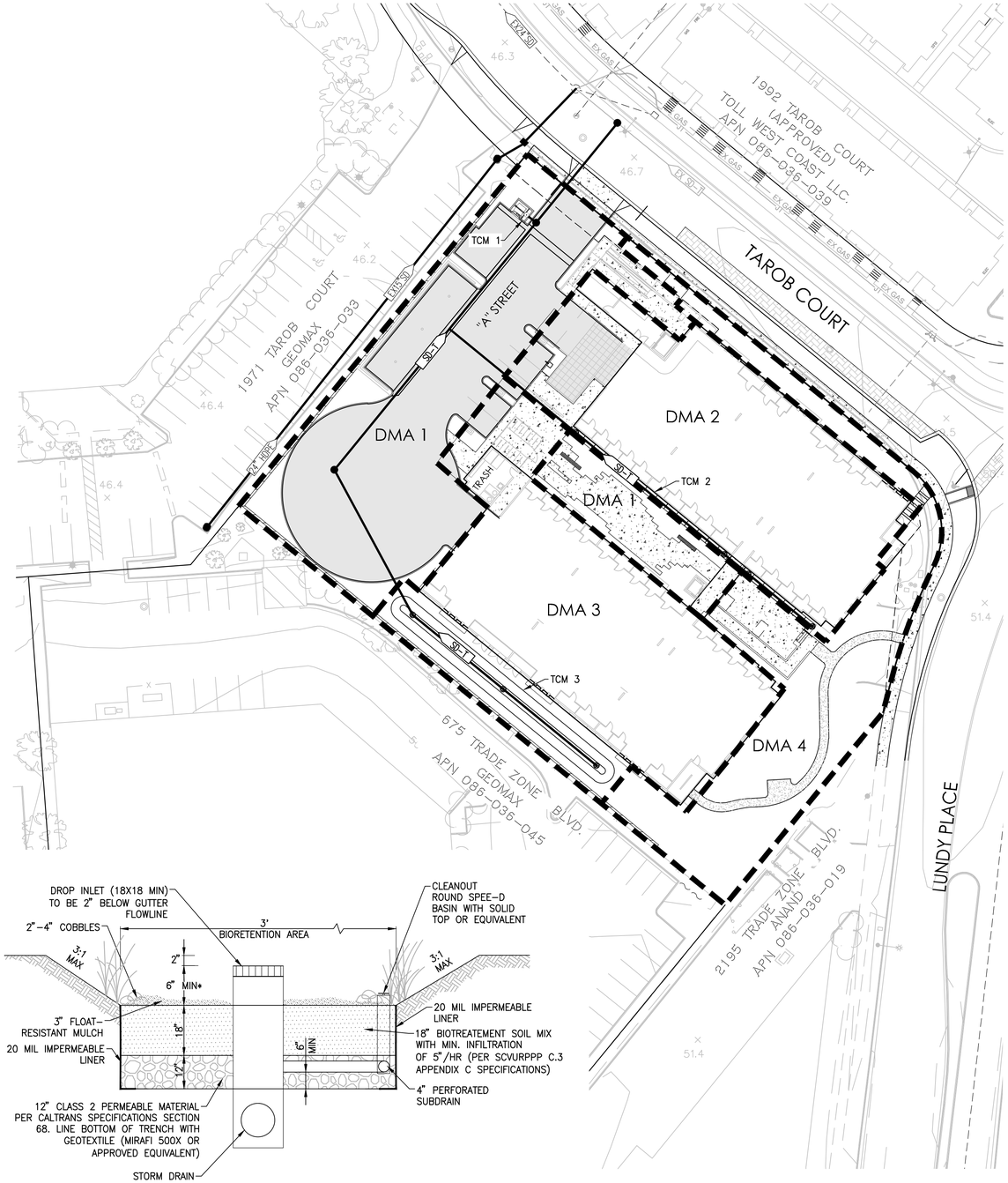


BIO-RETENTION DETAIL (TCM-3)

LEGEND

- DRAINAGE MANAGEMENT AREA BOUNDARY
- AC PAVEMENT*
- CONCRETE*
- DG PAVEMENT*
- TCM — TREATMENT CONTROL MEASURE
- AREA DRAIN
- PROPOSED FILTERRA- SEE DETAIL BELOW
- SD-T — TREATED STORMWATER (SD-T)

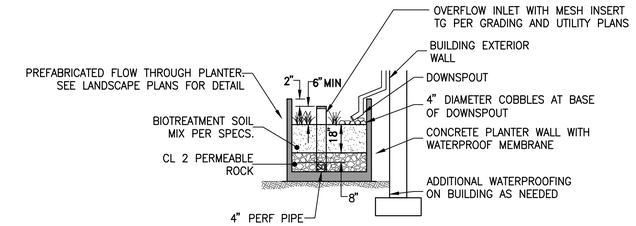
*SEE LANDSCAPE PLANS FOR DECORATIVE PAVEMENT DETAILS

DRAINAGE MANAGEMENT AREA SUMMARRY

DRAINAGE MANAGEMENT AREA (DMA)	TOTAL DRAINAGE AREA (SF)	BUILDING (SF)	CONCRETE SF)	TOTAL IMPERVIOUS (SF)	LANDSCAPE (SF)	TOTAL PERVIOUS (SF)	PROVIDED TREATMENT AREA (SF)	PONDING DEPTH (IN)	TREATMENT CONTROL MEASURE	TREATMENT TYPE
DMA 1	16,763	0	11,995	11,995	4,768	4,768	N/A	N/A	TCM 1	FILTERRA
DMA 2	13,156	12,713	0	12,713	443	443	361	5	TCM 2	FLOW THROUGH PLANTER
DMA 3	15,654	12,768	0	12,768	2,886	2,886	354	8	TCM 3	BIO-RETENTION
DMA 4	10,348	0	968	968	9,380	9,380	N/A	N/A	N/A	SELF-RETAINING
Total	55,921	25,481	12,963	38,444	17,477	17,477	715			SELF-RETAINING

NOTES:

1. ALL TREATMENT MEASURES AND TECHNICAL REQUIREMENTS FOR THIS PROJECT ARE BASED ON THE SANTA CLARA VALLEY URBAN RUNOFF POLLUTION PREVENTION PROGRAM (SCVURPPP) C.3. STORMWATER HANDBOOK DATED JUNE 2016.
2. HYDROMODIFICATION IS NOT REQUIRED BECAUSE PROPOSED PROJECT IMPERVIOUS SURFACE IS LESS THAN EXISTING IMPERVIOUS SURFACE ON THE SITE.
3. PROVIDED SURFACE AREA OF THE BIO-RETENTION FACILITIES IS SUPPORTED BY USING THE COMBINATION FLOW AND VOLUME METHOD. SEE PRELIMINARY STORM WATER MANAGEMENT PLAN FOR CALCULATIONS.



FLOW-THROUGH PLANTER DETAIL (TCM-2)
NOT TO SCALE

CONTECH ENGINEERED SOLUTIONS

filterra Bioretention Systems

Filterra Sizing Spreadsheet
Uniform Intensity Approach
Storm Intensity = 0.20 in/hr

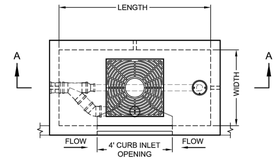
Filterra Infiltration Rate = 100 (in/hr)
Filterra Flow per Square Foot = 0.0023 (ft3/sec/ft2)

Filterra Flow Rate, Q = 0.0023 ft3/sec x Filterra Surface Area
Rational Method, Q = C x I x A

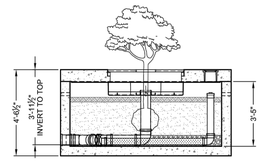
Site Flowrate, Q = (C x DI x DA x 43560) / (12 x3600)
OR DA = (12 x 3600 x Q) / (C x 43560 x DI)

where
Q = Flow (ft3/sec)
DA = Drainage Area (acres)
DI = Design Intensity (in/hr)
C = Runoff coefficient (dimensionless)

			DI 0.2	C 1.00	C 0.85	C 0.50
Available Filterra Box Sizes			Filterra Flow Rate, Q	100% Imperv. DA	Commercial max DA	Residential max DA
L (ft)	W (ft)	Filterra Surface Area (ft2)	(ft3/sec)	(acres)	(acres)	(acres)
4	4	16	0.0370	0.184	0.216	0.367
6	4	24	0.0556	0.275	0.324	0.551
6.5	4	26	0.0602	0.298	0.351	0.597
8	4	32	0.0741	0.367	0.432	0.735
12	4	48	0.1111	0.551	0.648	1.102
6	6	36	0.0833	0.413	0.486	0.826
8	6	48	0.1111	0.551	0.648	1.102
10	6	60	0.1389	0.689	0.810	1.377
12	6	72	0.1667	0.826	0.972	1.653
13	7	91	0.2106	1.045	1.229	2.089



PLAN VIEW



SECTION A-A

LONG SIDE INLET CONFIGURATION

LONG SIDE CURB INLET							
DESIGNATION	SIZE	LENGTH	WIDTH	MAX. OUTLET/ BYPASS PIPE DIA.	MAX. BYPASS FLOW (CFS)	UNDER-DRAIN PIPE DIA. (PERF)	TREE GRATE QTY. & SIZE
FTIBC0604	6 x 4	6'-0"	4'-0"	8" SDR 35	1.89	4" SDR 35	(1) 3' x 3'
FTIBC0804	8 x 4	8'-0"	4'-0"	8" SDR 35	1.89	4" SDR 35	(1) 3' x 3'
FTIBC0806	8 x 6	8'-0"	6'-0"	10" SDR 35	2.37	4" SDR 35	(1) 4' x 4'
FTIBC1006	10 x 6	10'-0"	6'-0"	10" SDR 35	2.37	6" SDR 35	(1) 4' x 4'
FTIBC1204	12 x 4	12'-0"	4'-0"	8" SDR 35	1.89	4" SDR 35	(2) 3' x 3'
FTIBC1206	12 x 6	12'-0"	6'-0"	10" SDR 35	2.37	6" SDR 35	(2) 4' x 4'
FTIBC1307	13 x 7	13'-0"	7'-0"	10" SDR 35	2.37	6" SDR 35	(2) 4' x 4'

INTERNAL PIPE CONFIGURATION MAY VARY DEPENDING ON VAULT SIZE

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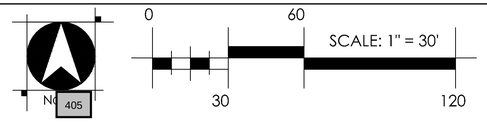
9025 Centre Pointe Dr., Suite 400, West Chester, OH 45069
800-338-1122 513-645-7000 513-645-7993 FAX

FILTERRA
INTERNAL BYPASS CURB (FTIBC)
CONFIGURATION DETAIL

2001 TAROB COURT
Milpitas, CA
May 8, 2019

PRELIMINARY STORMWATER CONTROL PLAN
TM09

THE TRUE LIFE COMPANIES
The True Life Companies
12647 Alcosta Blvd., Suite 470 San Ramon CA 94583
925.824.4300



WOOD RODGERS
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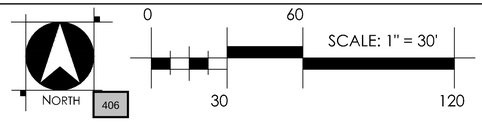
4670 WILLOW ROAD, SUITE 125 Tel 925.847.1556
Pleasanton, CA. 94588 Fax 925.847.1557

RESERVED FOR
CONDITIONS OF APPROVAL

2001 TAROB COURT
Milpitas, CA
May 8, 2019

CONDITIONS OF APPROVAL
TM10

The True Life Companies
12647 Alcosta Blvd., Suite 470 San Ramon CA 94583
925.824.4300



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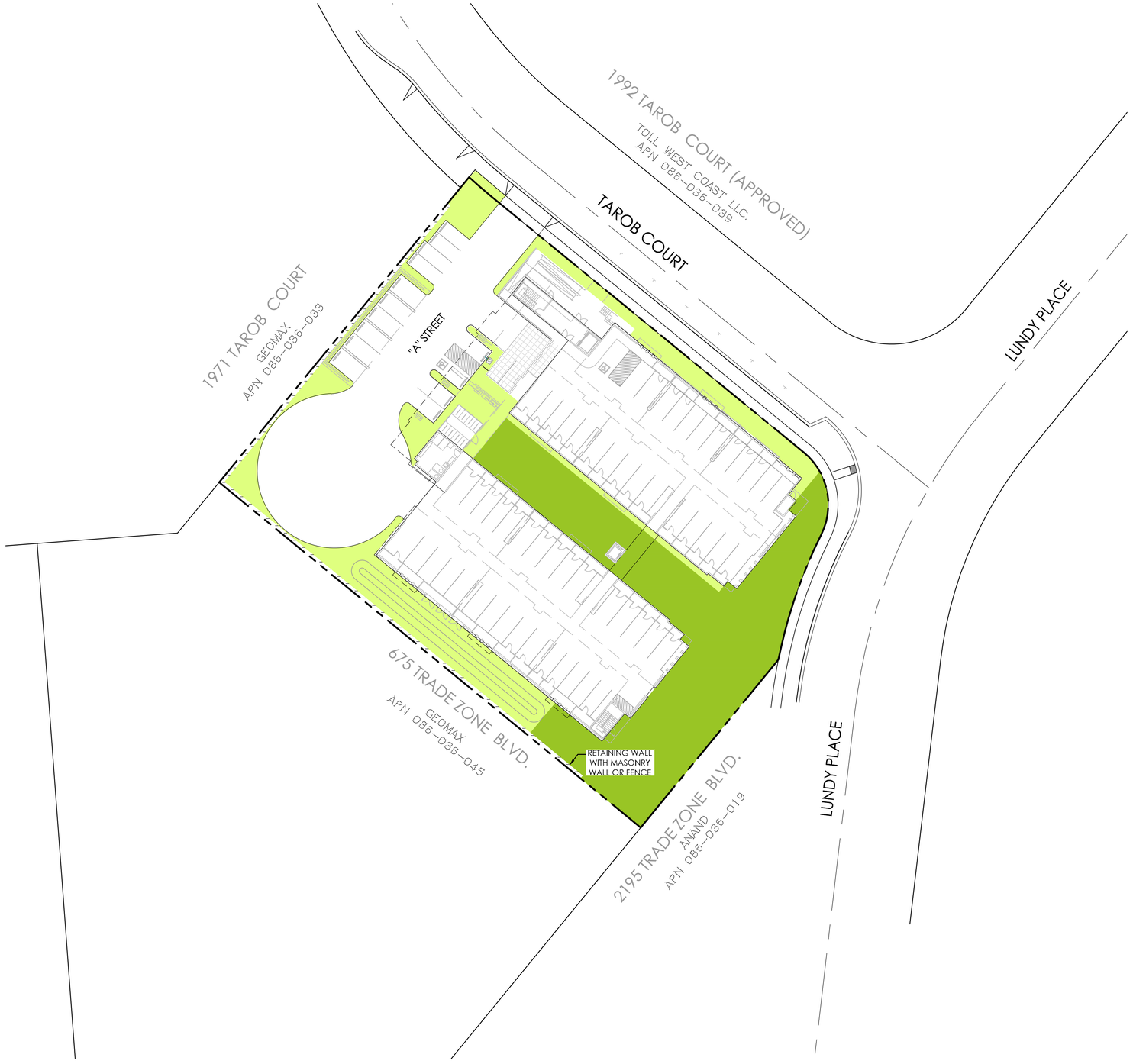

LEGEND

- PRIVATE RECREATIONAL AREA (0.26 ACRES)
- OTHER PRIVATE OPEN SPACE & LANDSCAPING (0.18 ACRES)

TOTAL LANDSCAPE & OPEN SPACE = 0.44 ACRES

PARK ACREAGE SUMMARY (TASP REQUIREMENT)

DESCRIPTION	TASP CODE	REQUIRED PARKS AND OPEN SPACE (AC.)	PROVIDED PARK (AC.)
PARKS AND OPEN SPACE	3.5 ACRES OF PARKLAND PER 1000 POPULATION. UP TO 1.5 OF EACH 3.5 PARK ACRES MAY BE SATISFIED BY THE PROVISION OF PRIVATE RECREATION AREAS. THE REMAINING 2.0 ACRES PER 1000 REQUIREMENT MUST BE SATISFIED BY EITHER DEDICATION OF LAND TO THE CITY FOR PUBLIC PARKS AND OPEN SPACE OR PAYMENT OF AN IN-LIEU FEE.	POPULATION = # UNITS X 2.52 PERSONS/UNIT	PRIVATE RECREATION AREA = 0.26 ACRES
		POPULATION = 40 X 2.52 = 100.8 PERSONS	
		PARK ACREAGE REQUIRED = 3.5 X 100.8/1000 = 0.35 ACRES	
		PRIVATE RECREATION AREA ALLOWED = 1.5/3.5 X 0.35 = 0.15 ACRES	

R3 ZONING CODE OPEN SPACE (MUNI CODE XI-10-4.05.C)

DESCRIPTION	CODE REQUIREMENT	REQUIRED AREA (AC.)	PROVIDED AREA (AC.)
LANDSCAPE AND OPEN SPACE REQUIREMENTS	A MINIMUM OF TWENTY-FIVE (25) PERCENT OF THE TOTAL LOT AREA SHALL BE LANDSCAPED OR RECREATIONAL OPEN SPACE, EXCLUSIVE OF PARKING AND VEHICULAR TRAFFIC AREA AND SHALL BE SHOWN ON SITE PLAN IN DETAIL FOR PLANNING COMMISSION APPROVAL.	25% X 1.22 = 0.31 ACRES	0.44 ACRES (36.1%)
	AN AVERAGE OF TWO HUNDRED SQUARE FEET OF USABLE OPEN SPACE SHALL BE PROVIDED FOR EACH DWELLING UNIT. "USABLE OPEN SPACE" SHALL MEAN ANY OPEN SPACE, THE SMALLEST DIMENSION OF WHICH IS AT LEAST 4 ½ FEET AND WHICH IS NOT USED AS STORAGE OR FOR MOVEMENT OF MOTOR VEHICLES: EXCEPT THAT YARDS ABUTTING A PUBLIC STREET, WHICH ARE NOT ADEQUATELY SCREENED FOR PRIVACY, IN THE OPINION OF THE PLANNING COMMISSION, SHALL NOT QUALIFY AS USABLE OPEN SPACE. BALCONIES, PORCHES, OR ROOF DECKS MAY BE CONSIDERED USABLE OPEN SPACE WHEN PROPERLY DEVELOPED FOR WORK, PLAY OR OUTDOOR LIVING AREAS. AT LEAST THIRTY (30) PERCENT OF REQUIRED OPEN SPACE SHALL BE CONTIGUOUS TO AND PROVIDE FOR PRIVATE USABLE OPEN SPACE OF THE INDIVIDUAL DWELLING UNIT.	200 X 40 = 8,000 SQ FT = 0.18 ACRES	PRIVATE RECREATIONAL AREA = 0.26 ACRES
			PRIVATE OPEN SPACE (BALCONIES & PORCHES) = 60 SF/UNIT = 60 X 40 = 2,400 SF = 0.05 ACRES
			TOTAL PRIVATE OPEN SPACE = 0.31 ACRES = 337.6 SF/UNIT

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OPEN SPACE EXHIBIT

P1.0

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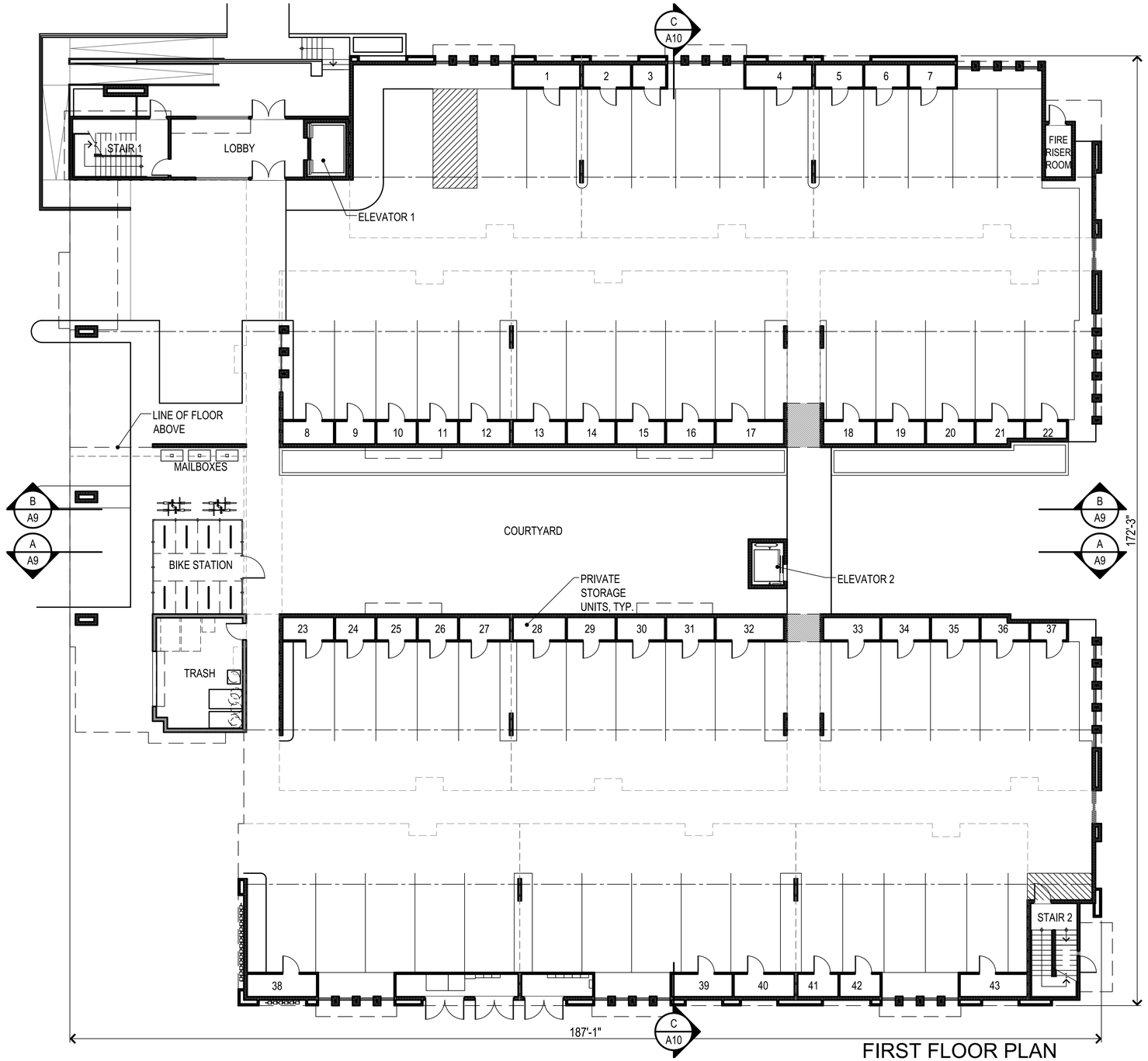
NORTH

0 30 60 120

SCALE: 1" = 30'

WOOD RODGERS
BUILDING RELATIONSHIPS ONE PROJECT AT A TIME
4670 WILLOW ROAD, SUITE 125 Tel 925.847.1556
Pleasanton, CA. 94588 Fax 925.847.1557



FIRST FLOOR PLAN

0 2' 4' 6' 8' 16'

2001 TAROB COURT
Milpitas, CA
May 8, 2019

FIRST FLOOR PLAN
A2

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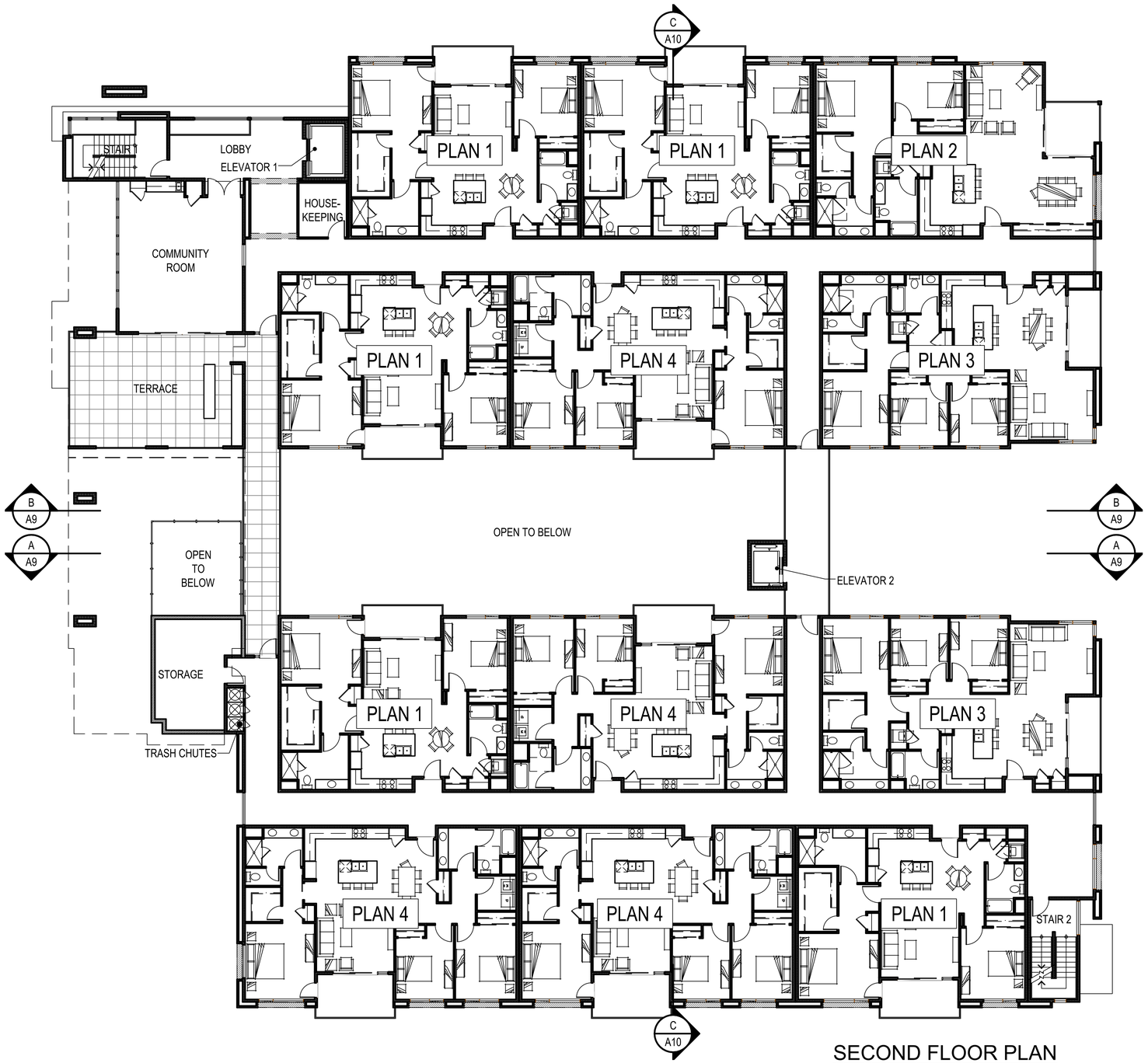

SECOND FLOOR PLAN

0 2' 4' 6' 8' 16'

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Milpitas, CA
May 8, 2019

SECOND FLOOR PLAN
A3

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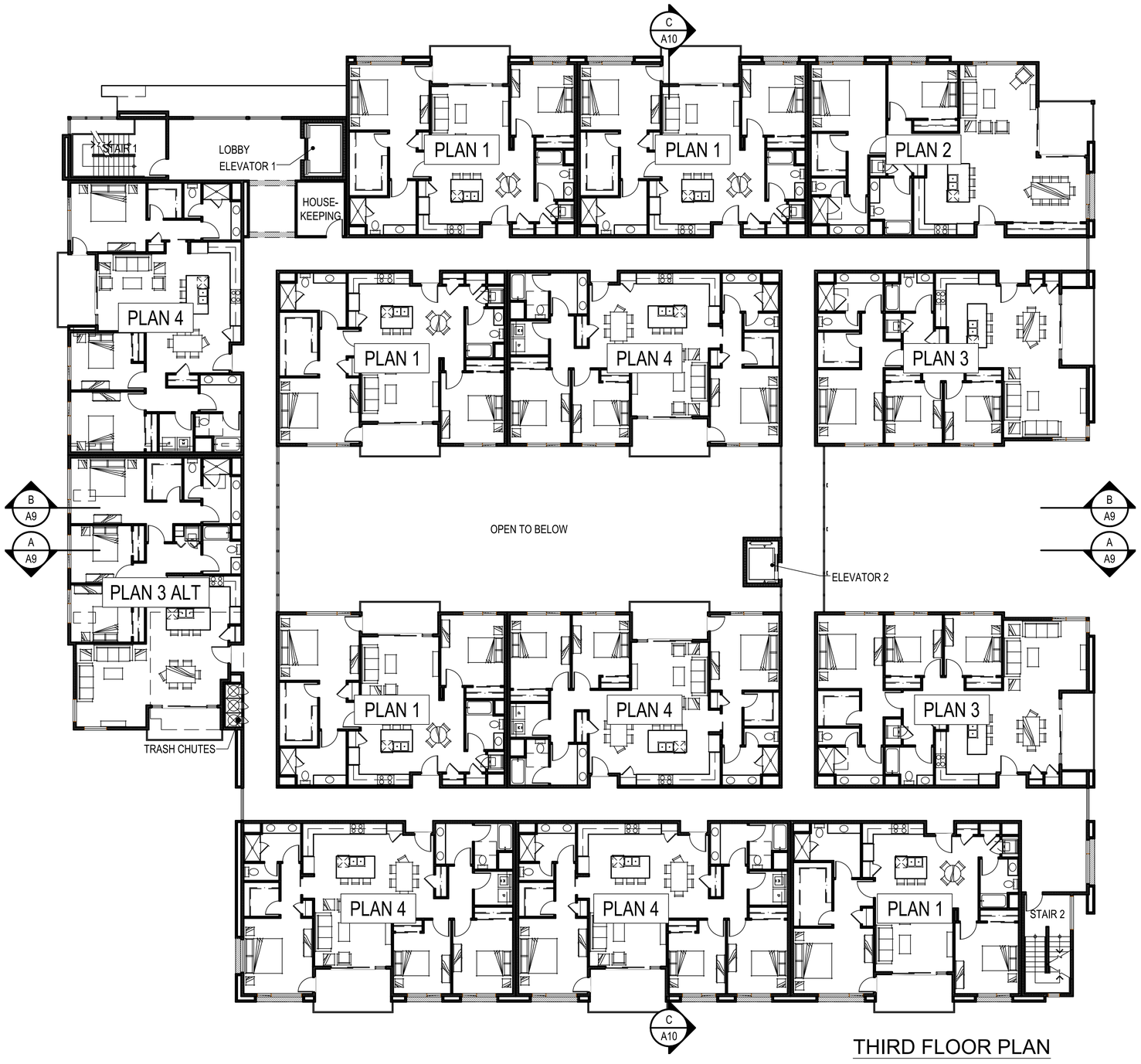

THIRD FLOOR PLAN

0 2' 4' 6' 8' 16'

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THIRD FLOOR PLAN
A4

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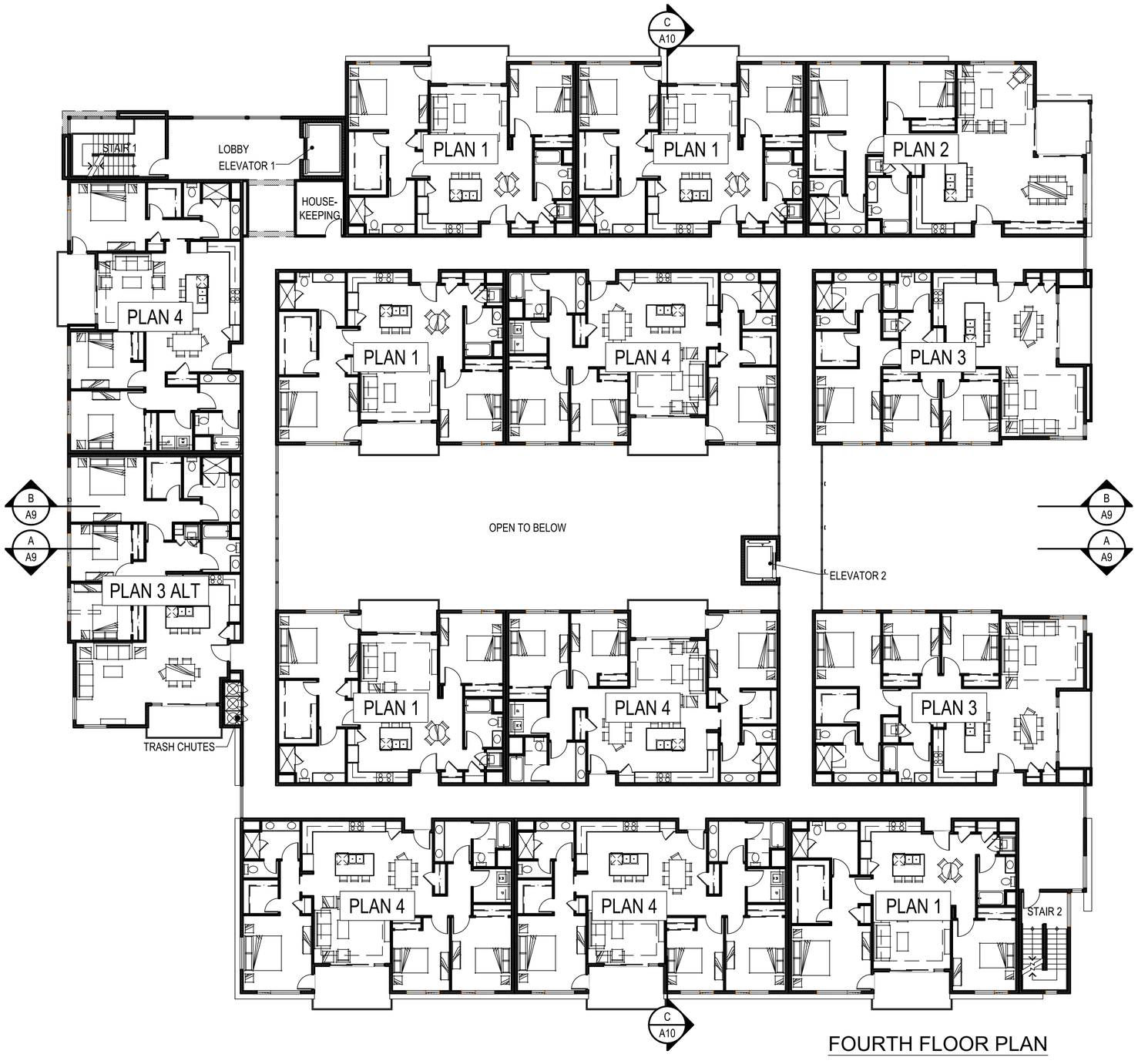

FOURTH FLOOR PLAN

0 2' 4' 6' 8' 16'

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FOURTH FLOOR PLAN
A5

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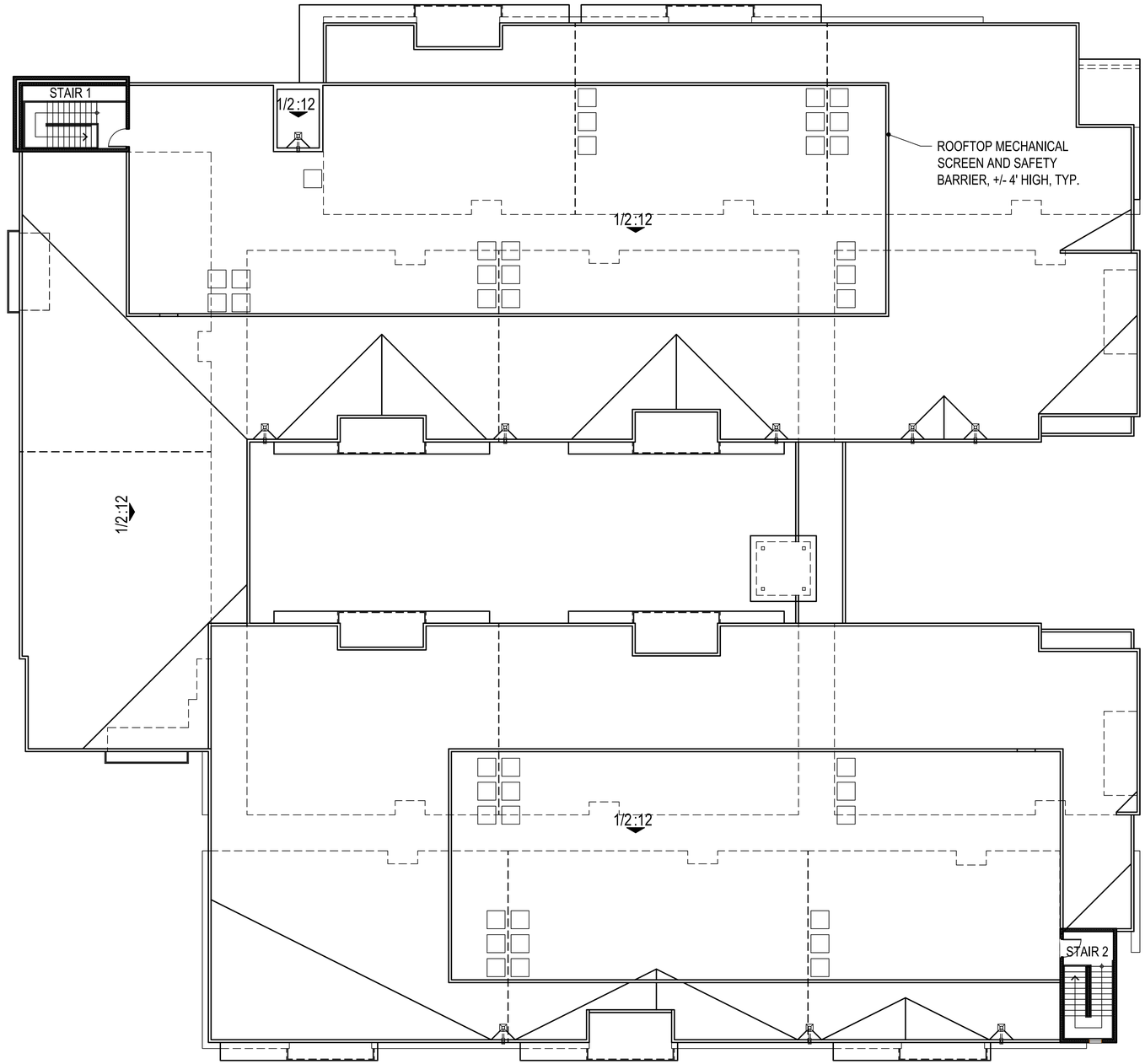

ROOF PLAN

0 2' 4' 6' 8' 16'

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ROOF PLAN
A6

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EXTERIOR MATERIALS

1. STUCCO WITH SAND FINISH
2. HORIZONTAL SIDING
3. PORCELAIN CERAMIC TITLE
4. VERTICAL METAL SIDING
5. METAL CANOPY
6. METAL RAILING WITH MESH AND/OR PERFORATED PANEL
7. MESH AND/OR PERFORATED SCREEN
8. COLORED GLASS
9. LASER CUT METAL PANEL

BODY 1
STUCCO

BODY 2
STUCCO

BODY 3
STUCCO

SIDING 1
HORIZONTAL SIDING

SIDING 2
HORIZONTAL SIDING

SIDING 3
VERTICAL SIDING

ACCENT 1
STUCCO

ACCENT 2
METAL

TILE

COLORED GLASS

LASER CUT METAL PANEL

EAST ELEVATION - LUNDY WAY

NORTH ELEVATION - TAROB COURT

0 2' 4' 6' 8' 16'

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May 8, 2019

EAST & NORTH EXTERIOR ELEVATIONS
A7

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EXTERIOR MATERIALS

1. STUCCO WITH SAND FINISH
2. HORIZONTAL SIDING
3. PORCELAIN CERAMIC TITLE
4. VERTICAL METAL SIDING
5. METAL CANOPY
6. METAL RAILING WITH MESH AND/OR PERFORATED PANEL
7. MESH AND/OR PERFORATED SCREEN
8. COLORED GLASS
9. LASER CUT METAL PANEL

BODY 1
STUCCO

BODY 2
STUCCO

BODY 3
STUCCO

SIDING 1
HORIZONTAL SIDING

SIDING 2
HORIZONTAL SIDING

SIDING 3
VERTICAL SIDING

ACCENT 1
STUCCO

ACCENT 2
METAL

TILE

COLORED GLASS

LASER CUT METAL PANEL

WEST ELEVATION

SOUTH ELEVATION

0 2' 4' 6' 8' 16'

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WEST & SOUTH EXTERIOR ELEVATIONS
A8

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SECTION B

SECTION A

0 2' 4' 6' 8' 16'

COURTYARD ELEVATIONS
A9

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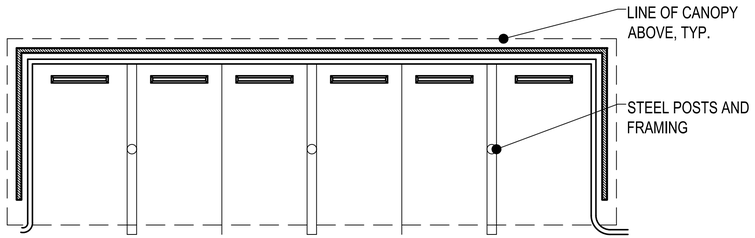
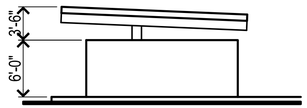


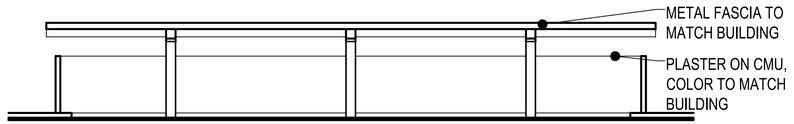
PARKING SHADE STRUCTURE PLAN

1/8" = 1'-0"



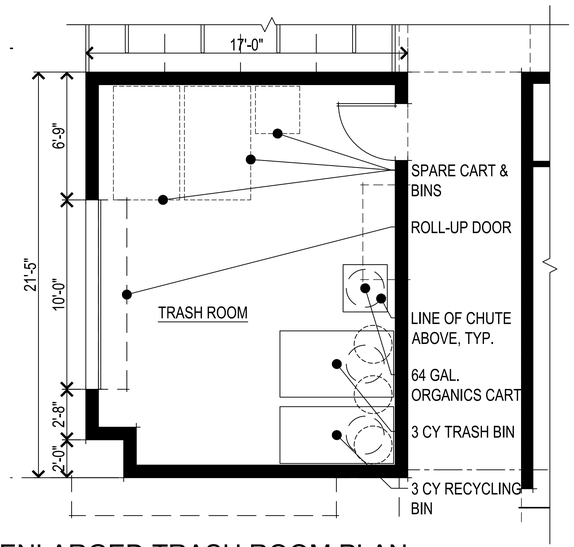
PARKING SHADE STRUCTURE SIDE ELEVATION

1/8" = 1'-0"



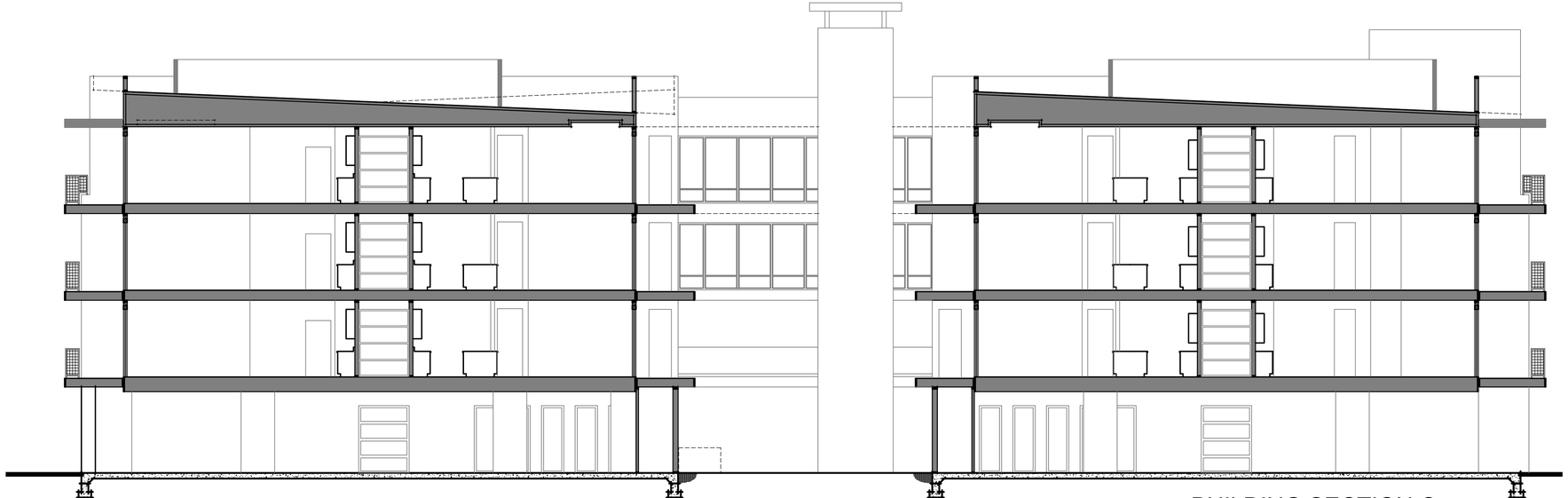
PARKING SHADE STRUCTURE FRONT ELEVATION

1/8" = 1'-0"



ENLARGED TRASH ROOM PLAN

1/4" = 1'-0"



BUILDING SECTION C

1/8" = 1'-0"

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May 8, 2019

TRASH ROOM, PARKING SHADE STRUCTURE, & BUILDING SECTION
A10

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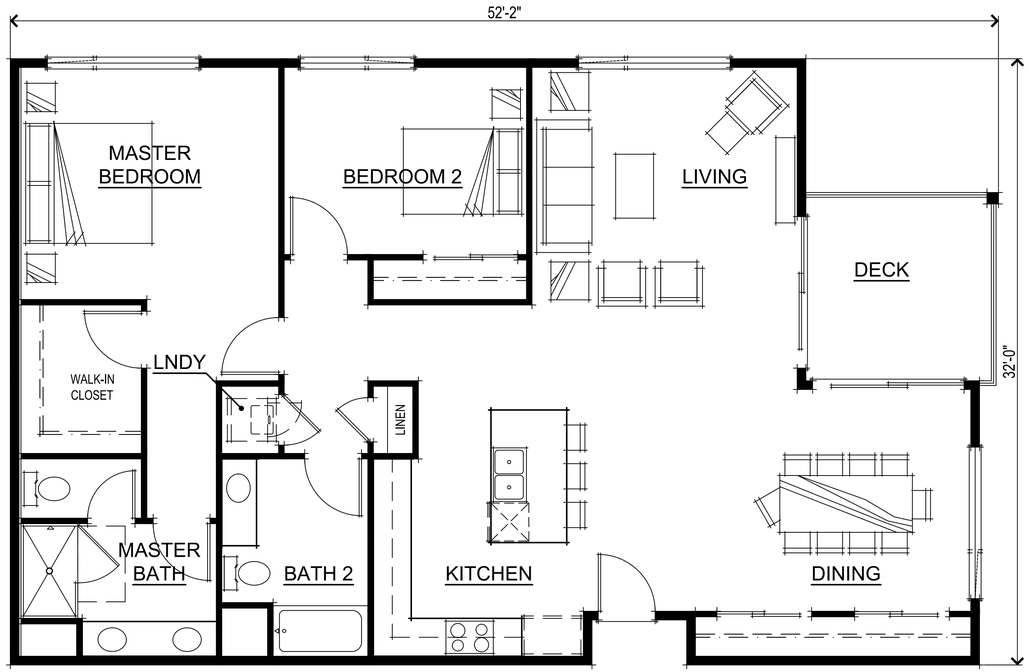
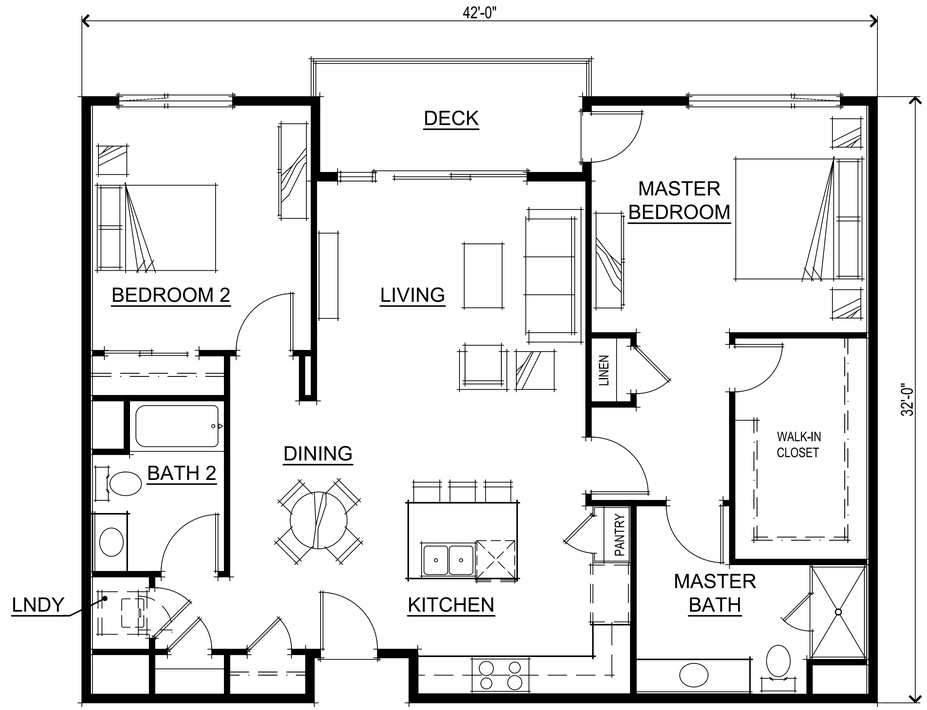


UNIT 2 FLOOR PLAN

UNIT 2 SQUARE FOOTAGE	
TOTAL LIVING	1470 SQ. FT.



UNIT 1 FLOOR PLAN

UNIT 1 SQUARE FOOTAGE	
TOTAL LIVING	1277 SQ. FT.

0 1' 2' 3' 4' 8'

UNIT 1 & 2 FLOOR PLANS
A11

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May 8, 2019

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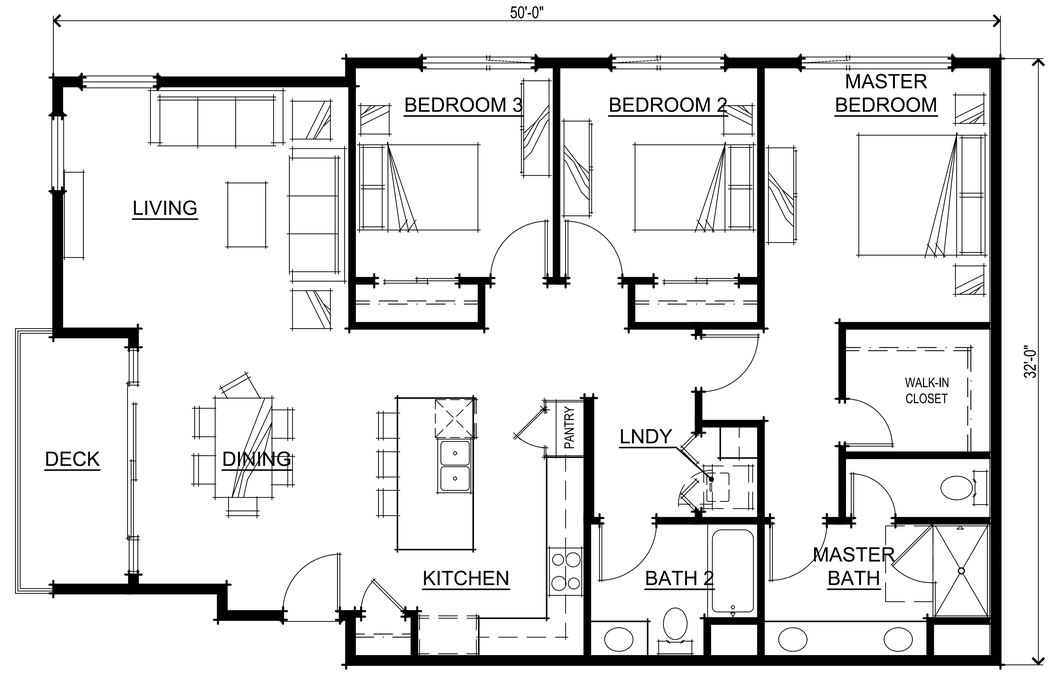
UNIT 3 FLOOR PLAN

UNIT 3 SQUARE FOOTAGE	
TOTAL LIVING	1486 SQ. FT.



UNIT 3 ALT FLOOR PLAN

UNIT 3 ALT SQUARE FOOTAGE	
TOTAL LIVING	1482 SQ. FT.

0 1' 2' 3' 4' 8'

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UNIT 3 & 3 ALT FLOOR PLANS
A12

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UNIT 4 FLOOR PLAN

UNIT 4 SQUARE FOOTAGE	
TOTAL LIVING	1520 SQ. FT.

0 1' 2' 3' 4' 8'

UNIT 4 FLOOR PLANS
A13

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TREE MATRIX
TOTAL EXISTING TREES ON SITE: 34
TOTAL EXISTING TREES TO BE REMOVED: 34
TOTAL PROPOSED NEW TREES: 40

PLAN VIEW
Scale: 1"=20'-0"

0' 10' 20' 40'

2001 TAROB COURT
Milpitas, CA
May 8, 2019

Preliminary Landscape Plan
L001

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PLANNING URBAN DESIGN
LANDSCAPE ARCHITECTURE
201 4th street suite 101B, oakland, ca 94607
phone: 510.452.4190 www.r3studios.com

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MAILBOX STATIONS - REFER TO PLANS PREPARED BY SDG

BICYCLE RACKS WITH PARKING FOR 4 BICYCLES - REFER TO IMAGE SHEET L007

INTEGRAL COLORED CONCRETE PAVING WITH ALTERNATING FINISH - REFER TO IMAGE SHEET L008 AND DETAIL 1 SHEET L011

FIREPLACE WITH LOUNGE SEATING AND TABLES - REFER TO ELEVATION SHEET L005 AND IMAGES SHEET L009

TIMBER SEATWALL - REFER TO IMAGE SHEET L008

FLOW THROUGH PLANTERS WITH WATER TREATING PLANT MATERIAL - REFER TO DETAIL 5 SHEET L018 AND PROPOSED PLANT PALETTE SHEET L017

SHADE-TOLERANT PLANTS - REFER TO PROPOSED PLANT PALETTE SHEET L017

DECOMPOSED GRANITE PAVING - REFER TO DETAIL 2 SHEET L011

STEPS AND HANDRAIL

INTEGRAL COLORED CONCRETE PAVING WITH ALTERNATING FINISH - REFER TO IMAGE SHEET L008 AND DETAIL 1 SHEET L011

STAMPED ASPHALT WITH BAND - REFER TO IMAGE SHEET L008

BENCH - REFER TO IMAGE SHEET L007

TALL BAMBOO HEDGE - REFER TO PROPOSED PLANT PALETTE SHEET L017

ILLUMINATED BOLLARDS AND ACCENT LIGHTING FOR TREES IN CENTRAL COURTYARD AREA - REFER TO IMAGE SHEET L007

LOW-GROWING SHADE-TOLERANT ACCENT TREES - REFER TO PROPOSED PLANT PALETTE SHEET L017

TABLE AND CHAIRS WITH UMBRELLA - REFER TO IMAGE SHEET L008

STRING LIGHTS - REFER TO IMAGE SHEET L008

OUTDOOR KITCHEN - REFER TO ELEVATION SHEET L005

RAMP - REFER TO PLANS PREPARED BY WOOD RODGERS

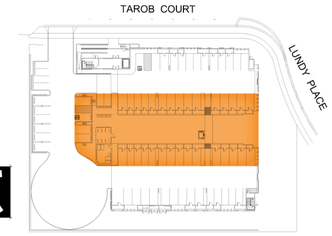
DINING TABLE AND CHAIRS - REFER TO IMAGE SHEET L009

PLAN VIEW

Scale: 1/8"=1'-0"

0' 4' 8' 16'

INSPIRATION



KEY MAP NTS

2001 TAROB COURT

Milpitas, CA

May 8, 2019

Courtyard Enlargement

L002

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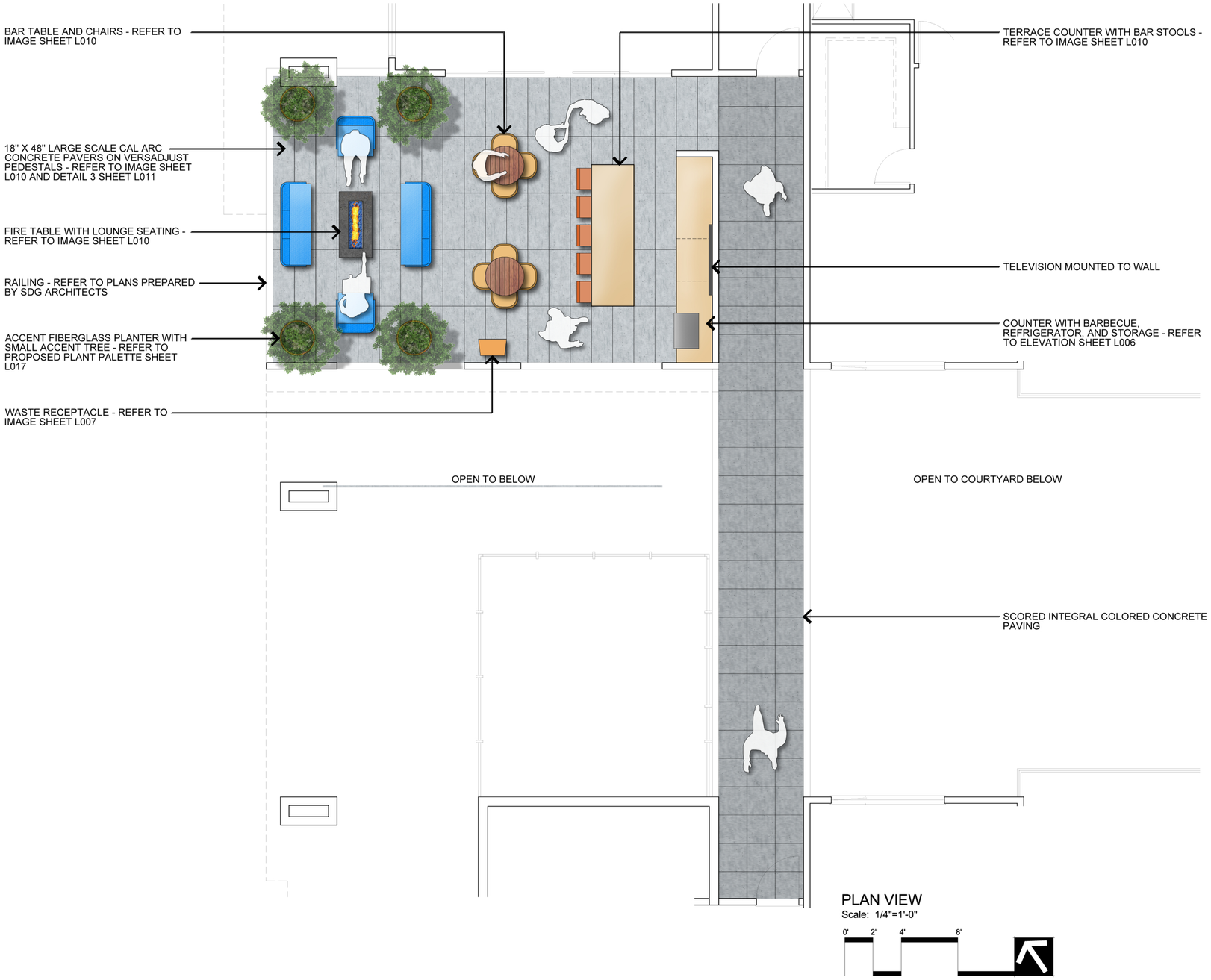

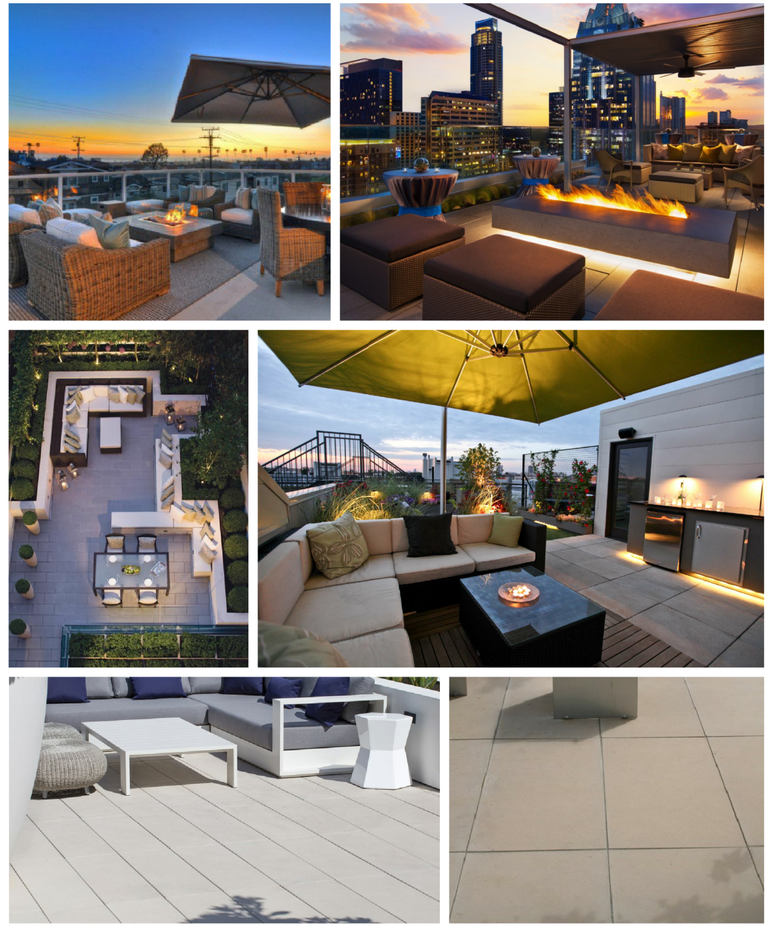

INSPIRATION

SECOND LEVEL

KEY MAP NTS

2001 TAROB COURT
Milpitas, CA
May 8, 2019

Terrace Enlargement
L003

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SITE AMENITY LEGEND

GROUND LEVEL & COURTYARD

CONCRETE PAVING:

- COLOR: NATURAL GRAY
- FINISH: LIGHT BROOM FINISH

REFER TO DETAIL 1 SHEET L011

INTEGRAL COLORED CONCRETE PAVING WITH ALTERNATING FINISH:

- COLOR: INTEGRAL COLOR
- WIDTH: 18" AND 30"
- FINISH: ACID ETCHED FINISH & LIGHT SAND FINISH

REFER TO IMAGE SHEET L008

STAMPED ASPHALT:

- PATTERN: CAMBRIDGE SLATE WITH 12" WIDE COBBLE BORDER
- COLORS: SLATE, GRANITE, & PEWTER WITH NATURAL CEMENT FOR THE BORDER COLOR
- FROM: PATTER PAVING PRODUCTS (WWW.PATTERNPAVING.COM)

REFER TO IMAGE SHEET L008

DECOMPOSED GRANITE PAVING:

REFER TO DETAIL 2 SHEET L011

TIMBER WOOD STEPS WITH DECORATIVE PEBBLES:

TIMBER
- TYPE: WHITE OAK

DECORATIVE PEBBLES
- SIZE: 3/8"

REFER TO IMAGE SHEET L008

WELDED WIRE MESH FENCE OVER DECORATIVE BLOCK RETAINING WALL:

WELDED WIRE MESH FENCE
- TYPE: ELITE DOUBLE WIRE
- FROM: OMEGA FENCE SYSTEMS (WWW.OMEGAFENCE.COM)

RETAINING WALL
- TYPE:
- FROM: BASALITE (WWW.BASALITE.COM)
- FOR DETAIL REFER TO PLANS PREPARED BY WOOD RODGERS CIVIL ENGINERS

REFER TO IMAGE SHEET L008

TIMBER SEATWALL:

- TYPE: RECLAIMED EUCALYPTUS

REFER TO IMAGE SHEET L008

PERIMETER BENCH:

- TYPE: BEVEL BENCH
- FROM: FORMS + SURFACES (WWW.FORMS-SURFACES.COM) OR APPROVED EQUAL

REFER TO IMAGE SHEET L007

WASTE RECEPTACLE:

- TYPE: BEVEL LITTER RECEPTACLE
- FINISH: ALUMINUM TEXTURE
- FROM: FORMS + SURFACES (WWW.FORMS-SURFACES.COM) OR APPROVED EQUAL

REFER TO IMAGE SHEET L007

TABLE AND CHAIRS WITH UMBRELLA:

- TYPE: TANGENT TABLE ENSEMBLE (SURFACE MOUNT) WITH SOLARIS SUNSHADE
- FINISH: ALUMINUM TEXTURE WITH DARK GRAY METAL
- FROM: FORMS + SURFACES (WWW.FORMS-SURFACES.COM) OR APPROVED EQUAL

REFER TO IMAGE SHEET L008

BICYCLE RACK:

- TYPE: CAPITOL BIKE RACK
- FINISH: ALUMINUM TEXTURE
- FROM: FORMS + SURFACES (WWW.FORMS-SURFACES.COM) OR APPROVED EQUAL

REFER TO IMAGE SHEET L007

STREET LIGHT & ILLUMINATED BOLLARD:

- TYPE: TRIO BOLLARD & TRIO PEDESTRIAN LIGHTING
- FINISH: ALUMINUM TEXTURE
- FROM: FORMS + SURFACES (WWW.FORMS-SURFACES.COM) OR APPROVED EQUAL

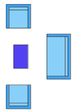
REFER TO IMAGE SHEET L007

FIREPLACE:

VENEER
- TYPE: PORCELAIN TILE
- PATTERN: RANDOM

HEARTH
- TYPE: CAST IN PLACE CONCRETE

REFER TO IMAGE SHEET L005



LOUNGE SEATING AND TABLE:

- TYPE: MARBELLA ALUMINUM COLLECTION 60" CLASSIC SOFA, CLASSIC LOUNGE CHAIR, SIDE TABLE
- FINISH: SLATE
- CUSHION COLOR: CARBON
- FROM: RESTORATION HARDWARE (WWW.RESTORATION HARDWARE.COM) OR APPROVED EQUAL

REFER TO IMAGE SHEET L009

DINING TABLE AND CHAIRS:

TABLE
- TYPE: MARBELLA ALUMINUM RECTANGULAR DINING TABLE
- SIZE: 72" TABLE
- COLOR: SLATE

CHAIRS
- TYPE: MARBELLA ALUMINUM SIDE CHAIR
- FINSH: SLATE
- CUSHION COLOR: CARBON

- ALL FROM: RESTORATION HARDWARE (WWW.RESTORATIONHARDWARE.COM) OR APPROVED EQUAL

REFER TO IMAGE SHEET L009

STRING LIGHTS:

REFER TO IMAGE SHEET L008

FLOW THROUGH PLANTERS:

- TYPE: WILSHIRE COLLECTION (FLOW THROUGH)
- SIZE: 3'-0" X 6'-0"
- COLOR: DARK GRAY
- FROM: TOURNESOL SITEWORKS (WWW.TOURNESOL.COM)

REFER TO DETAIL 5 SHEET L018

OUTDOOR KITCHEN:

VENEER
- TYPE: PORCELAIN TILE
- PATTERN: RANDOM

COUNTER-TOP
- FROM: CEASARSTONE (WWW.CEASARSTONEUS.COM) OR APPROVED EQUAL

REFER TO IMAGE SHEET L005

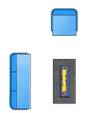
TERRACE

CONCRETE PAVERS ON VERSADJUST PEDESTALS:

PAVERS
- SIZE: 18"X48"
- COLOR: 1804 FRENCH GRAY
- FROM: STEPSTONE, INC. (WWW.STEPSTONEINC.COM) OR APPROVED EQUAL

PEDESTALS
- TYPE: VERSADJUST MODEL NO. V1
- FROM: BISON INNOVATIVE PRODUCTS (WWW.BISONIP.COM) OR APPROVED EQUAL

REFER TO IMAGE SHEET L010 AND DETAIL 3 SHEET L011



FIRE TABLE WITH LOUNGE SEATING:

FIRE TABLE
- TYPE: TOPANGA RECTANGULAR FIRE TABLE
- FINISH: WEATHERED SLATE

SEATING
- TYPE: HAVANA COLLECTION GARDEN BENCH, LOUNGE CHAIR
- FINISH: GRAPHITE
- CUSHION COLOR: DOVE

- ALL FROM: RESTORATION HARDWARE (WWW.RESTORATIONHARDWARE.COM) OR APPROVED EQUAL

REFER TO IMAGE SHEET L010

BAR TABLE AND CHAIRS:

TABLE
- TYPE: ANDERSON DESCANSO ROUND BAR TABLE
- SIZE: 35" ROUND TABLE
- FINISH: WEATHERED TEAK
- FROM: LUXE DECOR (WWW.LUXEDECOR.COM) OR APPROVED EQUAL

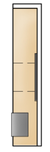
CHAIRS
- TYPE: HAVANA COLLECTION STOOL
- FINISH: GRAPHITE
- CUSHION COLOR: DOVE
- FROM: RESTORATION HARDWARE (WWW.RESTORATIONHARDWARE.COM) OR APPROVED EQUAL

REFER TO IMAGE SHEET L010

TERRACE COUNTER WITH BAR STOOLS:

STOOLS
- TYPE: MARBELLA TEAK ARMLESS STOOL
- FINISH: WEATHERED TEAK
- FROM: RESTORATION HARDWARE (WWW.RESTORATIONHARDWARE.COM) OR APPROVED EQUAL

REFER TO IMAGE SHEET L010



COUNTER WITH BARBECUE, FRIDGE, AND STORAGE:

VENEER
- TYPE: PORCELAIN TILE
- PATTERN: RANDOM

COUNTER-TOP
- FROM: CEASARSTONE (WWW.CEASARSTONEUS.COM) OR APPROVED EQUAL

REFER TO IMAGE SHEET L006

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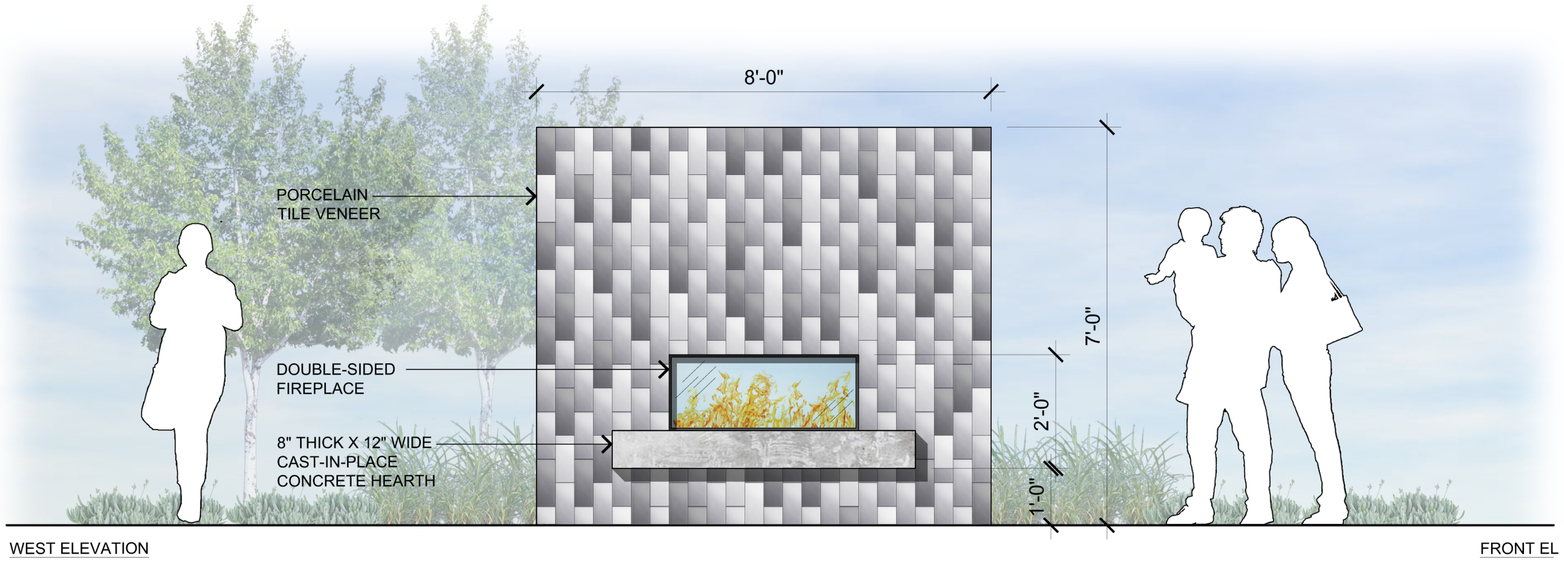
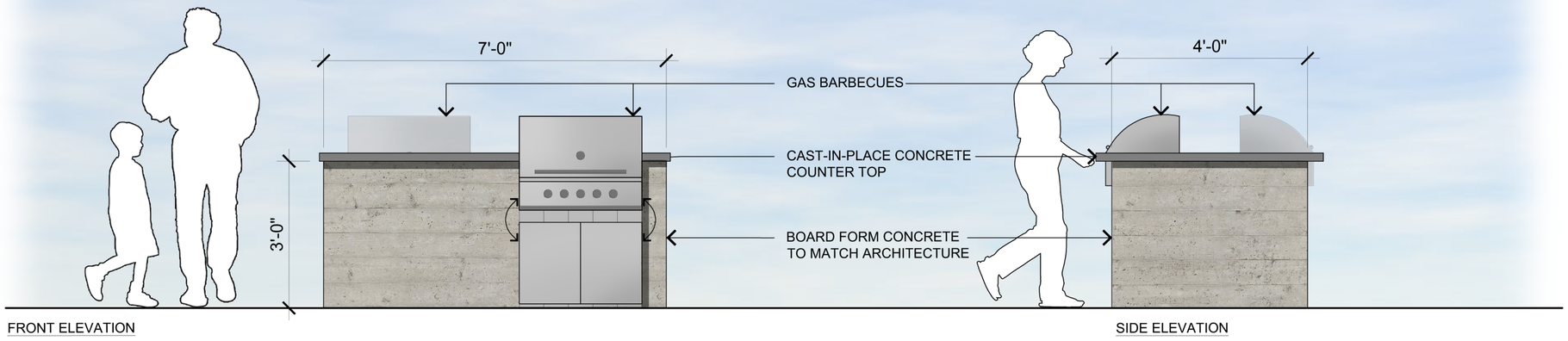


FIREPLACE (GROUND LEVEL COURTYARD)

SCALE 3/4"=1'-0"



OUTDOOR KITCHEN (GROUND LEVEL COURTYARD)

SCALE 3/4"=1'-0"

2001 TAROB COURT
Milpitas, CA
May 8, 2019

Site Amenities (Courtyard)
L005

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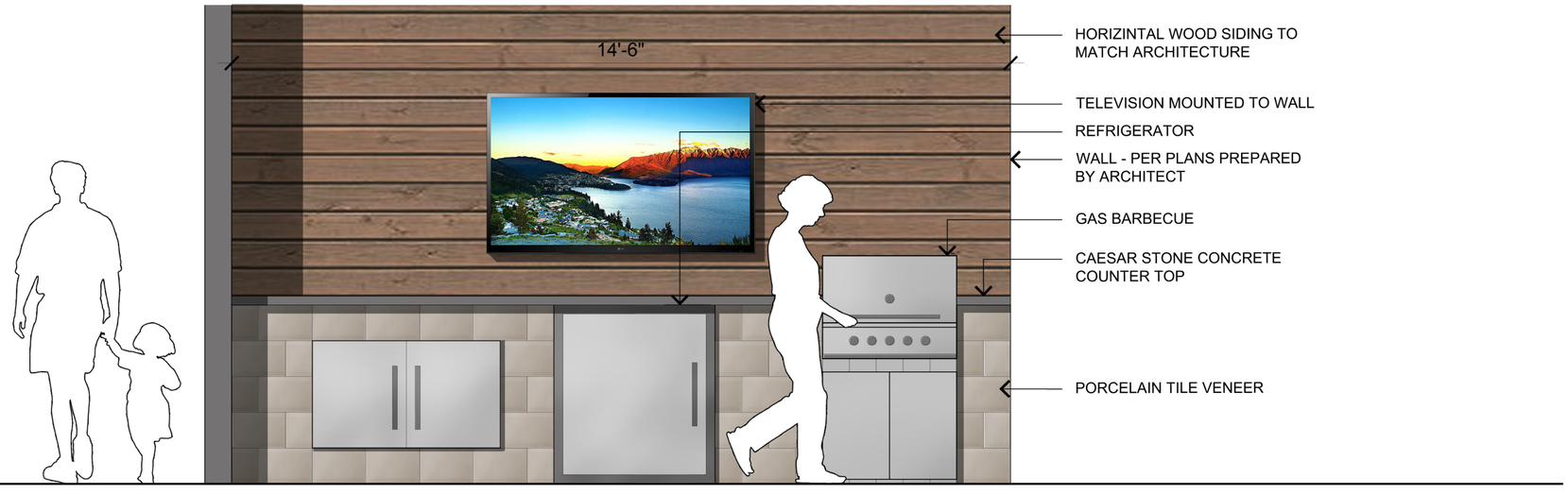

FRONT ELEVATION

TERRACE COUNTER WITH BARBECUE, REFRIGERATOR, AND STORAGE (TERRACE)

SCALE 3/4"=1'-0"

2001 TAROB COURT
Milpitas, CA
May 8, 2019

Site Amenities (Terrace)
L006

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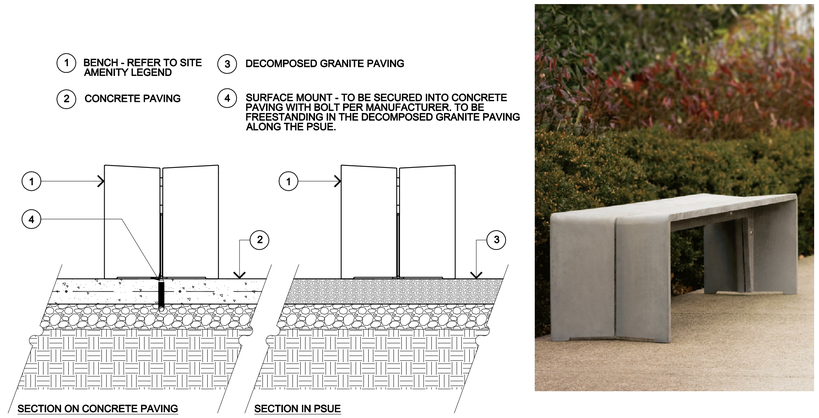
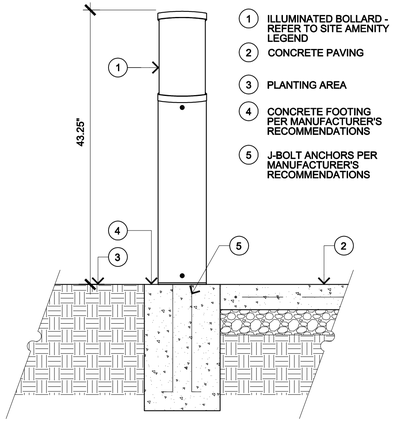


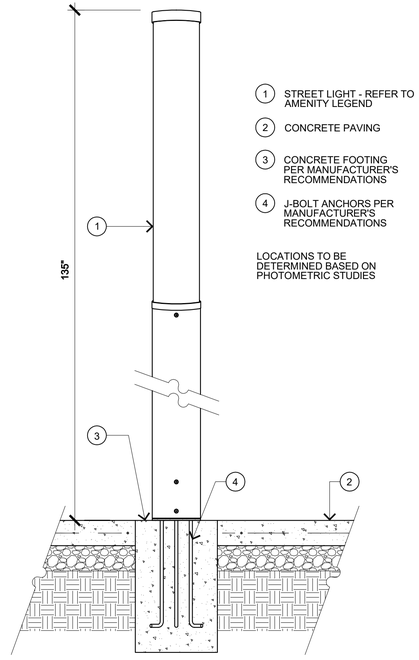
PERIMETER BENCH - REFER TO CONSTRUCTION LEGEND SHEET L004

SCALE: 1"= 1'-0"



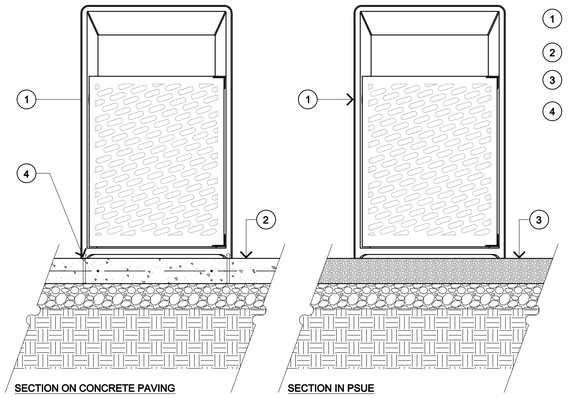
ILLUMINATED BOLLARD - REFER TO CONSTRUCTION LEGEND SHEET L004

SCALE: 1"= 1'-0"



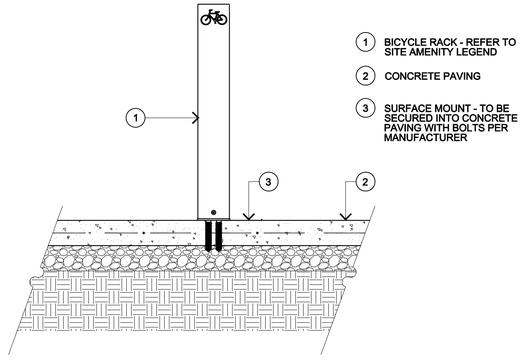
STREET LIGHT - REFER TO CONSTRUCTION LEGEND SHEET L004

SCALE: 1"= 1'-0"



WASTE RECEPTACLE - REFER TO CONSTRUCTION LEGEND SHEET L004

SCALE: 1"= 1'-0"



BICYCLE RACK - REFER TO CONSTRUCTION LEGEND SHEET L004

SCALE: 1"= 1'-0"

2001 TAROB COURT
Milpitas, CA
May 8, 2019

Site Furnishings (Ground Level & Courtyard)
L007

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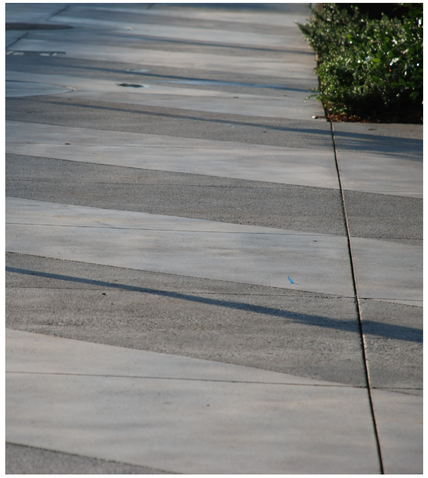

INTEGRAL COLORED CONCRETE PAVING WITH ALTERNATING FINISH

REFER TO CONSTRUCTION LEGEND SHEET L004

STAMPED ASPHALT WITH BAND

REFER TO CONSTRUCTION LEGEND SHEET L004

CONCEPT

WELDED WIRE MESH FENCE OVER DECORATIVE BLOCK RETAINING WALL

REFER TO CONSTRUCTION LEGEND SHEET L004

CONCEPT

TIMBER WOOD STEPS WITH DECORATIVE PEBBLES

CONCEPT

TALL ACCENT PLANTERS

TABLES AND CHAIRS WITH UMBRELLA

REFER TO CONSTRUCTION LEGEND SHEET L004

CONCEPT

TIMBER SEATWALL

2001 TAROB COURT
Milpitas, CA
May 8, 2019

Site Furnishings (Ground Level & Courtyard)
L008

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LOUNGE SEATING AND TABLE

REFER TO CONSTRUCTION LEGEND SHEET L004

CONCEPT

STRING LIGHTS

DINING TABLE AND CHAIRS

REFER TO CONSTRUCTION LEGEND SHEET L004

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CONCRETE PAVERS ON VERSADJUST PEDESTALS

REFER TO CONSTRUCTION LEGEND SHEET L004

CONCEPT

TERRACE COUNTER AND BARSTOOLS

REFER TO CONSTRUCTION LEGEND SHEET L004

FIRE TABLE WITH LOUNGE SEATING

REFER TO CONSTRUCTION LEGEND SHEET L004

BAR TABLE AND CHAIRS

REFER TO CONSTRUCTION LEGEND SHEET L004

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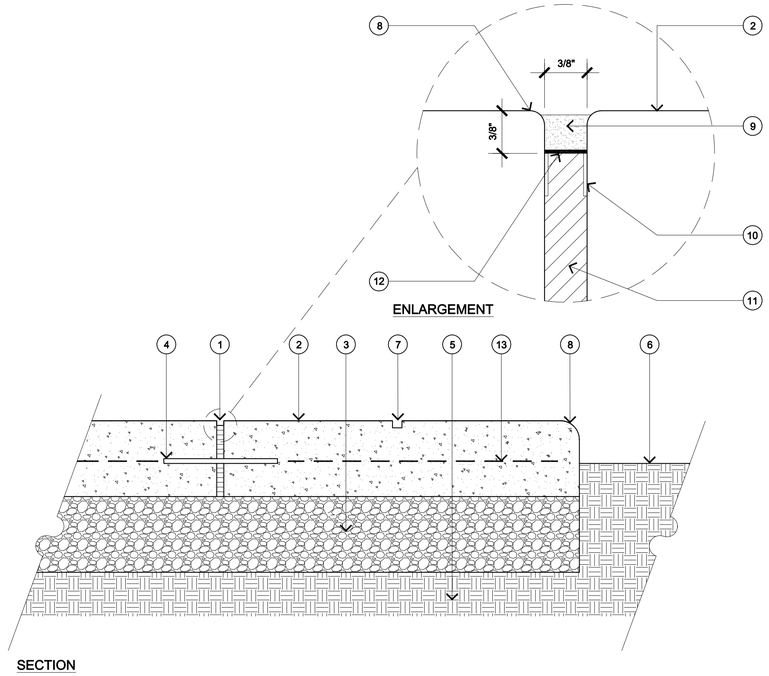


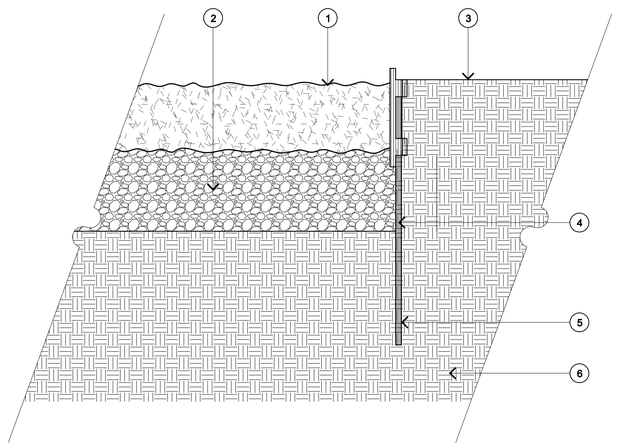
SECTION

1. 3/8" EXPANSION JOINT WITH SEALANT & BACKER ROD. EXPANSION JOINTS SHALL OCCUR EVERY 25' C.C. EACH WAY- REFER TO PLAN FOR LOCATIONS.
2. 4" THICK CONCRETE PAVING - REFER TO CONSTRUCTION LEGEND FOR COLOR AND FINISH
3. 4" THICK CLASS II AGGREGATE SUB BASE
4. #4 X 24" LONG DOWELS @ 24" O.C.
5. 90% COMPACTED SUB GRADE
6. FINISH GRADE AT PLANTING AREA 1" BELOW AT TURF AREAS, 2" AT SHRUB AND GROUNDCOVER AREAS
7. SAWCUT JOINT- 1" DEEP X 1/4" WIDE SAWCUT @ 12"C.C. EACH WAY, REFER TO PLANS FOR LOCATIONS (TYP.)
8. RADIUSED EDGE
9. SEALANT - ALSO INSTALL WHERE PAVING ABUTS TO BUILDING FOUNDATIONS.
10. PVC CAP
11. EXPANSION MATERIAL
12. BOND BREAKER TAPE
13. #3 REBAR @ 18" O.C. BOTH WAYS

NOTE:
CONCRETE MIX SHALL BE LOW SHRINK.

1 CONCRETE PAVING

SCALE : 3"=1'-0"



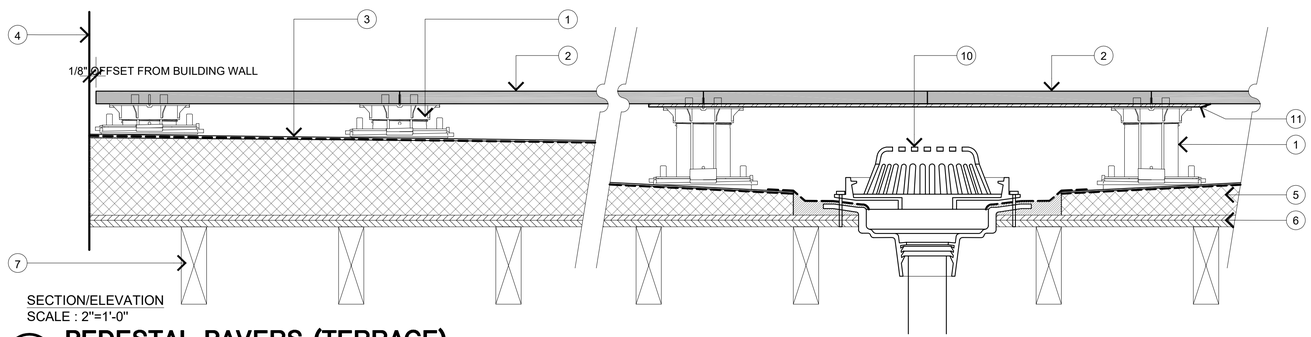
SECTION

1. 3" LAYER COMPACTED DECOMPOSED GRANITE WITH STABILIZER. SET FLUSH WITH TOP OF ADJACENT PAVING - SEE CONSTRUCTION LEGEND
2. 4" THICK LAYER OF CALTRANS CLASS II AB AT 95% RELATIVE COMPACTION TO BE MOISTURE CONDITIONED TO NEAR OPTIMUM MOISTURE CONTENT AND RE-COMPACTED TO 90% RELATIVE COMPACTION PER SOILS REPORT
3. FINISH GRADE (PLANTING AREA)
4. STEEL EDGING - SEE CONSTRUCTION LEGEND
5. 15" STEEL STAKE
6. COMPACTED SUBGRADE OR ENGINEERED FILL PER SOILS REPORT

2 DECOMPOSED GRANITE PAVING

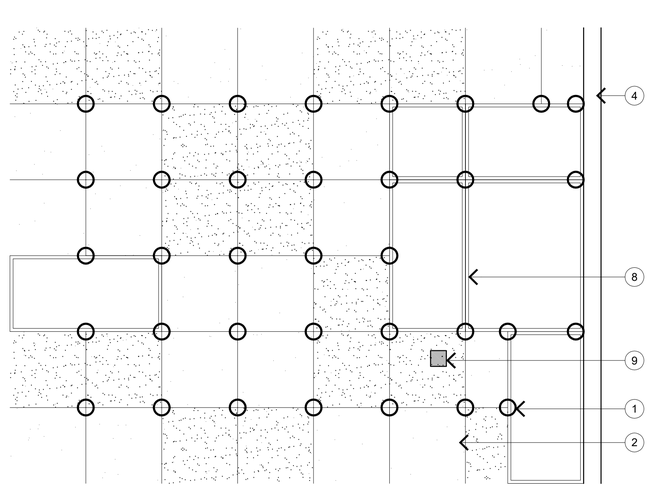
SCALE : 3"=1'-0"

1. BISON ADJUSTABLE PEDESTAL DECK SUPPORTS - REFER TO CONSTRUCTION LEGEND
2. CONCRETE PAVERS - REFER TO CONSTRUCTION LEGEND
3. TPO ROOFING MEMBRANE - REFER TO PLANS PREPARED BY KTGY
4. BUILDING EDGE
5. TAPERED RIGID INSULATION - REFER TO PLANS PREPARED BY KTGY
6. DECK SHEATHING - REFER TO PLANS PREPARED BY KTGY
7. BEAMS PER STRUCTURAL PLANS
8. PLANTER - REFER TO CONSTRUCTION LEGEND
9. PERGOLA POST
10. ROOF DRAIN - REFER TO PLANS PREPARED BY ARCHITECT
11. 1/4" STEEL PLACE PER BISON SPECIFICATIONS

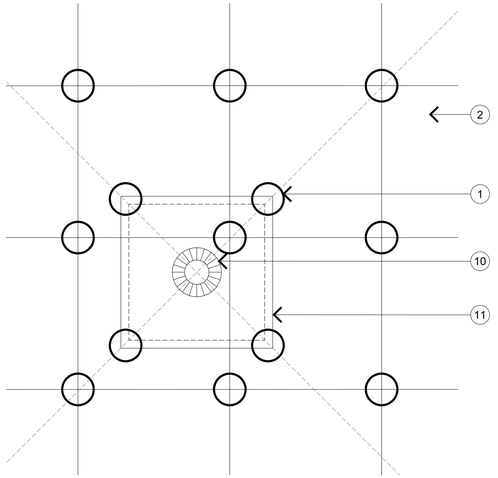


SECTION/ELEVATION
SCALE : 2"=1'-0"

3 PEDESTAL PAVERS (TERRACE)



TYPICAL PEDESTAL LOCATION PLAN
SCALE : 1/2"=1'-0"



TYPICAL PEDESTAL LOCATION PLAN AT DRAIN
SCALE : 1"=1'-0"

2001 TAROB COURT
Milpitas, CA
May 8, 2019

Construction Details (Ground Level, Courtyard, & Terrace)
L011

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IRRIGATION NOTES

1. THESE IRRIGATION DRAWINGS ARE DIAGRAMMATIC AND INDICATIVE OF THE WORK TO BE INSTALLED. ALL PIPING, VALVES, AND OTHER IRRIGATION COMPONENTS MAY BE SHOWN WITHIN PAVED AREAS FOR GRAPHIC CLARITY ONLY AND ARE TO BE INSTALLED WITHIN PLANTING AREAS. DUE TO THE SCALE OF THE DRAWINGS, IT IS NOT POSSIBLE TO INDICATE ALL OFFSETS, FITTINGS, SLEEVES, CONDUIT, AND OTHER ITEMS WHICH MAY BE REQUIRED. IN THE EVENT OF FIELD DISCREPANCY WITH CONTRACT DOCUMENTS, PLAN THE INSTALLATION WORK ACCORDINGLY BY NOTIFICATION AND APPROVAL OF THE OWNER'S AUTHORIZED REPRESENTATIVE AND ACCORDING TO THE CONTRACT SPECIFICATIONS. NOTIFY AND COORDINATE IRRIGATION CONTRACT WORK WITH APPLICABLE CONTRACTORS FOR THE LOCATION AND INSTALLATION OF PIPE, CONDUIT OR SLEEVES THROUGH OR UNDER WALL, ROADWAYS, PAVING AND STRUCTURES BEFORE CONSTRUCTION. IN THE EVENT THESE NOTIFICATIONS ARE NOT PERFORMED, THE CONTRACTOR ASSUMES FULL RESPONSIBILITY FOR REQUIRED REVISIONS.

2. THE CONTRACTOR SHALL COMPLY WITH ALL APPLICABLE CODES, STANDARDS, AND REGULATIONS. ALL WORK AND MATERIALS SHALL BE IN FULL ACCORDANCE WITH THE LATEST RULES AND REGULATIONS OF THE NATIONAL ELECTRIC CODE; THE UNIFORM PLUMBING CODE, PUBLISHED BY THE WESTERN PLUMBING OFFICIALS ASSOCIATION; AND OTHER STATE OR LOCAL LAWS OR REGULATIONS. NOTHING IN THESE DRAWINGS IS TO BE CONSTRUED TO PERMIT WORK NOT CONFORMING TO THESE CODES OR REGULATIONS. THE CONTRACTOR SHALL FURNISH WITHOUT ANY EXTRA CHARGE, ANY ADDITIONAL MATERIAL AND LABOR WHEN REQUIRED BY THE COMPLIANCE WITH THESE CODES AND REGULATIONS.

3. THE CONTRACTOR SHALL COORDINATE INSTALLATION OF IRRIGATION SYSTEM WITH LAYOUT AND INSTALLATION OF THE PLANT MATERIALS TO INSURE THAT THERE WILL BE COMPLETE AND UNIFORM IRRIGATION COVERAGE OF PLANTING IN ACCORDANCE WITH THESE DRAWINGS, AND CONTRACT DOCUMENTS. THE IRRIGATION LAYOUT SHALL BE CHECKED BY THE CONTRACTOR AND OWNER'S AUTHORIZED REPRESENTATIVE PRIOR TO CONSTRUCTION TO DETERMINE IF ANY CHANGES, DELETIONS, OR ADDITIONS ARE REQUIRED. IRRIGATION SYSTEM SHALL BE INSTALLED AND TESTED PRIOR TO INSTALLATION OF PLANT MATERIAL.

4. THE INTENT OF THIS IRRIGATION SYSTEM IS TO PROVIDE THE MINIMUM AMOUNT OF WATER REQUIRED TO SUSTAIN GOOD PLANT HEALTH.

5. IT IS THE RESPONSIBILITY OF THE MAINTENANCE CONTRACTOR AND/OR OWNER TO PROGRAM THE IRRIGATION CONTROLLER(S) TO PROVIDE THE MINIMUM AMOUNT OF WATER NEEDED TO SUSTAIN GOOD PLANT HEALTH. THIS INCLUDES MAKING ADJUSTMENTS TO THE PROGRAM FOR SEASONAL WEATHER CHANGES, PLANT MATERIAL, WATER REQUIREMENTS, MOUNDS, SLOPES, SUN, SHADE AND WIND EXPOSURE.

6. IT IS THE RESPONSIBILITY OF A LICENSED ELECTRICAL CONTRACTOR TO PROVIDE 120 VOLT A.C. (2.5 AMP DEMAND PER CONTROLLER) ELECTRICAL SERVICE TO THE CONTROLLER LOCATION(S). IT IS THE RESPONSIBILITY OF THE IRRIGATION CONTRACTOR TO COORDINATE THE ELECTRICAL SERVICE STUB-OUT TO THE CONTROLLER(S). PROVIDE PROPER GROUNDING PER CONTROLLER MANUFACTURER'S INSTRUCTIONS AND IN ACCORDANCE WITH LOCAL CODES.

7. PROVIDE EACH IRRIGATION CONTROLLER WITH ITS OWN INDEPENDENT LOW VOLTAGE COMMON GROUND WIRE.

8. INSTALL NEW BATTERIES IN THE IRRIGATION CONTROLLER(S) TO RETAIN PROGRAM IN MEMORY DURING TEMPORARY POWER FAILURES. USE QUANTITY, TYPE AND SIZE REQUIRED AS PER CONTROLLER MANUFACTURER'S INSTRUCTIONS.

9. IRRIGATION CONTROL WIRES: SOLID COPPER WITH U.L. APPROVAL FOR DIRECT BURIAL IN GROUND. COMMON GROUND WIRE: SIZE #12-1 WIRE WITH A WHITE INSULATING JACKET. CONTROL WIRE SERVICING REMOTE CONTROL VALVES: SIZE #14-1 WIRE WITH INSULATING JACKET OF COLOR OTHER THAN WHITE. SPLICES SHALL BE MADE WITH 3M-DBY SEAL PACKS OR APPROVED EQUAL.

10. INSTALL TWO SPARE CONTROL WIRES OF A DIFFERENT COLOR ALONG THE ENTIRE MAIN

11. SPLICING OF LOW VOLTAGE WIRES IS PERMITTED IN VALVE BOXES ONLY. LEAVE A 36" LONG, 1" DIAMETER COIL OF EXCESS WIRE AT EACH SPLICE AND A 36" LONG EXPANSION LOOP EVERY 100 FEET ALONG WIRE RUN. TAPE WIRES TOGETHER EVERY TEN FEET. DO NOT TAPE WIRES TOGETHER WHERE CONTAINED WITHIN SLEEVING OR CONDUIT.

12. INSTALL BLACK PLASTIC VALVE BOXES WITH BOLT DOWN, NON HINGED COVER MARKED "IRRIGATION". BOX BODY SHALL HAVE KNOCK OUTS. ACCEPTABLE VALVE BOX MANUFACTURER'S INCLUDE NDS, CARSON OR APPROVED EQUAL.

13. INSTALL REMOTE CONTROL VALVE BOXES 12" FROM WALK, CURB, BUILDING OR LANDSCAPE FEATURE. AT MULTIPLE VALVE BOX GROUPS, INSTALL EACH BOX AN EQUAL DISTANCE FROM THE WALK, CURB, BUILDING OR LANDSCAPE FEATURE AND PROVIDE 12" BETWEEN BOX TOPS. ALIGN THE SHORT SIDE OF RECTANGULAR VALVE BOXES PARALLEL TO WALK, CURB, BUILDING OR LANDSCAPE FEATURE.

14. VALVE LOCATIONS SHOWN ARE DIAGRAMMATIC. INSTALL IN GROUND COVER/SHRUB AREAS (AVOID LAWN AREAS WHERE POSSIBLE).

15. THE CONTRACTOR SHALL LABEL CONTROL LINE WIRE AT EACH REMOTE CONTROL VALVE WITH A 2 1/4" X 2 3/4" POLYURETHANE I.D. TAG, INDICATING IDENTIFICATION NUMBER OF VALVE (CONTROLLER AND STATION NUMBER). ATTACH LABEL TO CONTROL WIRE. THE CONTRACTOR SHALL PERMANENTLY STAMP ALL VALVE BOX LIDS WITH APPROPRIATE IDENTIFICATION AS NOTED IN CONSTRUCTION DETAILS.

16. INSTALL A GATE VALVE TO ISOLATE EACH REMOTE CONTROL VALVE OR GROUP OF RCV'S LOCATED TOGETHER. GATE VALVE SIZE SHALL BE SAME AS THE LARGEST REMOTE CONTROL VALVE IN MANIFOLD.

17. FLUSH AND ADJUST IRRIGATION OUTLETS AND NOZZLES FOR OPTIMUM PERFORMANCE AND TO PREVENT OVER SPRAY ONTO WALKS, ROADWAYS, AND/OR BUILDINGS. SELECT THE BEST DEGREE OF THE ARC AND RADIUS TO FIT THE EXISTING SITE CONDITIONS AND THROTTLE THE FLOW CONTROL AT EACH VALVE TO OBTAIN THE OPTIMUM OPERATING PRESSURE FOR EACH CONTROL ZONE.

18. SET SPRINKLER HEADS PERPENDICULAR TO FINISH GRADE.

19. INSTALL NON POP-UP ROTARY SPRINKLERS 24" FROM WALKS AND CURBS.

20. LOCATE EMITTER OUTLETS ON UPHILL SIDE OF PLANT OR TREE.

21. LOCATE BUBBLERS ON UPHILL SIDE OF PLANT OR TREE.

22. INSTALL A HUNTER HCV SERIES, KBI CV SERIES, OR APPROVED EQUAL SPRING LOADED CHECK VALVE IN SPRINKLER RISER ASSEMBLIES WHERE LOW OUTLET DRAINAGE WILL CAUSE EROSION AND/OR EXCESS WATER.

23. WHERE IT IS NECESSARY TO EXCAVATE ADJACENT TO EXISTING TREES, USE CAUTION TO AVOID INJURY TO TREES AND TREE ROOTS. EXCAVATE BY HAND IN AREAS WHERE TWO (2) INCH AND LARGER ROOTS OCCUR. BACK FILL TRENCHES ADJACENT TO TREE WITHIN TWENTY-FOUR (24) HOURS. WHERE THIS IS NOT POSSIBLE, SHADE THE SIDE OF THE TRENCH ADJACENT TO THE TREE WITH WET BURLAP OR CANVAS.

24. NOTIFY LOCAL JURISDICTIONS FOR INSPECTION AND TESTING OF INSTALLED BACKFLOW PREVENTION DEVICE.

25. THE SPRINKLER SYSTEM DESIGN IS BASED ON THE MINIMUM OPERATING PRESSURE SHOWN ON THE IRRIGATION DRAWINGS. VERIFY WATER PRESSURE PRIOR TO CONSTRUCTION. REPORT ANY DIFFERENCE BETWEEN THE WATER PRESSURE INDICATED ON THE DRAWINGS AND THE ACTUAL PRESSURE READING AT THE IRRIGATION POINT OF CONNECTION TO THE OWNER'S AUTHORIZED REPRESENTATIVE.

26. IRRIGATION DEMAND: REFER TO PLANS.

27. PIPE SIZING SHOWN ON THE DRAWINGS IS TYPICAL. AS CHANGES IN LAYOUT OCCUR DURING STAKING AND CONSTRUCTION THE SIZE MAY NEED TO BE ADJUSTED ACCORDINGLY.

28. PIPE THREAD SEALANT COMPOUND SHALL BE RECTOR SEAL #5.

29. THE LANDSCAPE CONTRACTOR SHALL BE RESPONSIBLE FOR MINOR CHANGES IN THE IRRIGATION LAYOUT DUE TO OBSTRUCTIONS NOT SHOWN ON THE IRRIGATION DRAWINGS SUCH AS LIGHTS, FIRE HYDRANTS, SIGNS, ELECTRICAL ENCLOSURES, ETC.

30. WHEN WORK OF THIS SECTION HAS BEEN COMPLETED AND SUCH OTHER TIMES AS MAY BE DIRECTED, REMOVE ALL TRASH, DEBRIS, SURPLUS MATERIALS AND EQUIPMENT FROM SITE.

IRRIGATION LEGEND

SYMBOL	MODEL NUMBER	DESCRIPTION	NOZZLE GPM	OPERATING PSI	OPERATING RADIUS (FEET)
	570Z-6P-PRX-COM/ O-T-15-F,H,Q	TORO POP-UP SPRAY SPRINKLER (TURF)	2.3,1.16, 0.58	30	12–15
	570Z-6P-PRX-COM/ O-T-12-F,H,Q	TORO POP-UP SPRAY SPRINKLER (TURF)	1.5,0.75,.37	30	10–12
	570Z-6P-PRX-COM/ O-T-10-F,H,Q	TORO POP-UP SPRAY SPRINKLER (TURF)	1.03,0.51, 0.23	30	8–10
	570Z-12P-PRX-COM/ O-T-15-F,H,Q	TORO POP-UP SPRAY SPRINKLER (SHRUB)	2.3,1.16, 0.58	30	12–15
	570Z-12P-PRX-COM/ O-T-12-F,H,Q	TORO POP-UP SPRAY SPRINKLER (SHRUB)	1.5,0.75,.37	30	10–12
	570Z-12P-PRX-COM/ O-T-10-F,H,Q	TORO POP-UP SPRAY SPRINKLER (SHRUB)	1.03,0.51, 0.23	30	8–10
	570S/FB-25-PC	TORO BUBBLER, 1 PER SHRUB	0.25	30	TRICKLE
	570S/FB-50-PC	TORO BUBBLER, 2 PER TREE	0.5	30	TRICKLE
	T-YD-500-34	TORO AIR RELIEF VALVE			
	FCH-H-FIPT	TORO FLUSH VALVE			
	T-DL-MP9	TORO DRIP ZONE INDICATOR			
	P-220-26-6	TORO MASTER VALVE (NORMALLY CLOSED)			
	TFS-150	TORO FLOW SENSOR			
	P-220-26 SERIES	TORO REMOTE CONTROL VALVE			
	P220-27-04/ T-ALFD10150-L	TORO REMOTE CONTROL VALVE WITH A PRESSURE REGULATOR (SET TO 45 PSI) AND A 1" DISC FILTER			
	33 DNP	RAIN BIRD QUICK COUPLING VALVE			
	T113-K	NIBCO GATE VALVE (LINE SIZE)-2.5" AND SMALLER.			
	975XLSEU-2"	WILKINS REDUCED PRESSURE BACKFLOW ASSEMBLY			
	MC-30E/CL-R1	IRRITROL MC-E CONTROLLER IN A PEDESTAL ENCLOSURE WITH MAINTENANCE REMOTE. USE IN CONJUNCTION WITH CLIMATE LOGIC WEATHER SENSING SYSTEM.			
	CL-100-WIRELESS	IRRITROL CLIMATE LOGIC WEATHER SENSING SYSTEM. AUTOMATICALLY GATHERS ON-SITE WEATHER INFORMATION AND CALCULATES WATER REQUIREMENTS AND WATERING SCHEDULES.			
		CONTROLLER AND STATION NUMBER FLOW (GPM) REMOTE CONTROL VALVE SIZE (IN INCHES) ASSOCIATED REMOTE CONTROL VALVE			
		CONTROLLER AND STATION NUMBER AREA (SQ. FT.) FLOW (GPM) REMOTE CONTROL VALVE SIZE (IN INCHES) ASSOCIATED REMOTE CONTROL VALVE			
	MAIN LINE:	2 1/2" AND SMALLER: 1120-SCHEDULE 40 PVC PLASTIC PIPE WITH SCHEDULE 40 PVC SOLVENT WELD FITTINGS. 18" COVER.			
	LATERAL LINE:	3/4" AND LARGER: 1120-SCHEDULE 40 PVC PLASTIC PIPE WITH SCHEDULE 40 PVC SOLVENT WELD FITTINGS. 12" COVER.			
	SLEEVING:	SCHEDULE 40 PVC PLASTIC PIPE. COVER TO BE AS INDICATED IN SPECIFICATIONS OR AS INDICATED ABOVE FOR PIPE DEPTH OF COVER.			
	DRIP ZONE:	TORO DL2000 SERIES DRIPLINE WITH LOC-EZE FITTINGS, PART #RGP-212. TUBING TO BE INSTALLED 4" BELOW GRADE IN A 12" O.C. GRID ACCORDING TO DETAILS. MINIMUM PIPE SIZE OF PVC LATERAL LINE WITHIN DRIP AREAS TO BE 1". EXTEND PVC HEADERS TO THE ENDS OF ALL DRIP ZONES TO BALANCE FLOW. SEE DETAILS FOR FURTHER INFORMATION.			
	DRIP ZONE:	TORO BLUE STRIPE POLYETHYLENE HOSE. INSTALL ON-GRADE AS DETAILED. SEE DETAILS FOR INSTALLATION AND PART NUMBERS. INSTALL A END CLAMP AT THE END OF EACH DRIP ZONE REGION.			
FS FS FS FS FS	FLOW SENSOR/ MASTER CABLE:	APPROXIMATE ROUTING OF FLOW SENSOR AND MASTER VALVE WIRES IN SEPARATE 1" CONDUITS. REFER TO DETAILS FOR MORE INFORMATION.			

2001 TAROB COURT
Milpitas, CA
May 8, 2019

Irrigation Notes & Legend (Privately Maintained Landscape Areas)
L012

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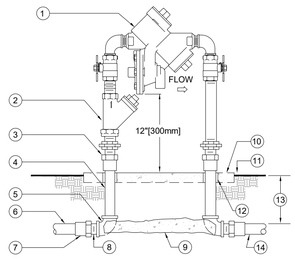


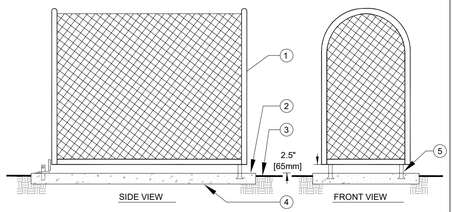
1. REDUCED PRESSURE BACKFLOW ASSEMBLY.
2. YB "Y" STRAINER SYSTEM (AS REQUIRED).
3. WROUGHT COPPER MALE ADAPTER-2 TOTAL (SOLDER x THREAD CONNECTION).
4. COPPER TYPE "K" PIPE (LENGTH AS REQUIRED).
5. WROUGHT COPPER 90° ELBOW-2 TOTAL (SOLDER x THREAD CONNECTION).
6. PVC MAIN LINE TO POINT OF CONNECTION.
7. BUSH AS NECESSARY FOR SIZE TRANSITION.
8. SCHEDULE 40 PVC MALE ADAPTER-2 TOTAL.
9. **CONCRETE SUPPORT BLOCK.**
10. CONCRETE PAD-SEE ENCLOSURE DETAIL.
11. FINISH GRADE.
12. PVC SLEEVE BOTH SIDES.
13. REFER TO IRRIGATION LEGEND
14. PVC MAIN LINE TO IRRIGATION SYSTEM.

NOTES:

1. **INSTALL A FREEZE PREVENTATIVE BLANKET AROUND BACKFLOW ASSEMBLY. BLANKET SHALL BE GREEN.**
2. DO NOT SOLDER CONNECT FITTINGS WHILE THREADED INTO BACKFLOW ASSEMBLY. THIS MAY CAUSE DAMAGE TO DEVICE.
3. NIPPLES AND FITTINGS TO BE SAME IPT SIZE AS BACKFLOW ASSEMBLY.
4. PROVIDE A STAINLESS STEEL ENCLOSURE TO COMPLETELY ENCLOSE DEVICE. INSTALL ENCLOSURE TO CONCRETE BASE AS DIRECTED BY MANUFACTURER.

1 REDUCED PRESSURE BACKFLOW ASSEMBLY

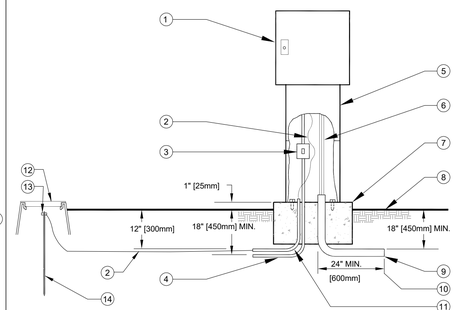
SCALE: NONE
DET: RPB-1



1. STAINLESS STEEL ENCLOSURE TO COMPLETELY ENCLOSE DEVICE
2. SET PAD 1/2" [13MM] ABOVE FINISH GRADE
3. FINISH GRADE
4. 6" [150mm] THICK CONCRETE PAD FOR ENCLOSURE SUPPORT TO EXTEND 6" [150mm] BEYOND ENCLOSURE ON ALL SIDES. CONCRETE TO HAVE MEDIUM BROOM FINISH.
5. MOUNTING BRACKETS (STANDARD WITH ENCLOSURE) TO BE SET INTO CONCRETE PAD. PROVIDE LOCKING TAB TO ACCEPT PADLOCK PER MANUFACTURER'S INSTRUCTION.

2 BACKFLOW ASSEMBLY ENCLOSURE

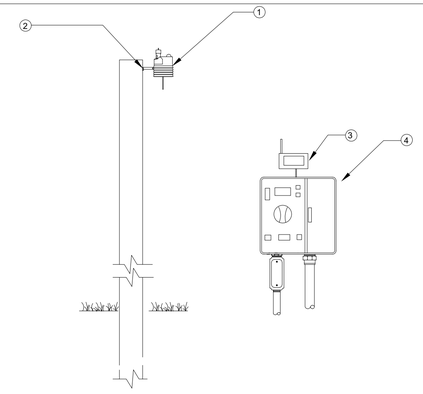
SCALE: NONE
DET: ENC-SMOOTH



1. IRRIGATION CONTROLLER.
2. #6 BARE COPPER GROUND WIRE.
3. 120 VOLT LOCKABLE WEATHERPROOF ON/OFF SWITCH PROVIDED UNDER IRRIGATION CONTRACT.
4. 120 VOLT A.C. ELECTRICAL SERVICE FROM SOURCE TO CONTROLLER LOCATION PROVIDED BY CONTRACTOR. IRRIGATION CONTRACTOR TO PROVIDE RIGID STEEL CONDUIT FROM SERVICE STUB-OUT TO CONTROLLER GCFI SWITCH AND COMPLETE ELECTRICAL SERVICE TO CONTROLLER.
5. PEDESTAL ENCLOSURE.
6. LOW VOLTAGE CONTROL WIRING.
7. **CONCRETE PAD-6" [150mm] THICK (MIN.) EXTEND 6" [150mm] BEYOND EACH SIDE AND BACK, 24" [600mm] IN FRONT AND 1" [25mm] ABOVE FINISH GRADE.**
8. FINISH GRADE.
9. **SCHEDULE 40 GREY PVC ELECTRICAL CONDUIT WITH SWEEP ELL FOR LOW VOLTAGE WIRE.**
10. 24" MIN. [600mm] AND OR 12" [300mm] BEYOND HARDSCAPE.
11. 1 1/2" [40mm] PVC SWEEP ELL FOR GROUND WIRE.
12. 6" ROUND BLACK PLASTIC BOX WITH T-LID FOR GROUND ROD.
13. CADWELD CONNECTIONS
14. 8' LONG COPPER GROUND ROD. LOCATE A MINIMUM OF 10' AWAY FROM CONTROLLER.

3 CONTROLLER - PEDESTAL MOUNT

SCALE: NONE
DET: PED-CONT

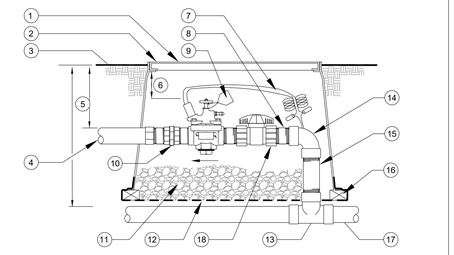


NOTE: MAXIMUM LINE OF SIGHT FROM SENSOR TO RECEIVER IS 1000 FT. DISTANCE IS LESS IF OBSTRUCTIONS EXIST. SENSOR MUST BE INSTALLED IN "CLEAR SPACE" WHERE IT IS EXPOSED TO UNOBSTRUCTED RAINFALL AND IS CLEAR OF IRRIGATION SPRAY..

1. WIRELESS CLIMATE SENSOR TRANSMITTER
2. SUITABLE POST, POLE, OR GUTTER MOUNT. MOUNT IN LOCATION WHERE SENSOR CAN RECEIVE FULL SUN, IS OPEN TO RAINFALL AND OUT OF SPRINKLER SPRAY PATTERN
3. SENSOR RECEIVER
4. CONTROLLER

4 WIRELESS WEATHER SENSOR

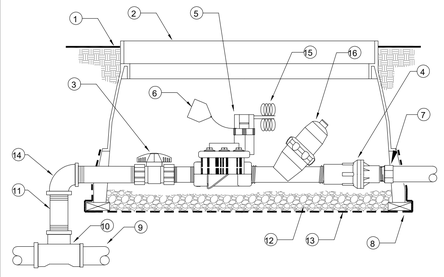
SCALE: NONE
DET: CL-W



1. REMOTE CONTROL VALVE WITH FLOW CONTROL AND MANUAL BLEED (PRESSURE REGULATOR WHERE SHOWN ON PLANS).
2. USE A 14" X 19" RECTANGULAR PLASTIC VALVE BOX WITH BOLT DOWN LID FOR 1" VALVES. FOR 1.5" AND LARGER VALVES INSTALL BALL VALVE WITHIN A SEPARATE 10" ROUND BOX OR ONE BALL VALVE PER MANIFOLD OF VALVES. GATE VALVE SIZE SHALL BE SAME AS LARGEST VALVE WITHIN MANIFOLD. ONE VALVE PER BOX- NO EXCEPTIONS. INSTALL BOX AS SHOWN IN BOX INSTALLATION DETAIL.
3. FINISH GRADE.
4. PVC LATERAL LINE.
5. REFER TO IRRIGATION SPECS.
6. 3" [75mm] MIN, 6" [150mm] MAX.
7. VALVE CONTROL WIRE- PROVIDE SEAL PACKS AT ALL SPLICES AND 3' [1m] OF EXCESS UF WIRE IN A 1" [25mm] DIAMETER COIL.
8. SCHEDULE 80 PVC NIPPLE (4 TOTAL).
9. VALVE I.D. TAG (CONTROLLER AND STATION NUMBER).
10. SCHEDULE 80 PVC THREADED UNION.
11. **PEA GRAVEL OR 3/4" DRAIN ROCK- 4" [100mm] DEEP BELOW VALVE (NO SOIL IN VALVE BOX).**
12. 19 GAUGE 1/2" [12mm] SQUARE WIRE MESH.
13. UPC APPROVED SCHEDULE 40 PVC TEE.
14. SCHEDULE 80 PVC 90° ELBOW (TxT).
15. SCHEDULE 80 PVC NIPPLE- LENGTH AS REQUIRED.
16. BRICK-1 EACH CORNER.
17. PVC MAIN LINE.
18. SCHEDULE 80 PVC UNION BALL VALVE (ONE PER VALVE).

5 REMOTE CONTROL VALVE

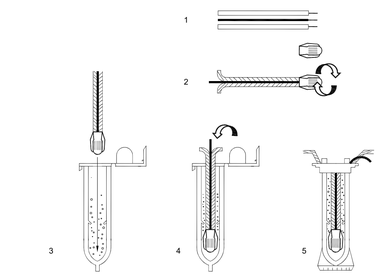
SCALE: NONE
DET: RCV-UN-BV



1. FINISH GRADE
2. JUMBO RECTANGULAR PLASTIC VALVE BOX WITH BOLT DOWN LID. ONE VALVE PER BOX- NO EXCEPTIONS. INSTALL BOX AS SHOWN IN BOX INSTALLATION DETAIL.
3. SCHEDULE 80 PVC UNION BALL VALVE (ONE PER VALVE)
4. PRESSURE REGULATOR (INCLUDED IN DRIP ZONE KIT)
5. REMOTE CONTROL VALVE DRIP ZONE KIT. (SHALL INCLUDE VALVE, FILTER AND A 40 PSI PRESSURE REDUCING VALVE)
6. VALVE I.D. TAG (CONTROLLER AND STATION NUMBER).
7. SCHEDULE 40 MALE ADAPTER
8. BRICK-1 EACH CORNER.
9. PVC MAIN LINE.
10. UPC APPROVED SCHEDULE 40 PVC TEE.
11. SCHEDULE 80 PVC NIPPLE-(4-TOTAL) LENGTH AS REQUIRED.
12. **PEA GRAVEL OR 3/4" [20mm] DRAIN ROCK - 4" [102mm] DEEP BELOW VALVE (NO SOIL IN VALVE BOX).**
13. 19 GAUGE 1/2" [13mm] SQUARE WIRE MESH.
14. SCHEDULE 80 PVC 90° ELBOW (TxT).
15. VALVE CONTROL WIRE- PROVIDE 3M-DBY SEAL PACKS AT ALL SPLICES AND 3' [1m] OF EXCESS UF WIRE IN A 1" [25mm] DIAMETER COIL.
16. Y-FILTER (INCLUDED IN DRIP ZONE KIT)

6 REMOTE CONTROL VALVE (DRIPZONE)

SCALE: NONE
DET: RCV-FILTER4

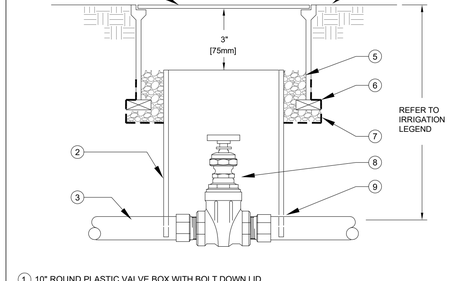


INSTRUCTIONS:

1. STRIP WIRES APPROXIMATELY 1/2" (13 mm) TO EXPOSE WIRE.
2. TWIST CONNECTOR AROUND WIRES CLOCKWISE UNTIL HAND TIGHT, DO NOT OVERTIGHTEN.
3. INSERT WIRE ASSEMBLY INTO PLASTIC TUBE UNTIL WIRE CONNECTOR SNAPS PAST LIP IN BOTTOM OF TUBE.
4. PLACE WIRES WHICH EXIT TUBE IN WIRE EXIT HOLES AND CLOSE CAP UNTIL IT SNAPS.
5. INSPECT FINAL SPLICE ASSEMBLY TO BE SECURE AND FINISHED.

7 WEATHERPROOF WIRE SPLICE ASSEMBLY

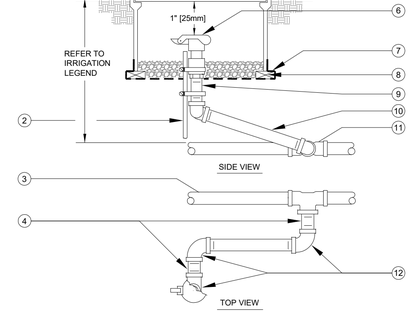
SCALE: NONE
DET: WIRE-SPL



1. 10" ROUND PLASTIC VALVE BOX WITH BOLT DOWN LID.
2. 8" [200mm] CLASS 160 OR SCHEDULE 40 PVC PIPE (NOTCH TO FIT OVER MAIN LINE PIPE).
3. PVC MAIN LINE.
4. FINISH GRADE.
5. PEA GRAVEL OR 3/4" [20mm] DRAIN ROCK - 4" [100mm] DEEP (NO SOIL IN VALVE BOX).
6. BRICK-2 TOTAL.
7. 19 GAUGE 1/2" [13mm] SQUARE WIRE MESH.
8. GATE VALVE.
9. MALE ADAPTER. REFER TO LEGEND FOR FITTING TYPE.

8 GATE VALVE

SCALE: NONE
DET: SGVD

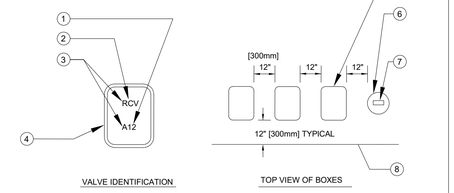


1. 10" ROUND PLASTIC VALVE BOX WITH BOLT DOWN LID.
2. 1 1/4" x 1 1/4" x 3/16" [30mm x 30mm x 5mm] ANGLE IRON 30" [760mm] LONG W/2 STAINLESS STEEL STRAPS (ONE AROUND QCV).
3. PVC MAIN LINE.
4. 3" [75mm] LONG SCHEDULE 80 PVC THREADED NIPPLE.
5. FINISH GRADE.
6. QUICK COUPLING VALVE.
7. 19 GAUGE 1/2" [13mm] SQUARE WIRE MESH.
8. BRICK - 2 TOTAL.
9. SCHEDULE 80 PVC THREADED NIPPLE.
10. 10" [250mm] LONG SCHEDULE 80 PVC THREADED NIPPLE.
11. UPC APPROVED SCHEDULE 40 PVC TEE OR ELBOW.
12. SCHEDULE 80 PVC THREADED 90° ELL.

NOTE:
NIPPLES AND FITTINGS TO BE SAME SIZE AS VALVE IPT INLET THREAD SIZE.

9 QUICK COUPLING VALVE

SCALE: NONE
DET: QUICK-C2



1. CONTROLLER AND STATION
2. VALVE TYPE
3. HEAT BRAND LETTERS AND NUMBERS INTO LID.
4. VALVE BOX COVER
5. RECTANGULAR VALVE BOX
6. ROUND VALVE BOX FOR QCV AND GATE VALVE.
7. HEAT BRAND LETTERS AND NUMBERS INTO LID (TYPICAL).
8. EDGE OF LAWN, WALK, FENCE, CURB, ETC.

INSTRUCTIONS:

1. CENTER VALVE BOX OVER REMOTE CONTROL VALVE TO FACILITATE SERVICING VALVE.
2. SET BOXES 1" [25mm] ABOVE FINISH GRADE OR MULCH COVER IN GROUND COVER/SHRUB AREA AND FLUSH WITH FINISH GRADE IN TURF AREA.
3. SET RCV AND VALVE BOX ASSEMBLY IN GROUND COVER/SHRUB AREA WHERE POSSIBLE. INSTALL IN LAWN ONLY IF GROUND COVER DOES NOT EXIST ADJACENT TO LAWN.
4. SET BOXES PARALLEL TO EACH OTHER AND PERPENDICULAR TO EDGE OF LAWN, WALK, FENCE, CURB, ETC.
5. AVOID HEAVILY COMPACTING SOIL AROUND VALVE BOXES TO PREVENT COLLAPSE AND DEFORMATION OF VALVE BOX SIDES.
6. INSTALL EXTENSION BY VALVE BOX MANUFACTURER AS REQUIRED TO COMPLETELY ENCLOSE ASSEMBLY FOR EASY ACCESS.

10 VALVE BOX INSTALLATION

SCALE: NONE
DET: VALVE-B1

2001 TAROB COURT
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Irrigation Details (Privately Maintained Landscape Areas, Ground Level & Courtyard)

L013

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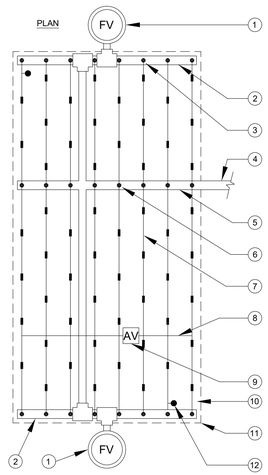
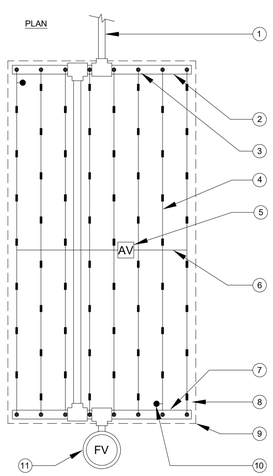


1. AUTOMATIC FLUSH VALVE PLUMBED TO FLUSH MANIFOLD AT LOW POINT
2. PVC FLUSH MANIFOLD. MINIMUM SIZE TO BE 1" UNLESS OTHERWISE NOTED.
3. MANIFOLD-TO-ELBOW CONNECTION (TYP).
4. PVC LATERAL LINE FROM VALVE. MINIMUM SIZE TO BE 1" UNLESS OTHERWISE NOTED.
5. PVC SUPPLY MANIFOLD.
6. MANIFOLD-TO-TEE CONNECTION.
7. DRIPLINE LATERAL.
8. AIR/VACUUM RELIEF LATERAL, BLANK POLY TUBING CENTERED ON MOUND OR BERM.
9. AIR/VACUUM RELIEF PLUMBED TO BLANK POLY TUBING AT EACH HIGH POINT.
10. PERIMETER LATERALS 2" [50mm] TO 4" [100mm] FROM EDGE.
11. AREA PERIMETER.
12. DRIPLINE OPERATION INDICATOR LOCATED AT THE ENDS OF EACH DRIPLINE ZONE.

NOTE:
1. THE TOTAL LENGTH OF A SINGLE DRIP LINE RUN SHALL NOT EXCEED 250 FT.
2. INSTALL DRIPLINE 2-4" BELOW GRADE AND STAKE DOWN EVERY 4' OR AS REQUIRED.

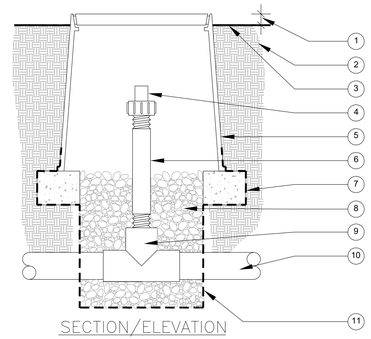
1 TORO DL 2000 CENTER FEED LAYOUT
SCALE: NONE



1. PVC LATERAL LINE FROM VALVE. MINIMUM SIZE TO BE 1" UNLESS OTHERWISE NOTED.
2. PVC FLUSH MANIFOLD. MINIMUM SIZE TO BE 1" UNLESS OTHERWISE NOTED.
3. MANIFOLD-TO-ELBOW CONNECTION (TYP).
4. DRIPLINE LATERAL.
5. AIR/VACUUM RELIEF VALVE PLUMBED TO BLANK 5/8" [16mm] TUBING AT EACH HIGH POINT.
6. AIR/VACUUM RELIEF LATERAL, BLANK 5/8" [16mm] POLY TUBING CENTERED ON MOUND OR BERM.
7. PVC FLUSH MANIFOLD.
8. PERIMETER LATERALS 2" [50mm] TO 4" [100mm] FROM EDGE.
9. AREA PERIMETER.
10. DRIP OPERATION INDICATOR LOCATED AT THE ENDS OF EACH DRIPLINE ZONES.
11. AUTOMATIC FLUSH VALVE PLUMBED TO FLUSH MANIFOLD AT LOW POINT.

NOTE:
1. THE TOTAL LENGTH OF A SINGLE DRIP LINE RUN SHALL NOT EXCEED 250 FT.
2. INSTALL DRIPLINE 2-4" BELOW GRADE AND STAKE DOWN EVERY 4' OR AS REQUIRED.

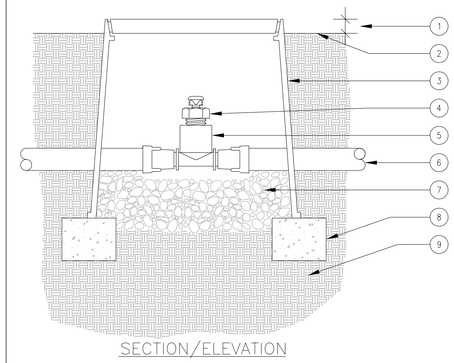
2 TORO DL 2000 END FEED LAYOUT
SCALE: NONE



1. 1" [25mm] ABOVE FINISH GRADE.
2. NATIVE SOIL.
3. FINISH GRADE.
4. FLUSH VALVE.
5. ROUND PLASTIC VALVE BOX. REFER TO IRRIGATION SPECS FOR BOX SIZE. HEAT BRAND "FV" ON LID IN 2" [50mm] HIGH CHARACTERS.
6. 3/4" [20mm] SCH 80 PVC NIPPLE (LENGTH AS REQUIRED).
7. BRICK - 2 TOTAL
8. PEA GRAVEL 18" (450mm) DEEP.
9. PVC TEE (SxSxT) WITH 3/4" [20mm] THREADED OUTLET.
10. PVC PIPING.
11. 19 GAUGE 1/2" [13mm] SQUARE WIRE MESH.

NOTE:
USE ONE FLUSH VALVE FOR EVERY 7 GPM PER ZONE. LOCATE AT LOW POINTS. FLUSH RATE IS 0.8 GPM. FLUSH PRESSURE IS 2 PSI.

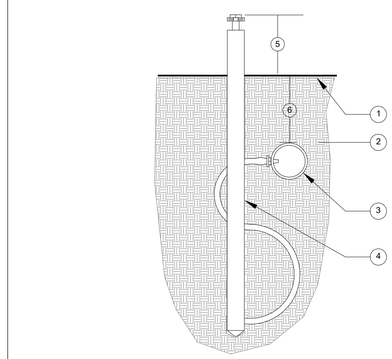
3 TORO DL 2000 FLUSH VALVE (PVC TEE)
SCALE: NONE



1. 1" ABOVE FINISH GRADE.
2. FINISH GRADE.
3. 6" ROUND PLASTIC VALVE BOX. HEAT BRAND "AR" ON LID IN 1" HIGH CHARACTERS.
4. TORO DL2000 AIR/VACUUM RELIEF VALVE (YD-500-34).
5. TORO LOC-EZE X 1/2" FPT TEE (FTF16).
6. TORO DL2000 TUBING (RGP-XX-XXX) OR TORO BLUE STRIPE POLY TUBING (EHD1645-XXX) AIR-RELIEF LATERAL.
7. PEA GRAVEL SUMP (6" DEEP).
8. BRICK SUPPORTS (2 COMMON BRICKS REQUIRED).
9. NATIVE SOIL PER SPECIFICATIONS.

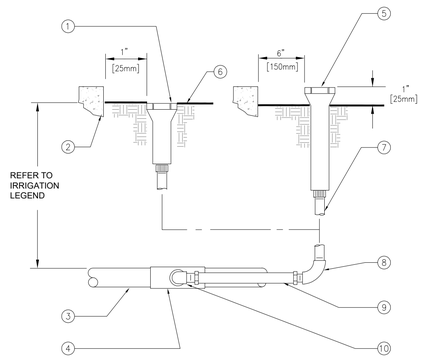
NOTE:
USE ONE AIR/RELIEF VALVE FOR EVERY 7 GPM PER ZONE. LOCATE AT HIGH POINTS.

4 TORO DL 2000 AIR VACUUM RELIEF VALVE
SCALE: NONE



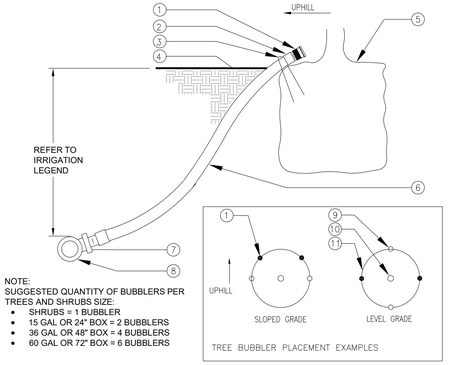
1. FINISH GRADE.
2. SOIL BACKFILL.
3. DRIPLINE.
4. OPERATION INDICATOR. USE ONE PER ZONE AND LOCATED AT FLUSH END OF ZONE.
5. 2"-3" [50mm - 75mm] ABOVE FINISH GRADE.
6. REFER TO IRRIGATION LEGEND.

5 TORO DL 2000 OPERATION INDICATOR
SCALE: NONE



1. POP-UP LAWN SPRAY SPRINKLER
2. WALL, WALK, CURB OR BUILDING
3. PVC LATERAL LINE
4. UPC APPROVED SCHEDULE 40 PVC TEE OR ELBOW
5. POP-UP SHRUB SPRAY SPRINKLER OR BUBBLER
6. FINISH GRADE
7. 1/2" [13mm] SCHEDULE 80 PVC THREADED NIPPLE (LENGTH AS REQUIRED).
8. 1/2" [13mm] SCHEDULE 40 PVC THREADED 90° ELL.
9. 1/2" [13mm] FLEXIBLE IPS HOSE 6" [150mm] LONG WITH MALE ADAPTERS OR 1/2" [13mm] FLEXIBLE SWING JOINT (1/2" x 6") [13mm x 150mm] WITH A MINIMUM PRESSURE RATING OF 100 PSI [690kPa].
10. 1/2" [13mm] SCHEDULE 40 PVC STREET ELL.

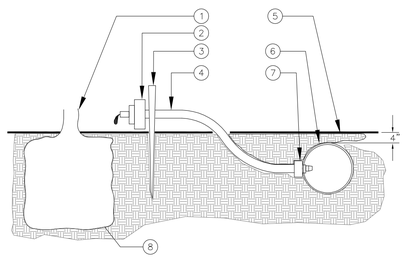
6 POP-UP SPRAY SPRINKLER RISER
SCALE: NONE
DET: SH/LW-POPSP



NOTE:
SUGGESTED QUANTITY OF BUBBLERS PER TREES AND SHRUBS SIZE:
- SHRUBS = 1 BUBBLER
- 15 GAL OR 24" BOX = 2 BUBBLERS
- 36 GAL OR 48" BOX = 4 BUBBLERS
- 60 GAL OR 72" BOX = 6 BUBBLERS

1. BUBBLER (TO BE INSTALLED ON TOP OF ROOTBALL).
2. 1/2" [13mm] SCH. 40 MALE ADAPTER.
3. 6" [150mm] STEEL STAPLE.
4. FINISH GRADE.
5. TREE OR SHRUB ROOTBALL.
6. 1/2" [13mm] IPS FLEXIBLE PVC.
7. PVC TEE (SST), ELBOW (ST) OR FEMALE ADAPTER.
8. PVC LATERAL LINE.
9. TREE STAKES.
10. TREE OR SHRUB.
11. EDGE OF ROOTBALL (TYPICAL).

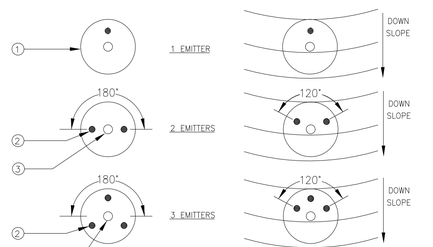
7 TREE AND SHRUB BUBBLER
SCALE: NONE
DET: TREE-SBUB



NOTE:
TO INSERT BARBED CONNECTOR INTO POLYETHYLENE TUBING, USE INSERTION TOOL. WHERE POLYETHYENE TUBING CAN BE PLACED ADJACENT TO SHRUB ROOTBALL, A BARBED EMITTER MAY BE INSTALLED DIRECTLY INTO POLYETHYENE TUBING AND DISTRIBUTION TUBING ELIMINATED. POINT OF WATER EMISSION FROM BARBED EMITTER MUST DRIP WATER DIRECTLY ON ROOTBALL.

1. SHRUB STEM.
2. EMITTER REFER TO EMITTER SCHEDULE FOR QUANTITY OF EMITTERS PER PLANT.
3. TUBING SUPPORT STAKE (SALCO DTS-200-400)
4. 1/4" TUBING DO NOT EXCEED 3' [1m] IN LENGTH.
5. FINISH GRADE.
6. SALCO PVC FLEX HOSE. INSTALL 4" [100mm] BELOW FINISH GRADE.
7. BARBED MALE ADAPTER.
8. EDGE OF ROOTBALL.

8 SALCO FLEX TUBING EMITTER PLACEMENT
SCALE: NONE
DET: SALCO-BELOW



1. EDGE OF ROOTBALL (TYPICAL)
2. EMITTER OR DISTRIBUTION TUBE OUTLET (TYPICAL)
3. SHRUB STEM (TYPICAL)

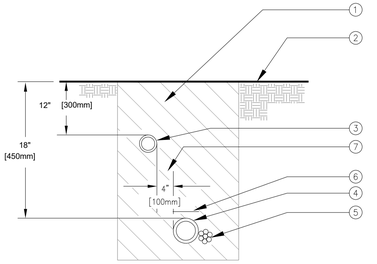
EMITTER SCHEDULE

PLANT SIZE	EMITTER SPECIFACATION	FLOW (GPH)/PER EMITTER OR OUTLET	QUANTITY OF EMITTERS PER SHRUB/TREE
1 GALLON SHRUBS	USE SLV-PS-CV-1	1 GPH	2
5 GALLON SHRUBS	USE SLV-PS-CV-2	2 GPH	2
15 GALLON	USE SLV-PS-CV-2	2 GPH	3

MAXIMUM AMOUNT OF FLOW PER DRIP TUBING RUN IS 240 GPH

9 SALCO EMITTER PLACEMENT AND SCHEDULE
DET: EMITTER-PL/SCH

NOTES:
1. ALL MAIN SUPPLY LINES AND LATERAL LINES SHALL BE PLACED IN SLEEVES UNDER PAVED SURFACES. INSTALL LOW VOLTAGE WIRES WITHIN A SEPARATE CONDUIT UNDER PAVED SURFACES. DO NOT TAPE WIRES WITHIN CONDUIT.



1. CLEAN BACKFILL MATERIAL.
2. FINISH GRADE.
3. LATERAL LINE.
4. MAIN LINE.
5. LOW VOLTAGE CONTROL WIRE. TAPE AND BUNDLE TUBING OR WIRING AT 10 FT. INTERVALS. WIRING SHALL BE LAID OUT LOOSELY IN THE TRENCH.
6. DETECTABLE WARNING TAPE OVER MAIN LINE - 3" [75mm] ABOVE PIPE.
7. TYPICAL DISTANCE BETWEEN PIPES.

10 TRENCHING
SCALE: NONE
DET: TRENCH

2001 TAROB COURT
Milpitas, CA
May 8, 2019

Irrigation Details (Privately Maintained Landscape Areas, Ground Level & Courtyard)
L014

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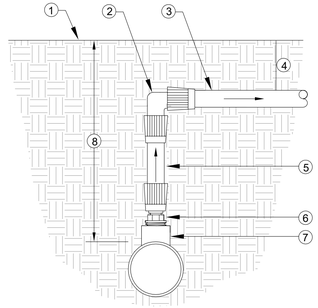
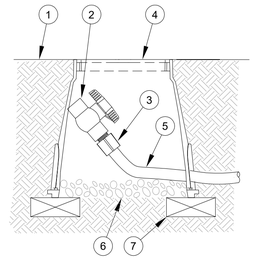


SECTION/ELEVATION
NOT TO SCALE

1. FINISH GRADE
2. TORO TRI-LOC ELBOW (TL-E)
3. DRIPLINE TUBING
4. DEPTH OF TUBING PER IRRIGATION LEGEND.
5. TORO BLUE STRIPE POLY TUBING (EHD1645)
6. TORO TRI-LOC MPT ADAPTER (TL-M50)
7. SCH 40 PVC TEE (SxSxT) WITH 1/2" FPT OUTLET.
8. DEPTH OF PVC LATERAL LINE PER IRRIGATION LEGEND

1 DRIPLINE MANIFOLD TO ELBOW CONNECTION

SCALE: NONE

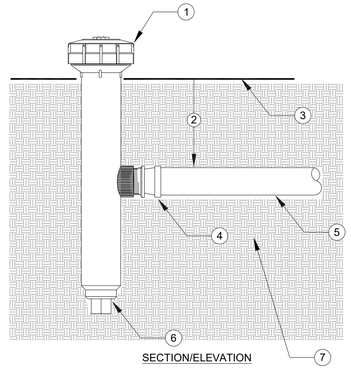


NOTE:
ALLOW A MINIMUM OF PVC HOSE IN VALVE BOX IN ORDER TO DIRECT FLUSHED WATER OUTSIDE VALVE BOX.

1. FINISH GRADE
2. 1/2" SCH 40 THREADED BALL VALVE.
3. 1/2" SCH 40 MALE ADAPTER.
4. 6" ROUND PLASTIC VALVE BOX.
5. 1" IPS PVC HOSE FROM EXHAUST HEADER.
6. PEA GRAVEL SUMP (6" DEEP).
7. BRICK (1 OF 2)

2 DRIPLINE-FLUSH POINT

SCALE: NONE

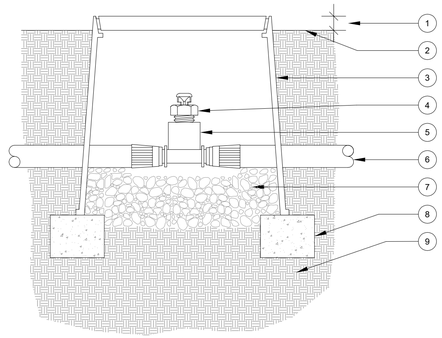


SECTION/ELEVATION

1. TORO 6" POP UP SPRINKLER WITH SIDE INLET (MODEL 570Z-6P-SI-PRX WITH 5' PRECISION NOZZLE (MODEL O-T-5-QP) TURNED COMPLETELY OFF WITH ADJUSTMENT SCREW. SPRINKLER SHALL OPERATE AS THE DRIPLINE INDICATOR. USE A MINIMUM OF ONE PER ZONE AND LOCATED AT END OF ZONE.
2. DEPTH OF DRIPLINE. REFER TO IRRIGATION LEGEND.
3. FINISH GRADE.
4. TORO TRI-LOC X 1/2" MPT ADAPTER (TL-M50)
5. DRIPLINE.
6. KEEP PLUG IN SPRINKLER. ONLY USE SIDE INLET.
7. SOIL BACKFILL.

3 DRIPLINE OPERATION INDICATOR

SCALE: NONE



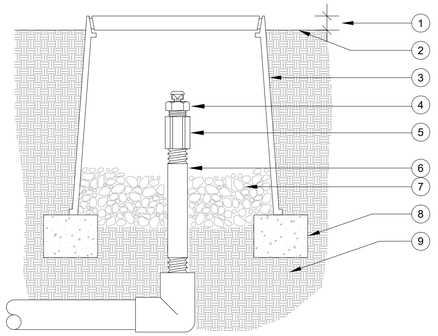
SECTION/ELEVATION

NOTE:
USE ONE AIR/RELIEF VALVE FOR EVERY 7 GPM PER ZONE. LOCATE AT HIGH POINTS.

1. 1" ABOVE FINISH GRADE.
2. FINISH GRADE.
3. 6" ROUND PLASTIC VALVE BOX. HEAT BRAND "AR" ON LID IN 1" HIGH CHARACTERS.
4. TORO DL2000 AIR/VACUUM RELIEF VALVE (YD-500-34).
5. TORO TRI-LOC TEE X 1/2" FPT ADAPTER (TL-T-F50)
6. TORO DL2000 TUBING (RGP-XX-XXX) OR TORO BLUE STRIPE POLY TUBING (EHD1645-XXX) AIR-RELIEF LATERAL.
7. PEA GRAVEL (4" DEEP).
8. BRICK SUPPORTS (2 COMMON BRICKS REQUIRED).
9. NATIVE SOIL PER SPECIFICATIONS.

4 AIR VACUUM RELIEF VALVE IN DRIPLINE

SCALE: NONE



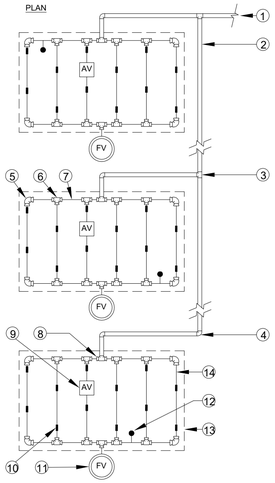
SECTION/ELEVATION

NOTE:
USE ONE AIR/RELIEF VALVE FOR EVERY 7 GPM PER ZONE. LOCATE AT HIGH POINTS.

1. 1" ABOVE FINISH GRADE.
2. FINISH GRADE.
3. 6" ROUND PLASTIC VALVE BOX. HEAT BRAND "AR" ON LID IN 1" HIGH CHARACTERS.
4. TORO DL2000 AIR/VACUUM RELIEF VALVE (YD-500-34).
5. 1/2" SCH 40 PVC COUPLING (TxT)
6. 1/2" SCH 80 PVC NIPPLE (LENGTH AS REQUIRED).
7. PEA GRAVEL (4" DEEP).
8. BRICK SUPPORTS (2 COMMON BRICKS REQUIRED).
9. NATIVE SOIL PER SPECIFICATIONS.

5 AIR VACUUM RELIEF VALVE ON PVC ELL

SCALE: NONE

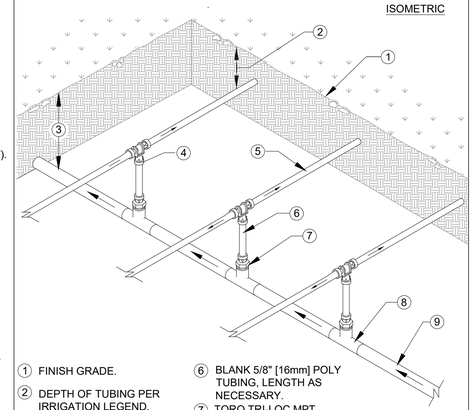


1. PVC LATERAL LINE FROM VALVE. MINIMUM SIZE TO BE 1" UNLESS OTHERWISE NOTED.
2. PVC FLUSH MANIFOLD. MINIMUM SIZE TO BE 1" UNLESS OTHERWISE NOTED.
3. PVC TEE (SxSxS).
4. PVC ELL (SxS).
5. TORO TRI-LOC ELL (TL-E).
6. TORO TRI-LOC TEE (TL-T).
7. BLANK 5/8" [16mm] POLY TUBING AT SUPPLY AND FLUSH END OF EACH ISLAND.
8. REFER TO DRIPLINE TO PVC CONNECTION DETAIL.
9. AIR/VACUUM RELIEF VALVE PLUMBED TO TUBING AT HIGH POINT.
10. DRIPLINE LATERAL.
11. MANUAL FLUSH VALVE PLUMBED TO TUBING AT LOW POINT.
12. DRIPLINE OPERATION INDICATOR LOCATED AT THE ENDS OF EACH DRIPLINE ZONE.
13. ISLAND PERIMETER.
14. PERIMETER LATERALS 2" [50mm] TO 4" [100mm] FROM EDGE.

NOTE:
1. THE TOTAL LENGTH OF A SINGLE DRIP LINE RUN SHALL NOT EXCEED 300 FT.
2. INSTALL DRIPLINE 2-4" BELOW GRADE AND STAKE DOWN EVERY 4' OR AS REQUIRED.

6 TORO DL 2000 PLANTER LAYOUT

SCALE: NONE

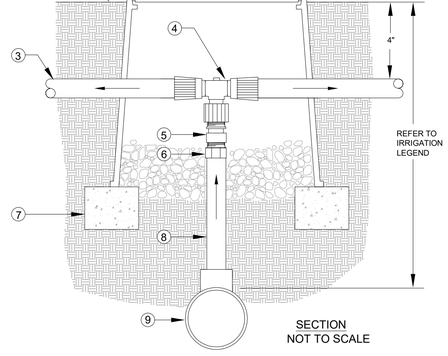


1. FINISH GRADE.
2. DEPTH OF TUBING PER IRRIGATION LEGEND.
3. DEPTH OF PVC LATERAL LINE PER IRRIGATION LEGEND
4. TORO TRI-LOC TEE (TL-T)
5. DRIPLINE TUBING.
6. BLANK 5/8" [16mm] POLY TUBING, LENGTH AS NECESSARY.
7. TORO TRI-LOC MPT ADAPTER (TL-M50)
8. PVC TEE (SxSxT) WITH 1/2" [13mm] FPT OUTLET.
9. PVC LATERAL LINE FROM REMOTE CONTROL VALVE.

NOTE:
THE TOTAL LENGTH OF A SINGLE DRIP LINE RUN SHALL NOT EXCEED 300 FT.

7 TORO DL 2000 CENTER FEED MANIFOLD

SCALE: NONE



SECTION
NOT TO SCALE

1. FINISH GRADE
2. CARSON 708 OR EQUAL. COLOR: BLACK. USE PURPLE FOR RECYCLED WATER SYSTEMS.
3. DRIPLINE TUBING
4. TORO TRI-LOC TEE X 1/2" FPT ADAPTER
5. TORO 1/2" CHECK VALVE (PCV-500)
6. 1/2" SCH 40 MALE ADAPTER.
7. BRICK (1 OF 2)
8. 1/2" SCH 40 PVC (LENGTH AS REQUIRED)
9. PVC LATERAL LINE SUPPLY. MINIMUM SIZE TO BE 1" UNLESS SIZED DIFFERENTLY ON DRAWINGS. USE SCH 40 PVC 1"x1"x1/2" TEE OR 90° ELBOW.

8 DRIPLINE TO PVC CONNECTION

SCALE: NONE

2001 TAROB COURT
Milpitas, CA
May 8, 2019

Irrigation Details (Privately Maintained Landscape Areas, Terrace)
L015

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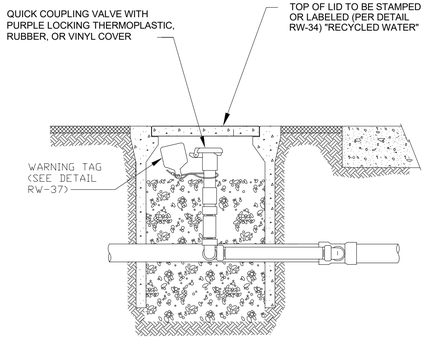
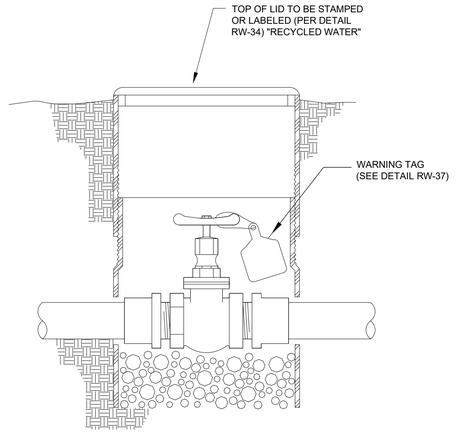
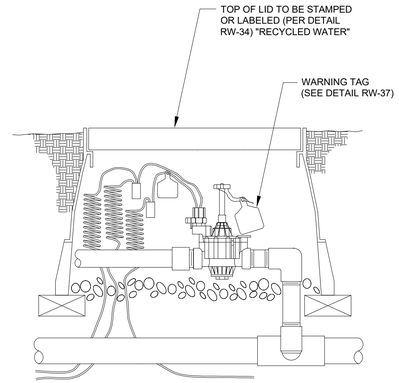


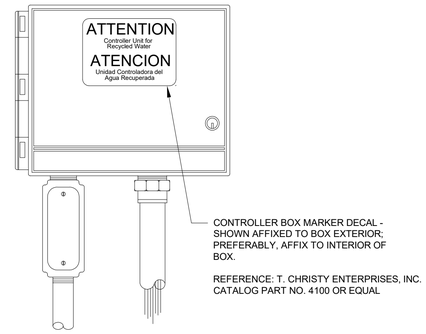
IDENTIFICATION OF QUICK COUPLING VALVE WITH WARNING TAG



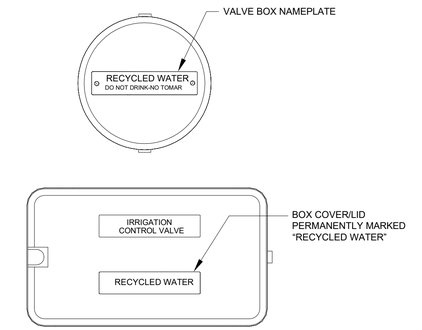
IDENTIFICATION OF ISOLATION GATE VALVE (3" OR SMALLER) WITH WARNING TAG



IDENTIFICATION OF REMOTE CONTROL VALVE WITH WARNING TAG

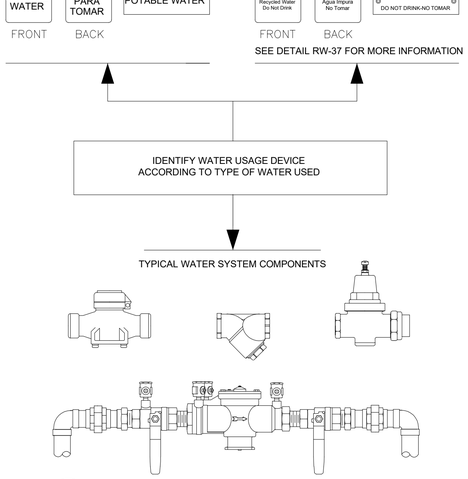


IDENTIFICATION OF IRRIGATION SYSTEM CONTROLLER WITH ADVISORY WARNING DECAL



IRRIGATION BOX COVERS/LIDS SHALL PERMANENTLY READ "RECYCLED WATER." FOR PLASTIC BOX COVERS/LIDS, LETTERING SHALL BE IMPRINTED ON LID OR APPLIED USING A NAMEPLATE ATTACHED ONTO THE COVER/LID WITH RIVETS, SCREWS, OR BOLTS. FOR CONCRETE COVERS/LIDS, LETTERING SHALL BE IMPRINTED ON LID FROM FACTORY. FOR CAST IRON AND METAL CHECKER PLATE COVERS/LIDS, LETTERING MUST BE BEAD-WELDED OR PERMANENTLY STAMPED ONTO LID.

IDENTIFICATION OF IRRIGATION BOX COVERS/LIDS WITH "RECYCLED WATER"



IDENTIFICATION OF WATER CONTROL DEVICES WITH WARNING TAG

MOUNT SIGN SO THAT IT CLEARS HEIGHT OF SURROUNDING PLANTS WHEN THEY MATURE

APPROVED SIGNS MAY BE OBTAINED FROM SOUTH BAY WATER RECYCLING CONTACT (408) 277-3671 FOR MORE INFORMATION

RECYCLED WATER ADVISORY SIGN

SAMPLE WARNING TAG. BACKGROUND PURPLE (PANTONE 512) WITH BLACK LETTERING.

IDENTIFICATION OF RECYCLED WATER WARNING TAG

2001 TAROB COURT
Milpitas, CA
May 8, 2019

Irrigation Details (Publicly Maintained Landscape Areas)
L016

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PROPOSED PLANT PALETTE

BOTANICAL NAME	COMMON NAME	MINIMUM CONTAINER SIZE	EXPOSURE	COMMENTS	WUCOLS
STREET TREES:					
PISTACIA CHINENSIS	CHINESE PISTACHE	24" BOX	SUN	STANDARD	M
NARROW EVERGREEN TREES:					
ARBUTUS 'MARINA'	NCN	24" BOX	N/A	STANDARD	M
MAGNOLIA GRANDIFLORA 'TEDDY BEAR'	MAGNOLIA	36" BOX	SUN/SHADE	STANDARD	M
MAGNOLIA 'LITTLEL GEM'	LITTLE GEM MAGNOLIA	24" BOX	N/A	STANDARD	L
TRISTANIA LAURINA	NCN	24" BOX	N/A	STANDARD	L
ACCENT TREES:					
AGONIS 'AFTERDARK'	NCN	24" BOX	N/A	STANDARD	M
SMALL FLOWERING ACCENT TREES:					
CHIONANTHUS RETUSUS	NCN	24" BOX	SUN/SHADE	STANDARD	L
CERCIS CANADENSIS 'FOREST PANSY'	EASTERN REDBUD	24" BOX	N/A	STANDARD	M
LAGERSTROEMIA INDICA 'MUSKOGEE'	LAVENDER CRAPE MYRTLE	24" BOX	SUN	STANDARD	L
MALUS SPECIES	CRABAPPLE	24" BOX	SUN	STANDARD	L
FOUNDATION SHRUBS:					
COLEONEMA PULCHRUM	PINK BREATH OF HEAVEN	5 GALLON	SUN		L
CORREA SPECIES	AUSTRALIAN FUCHSIA	5 GALLON	SUN/ PART SHADE		L
HIMALAYACALAMUS FALCONERI 'DAMARAPA'	CANDY STRIPE BAMBOO	5 GALLON	SUN/ PART SHADE		L
LOROPETALUM CHINESE	NCN	5 GALLON	PART SHADE		M
RAPHIOLEPIS INDICA 'SPRING RAPTURE'	INDIAN HAWTHORN	5 GALLON	SUN/ PART SHADE		L
ROSMARINUS 'BLUE SPIRES'	UPRIGHT ROSEMARY	5 GALLON	SUN/ PART SHADE		L
OSMANTHUS FRAGRENS	NCN	5 GALLON	SUN/ PART SHADE		L
INTERMEDIATE SHRUBS:					
CORREA SPECIES	AUSTRALIAN FUCHSIA	5 GALLON	SHADE/SUN		L
DIETES VEGETA	FORTNIGHT LILY	5 GALLON	SHADE/SUN		L
LIROPE GIGANTEA	LIRIOPE	5 GALLON	SHADE/SUN		L
NANDINA DOMESTICA	HEAVENLY BAMBOO	5 GALLON	SHADE/SUN		M
PHORMIUM SPECIES	NEW ZEALAND FLAX	5 GALLON	SUN		L
PITTOSPORUM TOBIRA 'WHEELER'S DWARF'	PITTOSPORUM	5 GALLON	SUN/SHADE		L
ROSA SPECIES	SHRUB ROSE	5 GALLON	SUN		M
LAVANDULA SPECIES	LAVENDER	5 GALLON	SUN		L
FOREGROUND SHRUBS:					
AGAPANTHUS SPECIES	LILY OF THE NILE	1 GALLON	SHADE/SUN		M
HEMEROCALLIS HYBRIDS 'ORANGE/YELLOW MIX 50/50'	EVERGREEN DAYLILY	1 GALLON	SUN		M
KNIPHOFIA	RED-HOT POKER	1 GALLON	SUN		L
LAVANDULA 'MUNSTEAD'	ENGLISH LAVENDER	1 GALLON	SUN		L
LIRIOPE MUSCARI 'BIG BLUE'	BIG BLUE LILY	1 GALLON	SHADE		M
ANIGOZANTHOS	KANGAROO PAW	1 GALLON	SUN		L
PHORMIUM SPECIES (DWARF)	NEW ZEALAND FLAX	1 GALLON	SUN		L
SEDUM SPECIES	NCN	1 GALLON	SUN		L
SENECIO SPECIES	NCN	1 GALLON	SUN		L
CAREX SPECIES	CAREX	1 GALLON	SUN/SHADE		L
PITTOSPORUM SPECIES	TOBIRA	5 GALLON	SUN		L
GROUNDCOVERS:					
GREVILLEA LANIGERA 'COASTAL GEM'	NCN	1 GALLON	SUN/SHADE		L
ROSA 'PEACH DRIFT'	PEACH DRIFT	2 GALLON	SUN		M
ROSA 'PINK DRIFT'	PINK GROUNDCOVER ROSE	2 GALLON	SUN		L
ZAUSCHNERIA SPECIES	CALIFORNIA FUCHSIA	1 GALLON	SUN		L
GRASSES:					
CALOMOGROTIS SPECIES	REED GRASS	1 GALLON	SUN		L
FESTUCA MAIREI	ATLAS FESCUE	1 GALLON	SUN		L
LOMANDRA	LOMANDRA	1 GALLON	SUN		L
MUHLENBERGIA SPECIES	DEER GRASS	1 GALLON	SUN		L
PENNISETUM SPECIES	FOUNTAIN GRASS	1 GALLON	SUN		L
VINES:					
FICUS PUMILA	CREEPING FIG	5 GALLON	SUN/SHADE		M
PARTHENOCISSUS TRICUSPIDATA	BOSTON IVY	5 GALLON	SUN/SHADE		M
JASMINUM SPECIES	JASMINE	5 GALLON	SUN/SHADE		M
STORM WATER TREATMENT SHRUBS AND GRASSES:		1 GALLON	MIX EVENLY		

SPECIES/COMMON NAME

ARISTIDA PURPUREA - PURPLE THREE-AWN
BOUTELOUA GRACIS - BLUE GRAMA
CAREX TEMULICOLA - BERKELEY SEDGE
CHONDROPETALUM TECTORUM - CAPE RUSH
JUNCUS PATENS - BLUE RUSH
LEYMUS CONDENSATUS - GIANT WILD RYE
MELICA CALIFORNICA - CALIFORNIA MELIC
MIMULUS SPECIES - MONKEY FLOWER

NOTE:

SEVERAL TREE SPECIES ARE LISTED PER TREE TYPE TO ALLOW FOR FLEXIBILITY IN THE EVENT THAT A SPECIFIC SPECIES IS UNAVAILABLE AT INSTALLATION OR PLANTING AREA IS LIMITED BY UTILITIES. NOT ALL SPECIES OF TREES, SHRUBS, GROUNDCOVERS OR GRASS WILL BE PROPOSED FOR CONSTRUCTION DOCUMENTS.

MINIMUM TREE CLEARANCE NOTE:
1. SMALL TREES (15' TALL/WIDE) SHALL BE PLACED A MINIMUM OF 6' FROM BUILDINGS AND A MINIMUM OF 2' FROM EDGES OF PAVING, CURBS OR WALLS.
2. MEDIUM TREES (25' TALL/WIDE) SHALL BE PLACED A MINIMUM OF 10' FROM BUILDINGS AND A MINIMUM OF 3' FROM PAVING, CURBS OR WALLS.
3. LARGE TREES (ABOVE 25' TALL/WIDE) SHALL BE PLACED A MINIMUM OF 15' FROM BUILDINGS AND A MINIMUM OF 3' FROM PAVING, CURBS OR WALLS.
4. 5' MINIMUM FROM JOINT TRENCH, WATER LINES, WATER METERS AND FIRE HYDRANTS.
5. 8' MINIMUM FROM SANITARY SEWER AND STORM DRAINS.

WATER CONSERVATION CONCEPT STATEMENT:
THE IRRIGATION SYSTEM SHALL BE DESIGNED TO MEET CURRENT WATER EFFICIENCY STANDARDS AND STATE MODEL WATER EFFICIENT LANDSCAPE ORDINANCE AB1881 AS REQUIRED BY LOCAL JURISDICTIONS WHILE ACHIEVING THE FOAL OF EFFECTIVELY AND EFFICIENTLY PROVIDING THE LANDSCAPE WITH WATER BY MEANS OF HIGH EFFICIENCY SPRAY IRRIGATION TO THE TURN AND GROUNDCOVER AREAS AND DRIP IRRIGATION BUBBLERS TO RESTRICTED SHRUB PLANTING AND SHRUB MASS PLANTING AREAS AS APPLICABLE.

IRRIGATION SYSTEMS SHALL BE DESIGNED TO ACCOMMODATE RECYCLED WATER WHERE AVAILABLE EITHER CURRENTLY OR IN THE FUTURE AS DIRECTED BY THE LOCAL WATER PURVEYOR. RECYCLED WATER SYSTEMS SHALL BE DESIGNED IN ACCORDANCE WITH LOCAL AND STATE CODES.

IRRIGATION SYSTEMS FOR LANDSCAPES GREATER THAN 5,000 S.F. SHALL HAVE A DEDICATED WATER METER FOR IRRIGATION.

A WATER EFFICIENT LANDSCAPE WORKSHEET SHALL BE INCLUDED WITH HYDROZONE INFORMATION TABLE, WATER BUDGET CALCULATIONS AND IRRIGATION OPERATION SCHEDULES.

A STATE OF THE ART ET BASED SELF ADJUSTING IRRIGATION CONTROLLER SHALL BE SPECIFIED FOR THIS PROJECT TO AUTOMATICALLY CONTROL THE WATER ALLOCATED TO EACH VALVE GROUPED PER INDIVIDUAL, HYDROZONE (BASED ON PLANT TYPE AND EXPOSURE). THIS SHALL INCLUDE RAIN AND FLOW SENSORS AS APPLICABLE FOR A HIGHER LEVEL OF WATER CONSERVATION.

TREE BUBBLERS SHALL BE INCLUDED ON SEPARATE CIRCUITS TO ISOLATE THE IRRIGATION TO THE TREES AND PROVIDE DEEP WATERING TO PROMOTE A DEEPER ROOT STRUCTURE.

SPRAY IRRIGATION SYSTEMS FOR GROUNDCOVER AREAS GREATER THAN 8' WIDE IN ANY DIRECTION SHALL BE DESIGNED WITH COMMERCIAL SERIES SPRAY HEADS WITH HIGH EFFICIENCY NOZZLES THAT INCLUDE INTERNAL CHECK VALVES AND RPESSURE COMPENSATION DEVICES. THE HEADS SHALL BE DESIGNED IN A HEAD TO HEAD LAYOUT TO ACHIEVE AN EVEN LEVEL OF PRECIPITATION THROUGHOUT THE IRRIGATION SYSTEM. THE NOZZLES DELIVER WATER AT A MINIMUM 70% EFFICIENCY WITH A LOW PRECIPITATION RATE THAT MATCHES THE INFILTRATION RATE OF THE SOIL.

THE DRIP SYSTEM SHALL INCORPORATE PRESSURE COMPESATING DRIP BUBBLERS WITH 1/4" DRIP TUBES TO EACH PLANT WHICH DELIVERS WATER AT 90% EFFICIENCY AT AN APPLICATION RATE THAT MATCHES THE SOIL TYPE.

WATER USE RATING LEGEND:
EBMUD CATEGORIES OF WATER NEEDS FROM:
PLANTS & LANDSCAPES FOR SUMMER DRY CLIMATES OF THE SAN FRANCISCO BAY REGION BY THE EAST BAY MUNICIPAL UTILITY DISTRICT, 2004

MOD	MODERATE WATER
OCC	OCCASIONAL WATER
INF	INFREQUENT WATER
NONE	NO ADDITIONAL WATER

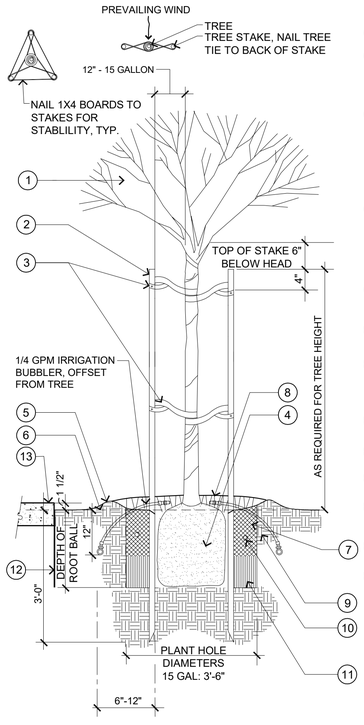
WUCOLS III CATEGORIES OF WATER NEEDS FROM:
UNIVERSITY OF CALIFORNIA COOPERATIVE EXTENSION, CALIFORNIA DEPARTMENT OF WATER RESOURCES, UNITED STATES BUREAU OF RECLAIMATION

H	HIGH
M	MODERATE
L	LOW
VL	VERY LOW

CALIFORNIA NATIVE PLANTS (CNP) FOR THE GARDEN BY CAROL BORNSTEIN, DAVID FROSS, BART O'BRIEN

MOD	MODERATE WATER
OCC	OCCASIONAL WATER
INF	INFREQUENT WATER

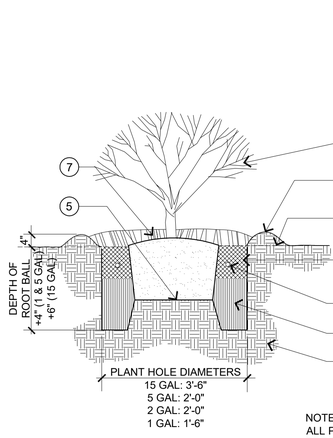
ON-SITE	TOTAL PLANTS	SUBTOTAL PLANTS WITH OCC/INF/NONE/ LOW/VERY LOW WATER REQUIREMENTS
PERCENTAGE OF PLANTS MEETING LOW WATER REQUIREMENTS: 94.7% MORE THAN 75% REQUIRED		



1 TREE: SEE PROPOSED PLANT PALETTE FOR SIZE AND TYPE
2 LODGE POLE PINE TREE STAKES: 3"X10' LONG TREE STAKES FOR WINDY CONDITIONS AND 36" BOX AND LARGER TREES
3 TREE TIE: WONDER TREE-TIE(800-910-2810) MODEL# W14-46, W24-84 OR APPROVED EQUAL. LOOP IN A FIGURE EIGHT AND NAIL TO BACK OF STAKE WITH GALVANIZED THREADED NAILS. ALLOW 3 INCHES OF MOVEMENT OF TREE IN ALL DIRECTIONS.
4 TREE ROOTBALL SET ON 12" LAYER UNDISTURBED NATIVE SOIL. DO NOT PENETRATE ROOTBALL WITH STAKES. TAMP SOIL TO 85% RELATIVE COMPACTION. SET CROWN OF ROOTBALL 2" ABOVE FINISH GRADE.
5 4 INCH TALL EARTH BERM FOR WATER BASIN:
6 FINISH GRADE, SET 3" BELOW FINISH SURFACE.
7 BACK FILL MIX: (TOP 12 INCHES ONLY): 70% PULVERIZED NATIVE SOIL, 30% NITROGEN FORTIFIED FIR OR REDWOOD SAWDUST.
8 BARK MULCH: 3 INCH DEPTH, KEEP CLEAR FROM TRUNK OF TREE
9 NATIVE SOIL
10 FERTILIZER TABS (21 GRAM, 20-10-5): 15 GALLON - 4 TABS
11 PLANTING HOLE, PULVERIZED NATIVE SOIL BELOW 12 INCHES FROM FINISHED GRADE; SCARIFY WALLS
12 ROOT BARRIER
13 PAVING - SEE PLAN

PLANTING NOTES:
1. ALL PLANTING AREAS TO BE TREATED WITH PRE-EMERGENT.

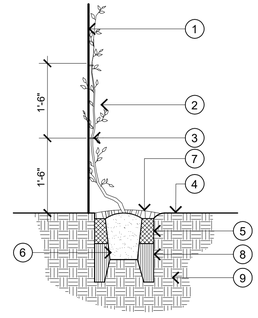
1 TREE STAKING
N.T.S.



1 SHRUB: SEE PROPOSED PLANT PALETTE FOR SIZE AND TYPE
2 4 INCH TALL EARTH BERM FOR WATER BASIN
3 FINISH GRADE
4 BACK FILL MIX: (1/2 DEPTH OF ROOT BALL HT.): 70% PULVERIZED NATIVE SOIL, 30% NITROGEN FORTIFIED FIR OR REDWOOD SAWDUST.
5 SHRUB ROOTBALL SET ON LIGHTLY TAMPED SOIL. SET CROWN OF ROOTBALL 1" ABOVE FINISH GRADE.
6 FERTILIZER TABS (21 GRAM, 20-10-5): 1 GAL. - 1 TAB, 2 GAL. - 2 TABS 5 GAL - 3 TABS, 15 GAL - 5 TABS
7 BARK MULCH: 3 INCH DEPTH, KEEP CLEAR FROM BASE OF PLANT
8 PULVERIZED NATIVE SOIL
9 COMPACTED SUBGRADE OR ENGINEERED FILL

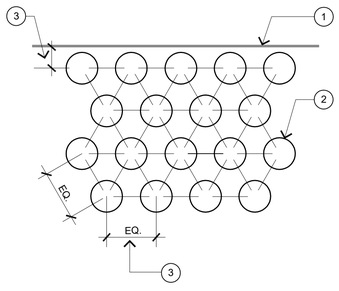
NOTE:
ALL PLANTING AREAS TO BE TREATED WITH PRE-EMERGENT

2 SHRUB PLANTING
N.T.S.



1 SOUND WALL OR TRASH ENCLOSURE
2 VINE: SEE PROPOSED PLANT PALETTE FOR SIZE AND TYPE
3 VINE TIES AT 1'-6" INTERVALS AS SHOWN
4 FINISH GRADE
5 BACK FILL MIX
6 VINE ROOTBALL SET ON LIGHTLY TAMPED SOIL. SET CROWN OF ROOTBALL 1" ABOVE FINISH GRADE
7 BARK MULCH: 3 INCH DEPTH, KEEP CLEAR FROM BASE OF PLANT
8 PULVERIZED NATIVE SOIL
9 COMPACTED SUBGRADE OR ENGINEERED FILL

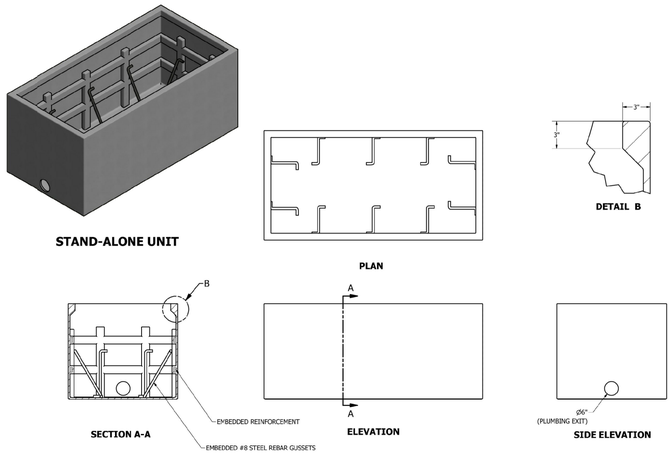
3 VINE PLANTING/STAKING
N.T.S.



1 EDGE OF PAVING, HEADER, FACE OF BUILDING, WALL, ETC.
2 GROUNDCOVER OR SHRUB
3 GROUNDCOVER AND SHRUB SPACING AS PER PLAN AND PROPOSED PLANT PALETTE

NOTES:
1. ALL PLANTS SHALL BE PLANTED AT EQUAL SPACING(TRIANGULAR) UNLESS OTHERWISE SPECIFIED ON THE PLANS.
2. CENTERLINE OF PLANTS SHALL BE 1/2 OF EQUAL SPACING MINIMUM FROM EDGE OF PLANTING AREA.
3. INFILL PLANTS AS REQUIRED TO MAINTAIN SPACING AT IRREGULAR EDGES.
4. KEEP MULCH CLEAR OF PLANT BASE.
5. ALL PLANTING AREAS TO BE TREATED WITH PRE-EMERGENT.

4 GROUNDCOVER PLANTING
N.T.S.



5 FLOW THROUGH PLANTER

2001 TAROB COURT
Milpitas, CA
May 8, 2019

Planting Details (Privately Maintained Landscape Areas, Ground Level & Courtyard)
L018

The True Life Companies
12647 Alcosta Blvd., Suite 470 San Ramon CA 94583
925.824.4300

PLANNING URBAN DESIGN
LANDSCAPE ARCHITECTURE
201 4th street suite 101B, oakland, ca 94607
phone: 510.452.4190 www.r3studios.com

SDG Architects, Inc.
3361 Walnut Blvd. Suite 120
Brentwood, CA 94513
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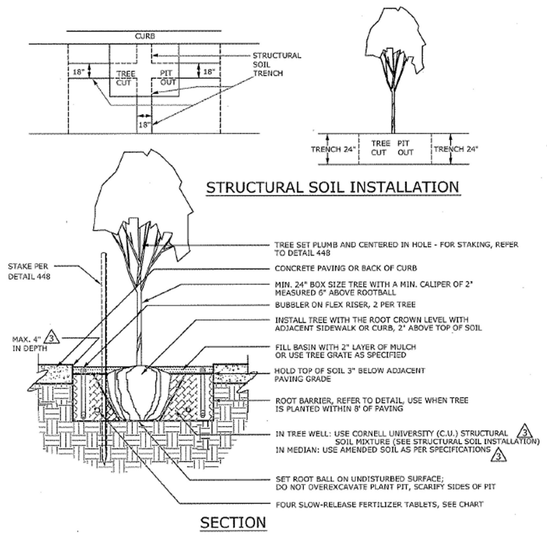
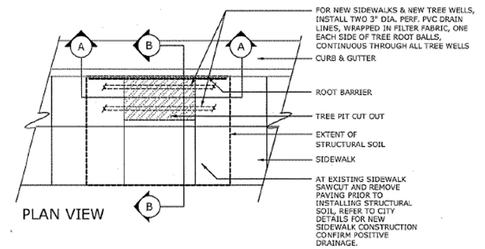


Notes:

1. TREES SHALL NOT BE ROOT-BOUND. CAREFULLY SCARIFY ROOTBALL BEFORE PLANTING, IF DIRECTED.
2. REMOVE ANY SPROUTS/SHOOTS WITHIN 6" OF SOIL.
3. CONFIRM POSITIVE DRAINAGE OF PLANT PIT PRIOR TO PLANTING TREE. INSTALL DRAIN AS PER TREEWELL DETAIL 448. DRAINAGE RATE OF ALL MATERIALS, INCLUDING MULCH, SHOULD BE NO LESS THAN 1/4" PER HOUR AND NOT EXCEED 2" PER HOUR.
4. WHEN TREE GRATES ARE USED, LOWER ALL FEATURES SHOWN WITHIN THE TREE PIT BY 3".

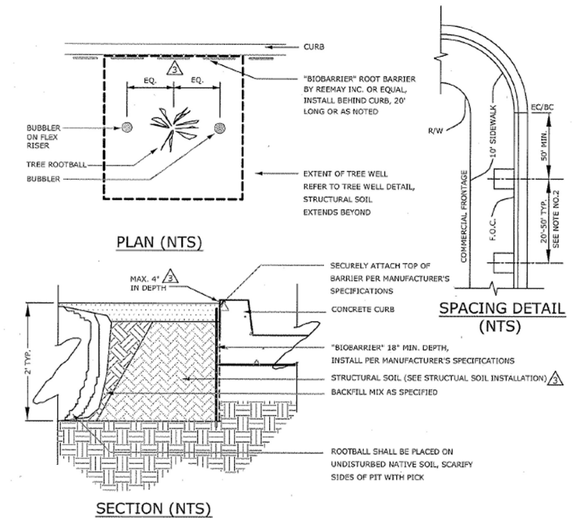
NOT TO SCALE

CITY OF MILPITAS, ENGINEERING DIVISION			STANDARD DRAWING
REVISION	DATE	STREET TREE PLANTING AT TREE WELLS & MEDIANS	NO. 448
1	1991		DATE : 6/15/10
2	2001		
3	2010	APPROVED BY: 3 PUBLIC WORKS DIRECTOR / CITY ENGINEER RCE No. 40283	SHEET 1 OF 5



NOT TO SCALE

CITY OF MILPITAS, ENGINEERING DIVISION			STANDARD DRAWING
REVISION	DATE	STREET TREE PLANTING IN TREE WELL	NO. 448
1	1991		DATE : 6/15/10
2	2001		
3	2010	APPROVED BY: 3 PUBLIC WORKS DIRECTOR / CITY ENGINEER RCE No. 40283	SHEET 4 OF 5



Notes:

1. ROOT BARRIER IS REQUIRED WHEN THE CENTERLINE OF THE TREE IS WITHIN EIGHT FEET OF STREET CURB OR PAVING.
2. ONE STREET TREE SHALL BE PROVIDED PER RESIDENTIAL LOT PER STREET, OR AS SHOWN ON PLANS APPROVED BY THE CITY ENGINEER. SPACING WILL VARY DEPENDING ON TREE SPECIES, IN GENERAL, THE SPACING SHALL BE EQUAL TO THE MATURE CANOPY DIAMETER.

NOT TO SCALE

CITY OF MILPITAS, ENGINEERING DIVISION			STANDARD DRAWING
REVISION	DATE	STREET TREE PLANTING	NO. 448
1	1991		DATE : 6/15/10
2	2001		
3	2010	APPROVED BY: 3 PUBLIC WORKS DIRECTOR / CITY ENGINEER RCE No. 40283	SHEET 5 OF 5

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925.634.7000 | sdgarchitectsinc.com

November 2, 2018

RECEIVED
NOV 2 2018
CITY OF MILPITAS
PLANNING DIVISION

Ms. Lillian Hua
Associate Planner
City of Milpitas
455 Calaveras Boulevard
Milpitas, CA 95035-5749

Subject: 2001 Tarob Court, 40 Unit Stacked Flat Condominium Project

Dear Ms. Hua,

The True Life Companies (TTLC) is pleased to submit and entitlement application for 2001 Tarob Court (APN:086-036-034) for a market rate, 40 unit stacked flat condominium development on approximately 1.22 acres of land within the R3-TOD zoning district of the Transit Area Specific Plan (TASP) with 15% of the units designated as affordable. This entitlement application addresses the submittal requirements for a Site Development Permit and a Parcel Map for condominium purposes. The intent of this submittal is to provide the City of Milpitas with a 100% conforming project that does not need any discretionary approvals beyond the parcel map for condominium purposes.

Site Development – Project Description, General Plan, Specific Plan and Zoning Consistency
The project site located at the western corner of Tarob Court and Lundy Avenue and is currently occupied by a single 16,463 SF office/industrial building. The site is located at the border between Milpitas and San Jose with existing office/industrial units to its north and west adjacencies and to the east is 1992 Tarob Court for which TTLC successfully received townhome approvals at the end of 2017. No traffic, noise or biological surveys were completed for this proposal as it is proposed under the umbrella of the Transit Area Specific Plan Environmental Impact Report Addendum and the Tarob Court General Plan Amendment No. GP16-0005, Specific Plan Amendment ST166-0003 and Zoning Amendment ZA 16-0003 approved by Milpitas City Council in October 2017.

The General Plan designation for the property is High Density Residential 21-40 du/ac with an and R3-TOD zoning within the Transit Area Specific Plan. This project complies with the density by proposing 32.8 dwelling units per acre on 1.22 acres or 40 dwelling units. The project consists of 24, 3 bedroom – 2 bathroom units ranging from 1,520 SF to 1,600 SF and 16, 2 bedroom-2 bathroom units ranging from 1,250 SF to 1,270 SF. The building has an elevator making all of the units ADA accessible.

Affordability
Six (6) units will be designated as affordable units complying with City's preference to have the 15% affordable requirement met through the construction of the units rather than paying the fee.

Parking

The project is fully parked on-site with 78 parking stalls at 1.6 per unit, plus 20% guest, while 15% guest is required when parking is located in a garage such as this. No on-street parking is counted towards the project. One charging station is provided and one van accessible space is provided. Just less than 30% of the spaces are compact and 64 spaces are covered.

Grading and Drainage

It is important to note that the entire site will be raised up by approximately 4.5 feet from its existing grade in order to comply with the City of Milpitas Flood Ordinance as the site is located in the Penitencia Creek Watershed Flood Plain. An ADA accessible ramp has been added to the frontage of this project adjacent to the Tarob Court sidewalk allowing for ADA accessibility from the sidewalk to the project elevator lobby. Drainage is handled through landscaping and pervious paving in the main drive aisle with the fire engine/garbage truck turn around.

Common and Private Open Space

The property is encumbered by an approximately 40 foot wide public utility easement (PUE) which tapers down towards the corner of Tarob and Lundy adjacent to Lundy Avenue. The proposal uses this area to meet the majority of the required public open space in addition to an internal ground floor courtyard. An additional 1,375 SF second floor terrace is provided with outdoor furnishings but is not included in the open space calculation. The total required open space for the project is .30 acres where the project proposes a total of .44 acres of open space. The open space/PUE is proposed to be updated with shrubbery and a walking path but will not have any permanent structures or trees placed in it. Five (5) Jacaranda trees have been incorporated into the site landscaping.

A portion of the public open space is the interior courtyard will have a variety of seating areas, shrubbery and trees that will allow for a protected and inviting visiting area. This seating area is located at the center of the building and will be screened from the ground floor parking by a dense row of columnar bamboo flanking each side of the courtyard. This courtyard is directly connected to the open space/PUE facing Lundy Avenue via a designated walkway with special paving for easy pedestrian crossing through the parking garage drive aisle. TTLC proposes to pay the public art in-lieu fee (amount TBD) as this property is highly constrained by the requirements of setbacks, fire access, parking and public open space.

The following table explains the project metrics:

Proposal	Code	Compliant
32.8 units/acre = 40 units on 1.22 ac	21-40 units/acre = 48 units on 1.22 ac	YES
• 24, 3bd • 16, 2bd		
15% Affordable = 6 units	15% Affordable = 6 units	YES
78 parking spaces	77 spaces	YES
• 64 covered	64 covered	YES
• 20% guest =13	15% guest = 10 guest	YES
• 22 compact	30% compact = 23 allowed	YES
.44 acres common open space	.35 acres	YES

Proposal	Code	Compliant
359 SF/unit private open space	200SF/unit private open space	YES
Height = 49' (approx.)	75' Max	YES
Ramp & Elevator access	ADA accessible	YES
Public Art In-Lieu Fee	In-Lieu Permitted	YES

The property is located in San Jose's Berryessa School District and will not impact Milpitas Schools. The project will participate in the TASP Community Facilities District. As a part of the demolition of the property 34 trees will be removed and others may be negatively impacted by the raising of the grade for flood zone purposes. Tree replacement is required at a 3:1 ratio however the PUE is not allowed to be planted with trees therefore our available land area for planting is constrained. Forty nine (49) trees are proposed to be planted when the requirement is for 102. TTLC will work with the City to resolve this discrepancy.

An electronic Box link with the following attachments has been sent to your e-mail address at lhua@ci.milpitas.ca.gov:

1. City of Milpitas signed application form, dated October 31, 2018
2. Site Development Package, dated October 31, 2018
3. Preliminary Arborist Report by Hortscience, dated March 5, 2018
4. Preliminary Geotechnical Report by Cornerstone Earth Group, dated November 13, 2017
5. Phase 1 ESA and Soil Quality Evaluation by Cornerstone Earth Group, dated January 9, 2017
6. Signed Utility Modeling Acknowledgement
7. ALTA Survey 2018
8. Preliminary Title Report, dated November 2018 (forthcoming)
9. Preliminary Storm Water Management Plan, dated October 301, 2018 with C3 Data Sheet included.

TTLC is happy to be processing its fourth project in the City of Milpitas and looks forward to a successful collaboration and approval. Please call me at 925-380-1699 or e-mail me a lbeniston@thetruelifecompanies.com any time should you have a question or would like to discuss the proposal.

Respectfully,

Leah Beniston

Leah Beniston
Vice President of Entitlement
THE TRUE LIFE COMPANIES

City of Milpitas
Planning Department

455 E. Calaveras Blvd., Milpitas, CA 95035
Telephone: 408-586-3279 • Fax: 408-586-3305
www.ci.milpitas.ca.gov

Planning and Zoning Application

Please print or type. The City's acceptance of this application and required filing fee does not constitute a completed application pursuant to Government Code 65943. Applicant will be considered the project contact unless otherwise indicated on this form and will be the sole recipient of City correspondence, including staff reports, project approval letter, and conditions of approval.

Permit Type

☑ Site Development Permit	☐ Major Tentative Map	☐ Zoning Amendment/Change	☑ Variance
☐ Minor Site Development	☐ Minor Tentative Map	☐ Planning Appeal	☐ Interpretation
☐ Conditional Use Permit	☐ Planned Unit Development	☐ Specific Plan Amendment	☐ Administrative Permit
☐ Minor Conditional Use Permit	☐ General Plan Amendment	☐ Time Extension	☐ Pre-Application Review

☑ Other PARCEL MAP ☐ Check if Amendment to Existing Permit: (Number)_____

Application Information and Certification

Applicant's Name: THE TRUE LIFE COMPANIES	Telephone: 925-380-1699 / Fax:
Mailing Address (Street, City, State, Zip): 12647 ALCOSTA BLVD. #470 SAN RAMON, CA 94583	E-mail: LBENISTON@THETRUELIFECOMPANIES.COM
Applicant's relationship to property owner: ☐ Same ☐ Architect ☐ Agent ☐ Lessee	*I certify that the information herewith submitted is true and correct to the best of my knowledge.* Signature: Leah Beniston Date: 9/26/18

Other (please specify) DEVELOPER

Project Information

Project Address: 20011 TAROB CT. MILPITAS	Assessor's Parcel Number(s): 086-36-034
Existing Use of Project Site: OFFICE	Site Area (acres) / Building Floor Area (square footage): 1.23 ACRES

Project Name and Description (Please describe in detail, using an additional sheet if needed.):
44 UNIT CONDOMINIUM DEVELOPMENT. R-3 COMPLIANT

Project Ownership and Authorization

Name, address and signature of all property owners having an interest in the property. All owners' consent is required to authorize the filing of this application. Use additional sheet if needed.

Name and Address: SEE ATTACHED	Signature: Date:
Contact Information: email and phone	Signature: Date:

Project Contact Information

List project contact information if different from Applicant listed above.

Name: LEAH BENISTON	Authority: ☐ Owner ☐ Agent ☐ Lessee ☑ Other (list) DEVELOPER
Mailing Address: SAME AS APPLICANT	Telephone: 925-380-1699 / Fax:
	E-mail: LBENISTON@THETRUELIFECOMPANIES.COM

STAFF USE ONLY

Application Received By:	Date:	Application Submittal Fee:	Total Fee Deposit:
Permit Number(s):			PJ:

☐ Single Divider Folder ☐ Double Divider Folder Rev. Jan 2015

INDEMNIFICATION AGREEMENT
FOR DEVELOPMENT APPLICATIONS

Applicant submitted an application to the City of Milpitas Planning Division on 11-2-18, 2018 for the following development approval(s): 44 UNIT CONDOMINIUM PROJECT. R-3 COMPLIANT.

(the "Project"). For good and valuable consideration, the receipt and sufficiency of which is herby acknowledged, Applicant hereby expressly agrees in connection with the processing of Applicants Project application(s) to each and every one of the following terms and conditions:

1. Applicant agrees, as part of and in connection with each and any of the application(s), to defend, indemnify, and hold harmless the City of Milpitas ("City") and its officers, contractors, consultants, attorneys, employees and agents from any and all claims(s), action(s), or proceeding(s) (collectively referred to as "proceeding") brought against City or its officers, contractors consultants, attorneys, employees, or agents to challenge, attack, set aside, void, or annual:
   a. Any approvals issued in connection with any of the above described application(s) by City; and/or
   b. Any action taken to provide related environmental clearance under the California Environmental Quality Act of 1970, as amended ("CEQA") by City's advisory agencies, boards or commissions; appeals boards or commissions; Planning Commission, or Council.

   Applicant's indemnification is intended to include, but not limited to, damages, fees and/or costs awarded against or incurred by City, if any, and costs of suit, claim or litigation, including without limitation attorneys' fees and other costs, liabilities and expenses incurred in connection with such proceeding whether incurred by Applicant, City, and/or parties initiating or involved in such proceeding.

2. Applicant agrees to indemnify City for all of City's costs, fees, and damages incurred in enforcing the indemnification provisions of this Agreement.

3. Applicant agrees to defend, indemnify and hold harmless City, its officers, contractors, consultants, attorneys, employees and agents from and for all costs and fees incurred in additional investigation or study of, or for supplementing, redrafting, revising, or amending, any document (such as an environmental impact report, negative declaration, specific plan, or general plan amendment) if made necessary by said proceeding and if applicant desires to pursue such City approvals and/or clearances, after initiation of the proceeding and that are conditioned on the approval of these documents.

4. In the event that Applicant is required to defend City in connection with such proceeding, City shall have and retain the right to approve:
   a. The counsel to so defend City; and
   b. All significant decisions concerning the manner in which the defense is conducted; and
   c. Any and all settlements, which approval shall not be unreasonably withheld.

   City shall also have and retain the right to not participate in the defense, except the City agrees to reasonably cooperate with Applicant in the defense of the proceeding. If City chooses to have counsel of its own to defend any proceeding where Applicant has already retained counsel to defend City in such matters, the fees and expenses of the additional counsel selected by City shall be paid by City. Notwithstanding the immediately preceding sentence, if City's Attorney's Office participates in the defense, all City Attorney fees and costs shall be paid by Applicant.

5. Applicant's defense and indemnification of City set forth herein shall remain in full force and effect throughout all stages of litigation including any and all appeals of any lower court judgments rendered in the proceeding.

   After review and consideration of all of the forgoing terms and conditions, Applicant, by its signature below, hereby agrees to be bound by and fully and timely comply with all of the foregoing terms and conditions.

APPLICANT By: Leah Benisto (Signature) Date: 9/26/18

LEAH BENISTON (Print) Its: VP OF ENTITLEMENT (Title, if any)

City of Milpitas
Planning Department

455 E. Calaveras Blvd., Milpitas, CA 95035
Telephone: 408-586-3279 • Fax: 408-586-3305
www.ci.milpitas.ca.gov

Planning and Zoning Application

Please print or type. The City's acceptance of this application and required filing fee does not constitute a completed application pursuant to Government Code 65943. Applicant will be considered the project contact unless otherwise indicated on this form and will be the sole recipient of City correspondence, including staff reports, project approval letter, and conditions of approval.

Permit Type

☑ Site Development Permit	☐ Major Tentative Map	☐ Zoning Amendment/Change	☑ Variance
☐ Minor Site Development	☐ Minor Tentative Map	☐ Planning Appeal	☐ Interpretation
☐ Conditional Use Permit	☐ Planned Unit Development	☐ Specific Plan Amendment	☐ Administrative Permit
☐ Minor Conditional Use Permit	☐ General Plan Amendment	☐ Time Extension	☐ Pre-Application Review

☑ Other PARCEL MAP ☐ Check if Amendment to Existing Permit: (Number)

Application Information and Certification

Applicant's Name: THE TRUE LIFE COMPANIES
Telephone: 925-380-1699
Fax:
Mailing Address (Street, City, State, Zip): 12647 ALCOSTA BLVD. #470, SAN RAMON, CA 94583
E-mail: LBENISTON@THETRUELIFECOMPANIES.COM

I certify that the information herewith submitted is true and correct to the best of my knowledge.
Signature: Leah Beniston **Date:** 9/26/18

Applicant's relationship to property owner:
☐ Same ☐ Architect ☐ Agent ☐ Lessee
Other (please specify) DEVELOPER

Project Information

Project Address: 2001 TINDER CT. MILPITAS
Assessor's Parcel Number(s): 086-36-034
Existing Use of Project Site: OFFICE
Site Area (acres) / Building Floor Area (square footage): 1.23 ACRES
Project Name and Description (Please describe in detail, using an additional sheet if needed.): 44 UNIT CONDOMINIUM DEVELOPMENT. R-3 COMPLIANT

Project Ownership and Authorization

Name, address and signature of all property owners having an interest in the property. All owners consent is required to authorize the filing of this application. Use additional sheet if needed.

Name and Address: KARL CORTESE, 3626 NOBLEROSE CT SAN JOSE, CA. 95148
Signature: [signature] **Date:** 9-27-2018
Contact Information: email and phone (408) 238-4419 K.CORTESE@SBCGLOBAL.NET
Signature: [signature] **Date:** 9-27-2018

Project Contact Information

List project contact information if different from Applicant listed above.

Name: LEAH BENISTON
Authority: ☐ Owner ☐ Agent ☐ Lessee ☑ Other (list) DEVELOPER
Mailing Address: SAME AS APPLICANT
Telephone: 925-380-1699 **Fax:**
E-mail: LBENISTON@THETRUELIFECOMPANIES.COM

STAFF USE ONLY

Application Received By:	Date:	Application Submittal Fee:	Total Fee Deposit:
Permit Number(s):			PJ:

☐ Single Divider Folder ☐ Double Divider Folder Rev. Jan 2015

Consultant List

Have consultants been identified to assist with this project? ☑ Yes ☐ No

By: LEAH BENISTON — VICE PRESIDENT OF ENTITLEMENTS — 11/2/2018
Name of Person Completing this Form | Capacity | Date

Consultants include, but are not limited to, architects, designers, contractors, landscape architects, engineers, planners, real estate agents, and environmental consultants. It is important this form be filled out completely. It enables members of the City Council, Planning Commission and staff to avoid potential conflicts of interest, which could otherwise invalidate your project's approval.

Name: SCOTT PRICKETT — Capacity: ARCHITECT
Company: SDG ARCHITECTS INC. — Phone No.: 925-634-7000
Address: 3861 WALNUT BLVD. #120 BRENTWOOD, CA 94513 — Email:
Milpitas Business Tax ID#

Name: — Capacity: ENGINEER
Company: WOOD ROGERS — Phone No.: 925-847-1556
Address: 4670 WILLOW RD, #125 PLEASANTON, CA 94588 — Email:
Milpitas Business Tax ID#

Name: ROMAN DE SOTA — Capacity: LANDSCAPE DESIGN
Company: R3 STUDIOS — Phone No.: 510-452-4190
Address: 201 4TH ST #101B OAKLAND, CA 94607 — Email:
Milpitas Business Tax ID#

Name: — Capacity:
Company: — Phone No.:
Address: — Email:
Milpitas Business Tax ID#

Name: — Capacity:
Company: — Phone No.:
Address: — Email:
Milpitas Business Tax ID#

Name: — Capacity:
Company: — Phone No.:
Address: — Email:
Milpitas Business Tax ID#

If more room is necessary, you may complete and attach additional copies of this form.

City of Milpitas Municipal Code Title III requires everyone, including consultants, who render services in or from the City of Milpitas to have a valid business tax/license. Please contact the Business Resource Center at 408-586-3100 for instructions on how to obtain a Milpitas Business Tax ID number.

Hazardous Waste and Substances Statement

Pursuant to California Government Code Section 65962.5 (AB 3750 – Cortese)

Government Code Section 65962.5 requires that "before a lead agency accepts as complete an application for any development …the applicant shall consult the [Cortese] list and shall submit a signed statement…indicating whether the project and any alternative are located on a site that is included on [the list]." This form is provided for that purpose.

TO: Planning Division
City of Milpitas
455 East Calaveras Blvd
Milpitas, CA 95035

I have consulted the current Hazardous Waste and Substances Sites List, consolidated by the California Environmental Protection Agency pursuant to Government Code Section 65962.5 at http://www. calepa.ca.gov/SiteCleanup/CorteseList/ regarding the development project application herewith submitted.

Based on my consultation, the location of the project, shown below,

☐ IS ☒ IS NOT

on a site which is included on the attached most recent Hazardous Waste and Substances Sites List.

Project location:

If located on such a site, print the sources of that information as shown on the list:

I declare under penalty of perjury that the foregoing is true. Executed this 2 day of November, 2018, in
(date) (month) (year)

San Ramon, CA
(city and state)

x Leah Beniston
Signature of applicant (or agent)

Leah Beniston, Vice President of Entitlements
Print applicant name, with agent name and title, if any

Development Statistics

SECTION 1: ZONING AND GENERAL PLAN INFORMATION

a. What is the property currently designated for:
ZONING: R3 - TOD
GENERAL PLAN: HIGH DENSITY RESIDENTIAL 21-40 du/ac

b. Are any changes being proposed to either the Zoning or General Plan? ☑ NO ☐ YES.

IF YES, list the new Zoning District or,
General Plan designation(s) as appropriate --
ZONING: _____
GENERAL PLAN: _____

SECTION 2: SIZE OF DEVELOPMENT AND NUMBER OF LOTS

a. What is the total land area of the project site? 1.22 ☐ SQ. FT./ ☑ ACRES.

b. How many legal lots does the project area currently contain? _____ LOTS

c. Do you propose to subdivide the project site and thereby increase the number of lots? ☐ NO ☐ YES.
If yes, are the total number of lots? _____ lots

d. Is the site currently vacant? ☑ NO ☐ YES.

SECTION 3: HISTORIC INFORMATION

a. Were any structures located on the project site constructed prior to 1956? ☑ NO ☐ YES. – If yes, when was the structure built? Year Built: _____

b. How is this structure being used? OFFICE

c. Describe generally where this structure is located on the project site: _____

d. Is the site or any of the structures considered to be historically significant? ☑ NO ☐ YES.

e. What type of historic designation? (check one) ☐ Federal ☐ State ☐ Landmark ☐ Local

f. Is the site or structure known by a particular name? ☐ NO ☐ YES – If yes, list its name –

☐ Site _____ ☐ Building _____

SECTION 4: EXISTING RESIDENTIAL

a. Does the project site currently contain any residential dwellings? ☑ NO ☐ YES. – If YES, what is the total number of units? _____ Units.

b. Indicate the number of units by type: _____ Single Family Detached; _____ Single Family Attached; _____ Townhouses; _____ Condominiums; _____ Apartments

c. Are there any existing affordable housing units on the project site? ☑ NO ☐ YES, If YES, how many affordable housing units does the development contain? _____ Affordable Units.

SECTION 5: NEW RESIENTIAL: PROPOSED OR CHANGES TO EXSTING

a. Do you propose to increase the number of affordable units? ☐ NO ☑ YES. – If YES, how many units? 6 Affordable units

b. Do you propose to add any new units to the project site? ☐ NO ☑ YES. – If YES, what are the types and number of units:

____ Single Family Detached; ____ Single Family Attached;

____ Townhouses; 40 Condominiums; ____ Apartments

c. Do you propose to delete any residential units from the project? ☑ NO ☐ YES. – If YES, what are the types and number of units: ____ Single Family Detached; ____ Single Family Attached;

____ Townhouses; ____ Condo.; ____ Apartments

d. Are any jobs being removed from the project site? ☐ NO ☑ YES. – If YES, Indicate how many: ____ employees

SECTION 6: RESIDENTIAL PARKING INFORMATION

a. How many COVERED parking spaces are currently being provided per dwelling unit? 1.6 spaces

b. How many UNCOVERED parking spaces per unit? 0.35 spaces

c. Given the total amount of parking spaces being provided, list the number of spaces by their types:

COVERED: ☐ 47 No. of Standard; ☐ 15 No. of Compact; ☐ 2 No. of Handicapped Van; ☐ ____ No. of Handicapped Car; ☐ ___ No. of Bicycle Spaces; ☐ ____ No. of Motorcycle; ☐ ____ ~~No. of Off Site;~~ ☐ ____ No. of Other

UNCOVERED: ☐ 7 No. of Standard; ☐ 6 No. of Compact; ☐ 1 No. of Handicapped Van; ☐ ____ No. of Handicapped Car; ☐ ___ No. of Bicycle Spaces; ☐ ____ No. of Motorcycle; ☐ ____ ~~No. of Off Site;~~ ☐ ____ No. of Other

d. Are any changes being proposed to the number of available parking spaces? ☐ NO ☐ YES. – If YES, will there be an increase or decrease in the total number of spaces. ☐ Increased by ____ spaces ☐ Decreased by ____ spaces.

e. Indicate the revised composition:

COVERED: ☐ ____ No. of Standard; ☐ ____ No. of Compact; ☐ ____ No. of Handicapped Van; ☐ ____ No. of Handicapped Car; ☐ ___ No. of Bicycle Spaces; ☐ ____ No. of Motorcycle; ☐ ____ ~~No. of Off Site;~~ ☐ ____ No. of Other

UNCOVERED: ☐ ____ No. of Standard; ☐ ____ No. of Compact; ☐ ____ No. of Handicapped Van; ☐ ____ No. of Handicapped Car; ☐ ___ No. of Bicycle Spaces; ☐ ____ No. of Motorcycle; ☐ ____ ~~No. of Off Site;~~ ☐ ____ No. of Other

SECTION 7: EXISTING NON-RESIDENTIAL

a. Are there any existing non-residential buildings on the project site? ☐ NO ☑ YES. – If YES, what is the combined total floor area of the buildings 16,463 Sq. Ft.

b. Indicate which non-residential uses are currently existing on the project site: ☑ General Office; ☐ Medical Offices/Clinics; ☐ Warehouse; ☐ Retail; ☐ Industrial R&D; ☐ Industrial Speculative Bldg.; ☐ Religious Institutions/Facilities; ☐ Child Day Care; ☐ Hotel/Motel; ☐ Services; ☐ Other _____

c. Please provide the following information on existing land uses, where applicable: Number of ☐ _____ Seats (Religious Institutions, Restaurants); ☐ _____ Children (Child Day Care); ☐ _____ Students (Schools); ☐ _____ Beds (Residential Care Facilities); ☐ _____ Rooms (Hotel/Motel).

SECTION 8: NEW NON-RESIDENTIAL: PROPOSED OR CHANGES TO EXISTING

a. Are any new land uses being proposed for the project site? ☐ NO ☐ YES. – If YES, Indicate which uses are being proposed – ☐ General Office; ☐ Medical Offices/Clinics; ☐ Hotel/Motel; ☐ Retail; ☐ Warehouse; ☐ Services; ☐ Industrial R&D; ☐ Industrial Speculative Bldg.; ☐ Religious Institutions/Facilities; ☐ Child Day Care; ☐ Other

b. Do you plan to add any new floor area? ☐ NO ☐ YES. – If YES, how much additional floor area? : _____ Sq. Ft.

c. Please provide the following information for the proposed uses, where applicable: Number of ☐ _____ Seats (Religious Institutions, Restaurants); ☐ _____ Children (Child Day Care); ☐ _____ Students (Schools); ☐ _____ Beds (Residential Care Facilities); ☐ _____ Rooms (Hotel/Motel).

d. Are any uses being removed/deleted from the site? ☐ NO ☐ YES. – If YES indicate which uses are proposed to be removed/deleted - ☐ NO ☐ YES. – If YES, Indicate which uses are being proposed – ☐ General Office; ☐ Medical Offices/Clinics; ☐ Hotel/Motel; ☐ Retail; ☐ Warehouse; ☐ Services; ☐ Industrial R&D; ☐ Industrial Speculative Bldg.; ☐ Religious Institutions/Facilities; ☐ Child Day Care; ☐ Other

e. Do you plan to reduce the amount of floor area devoted for non-residential use? ☐ NO ☐ YES. – If YES, what is remaining amount of non-residential floor area? : _____ Sq. Ft. of non-residential use.

f. Are any jobs being removed from the project site? ☐ NO ☐ YES. – If YES, Indicate how many: _____ employees

g. Approximately how many jobs will the project create? _____ employees

SECTION 9: NON-RESIDENTIAL PARKING INFORMATION

a. What is the total number of parking spaces currently available for the project? _____ Total spaces

b. List the number of existing parking spaces by their types: ☐ ____ No. of Standard; ☐ ____ No. of Compact; ☐ ____ No. of Handicapped Van; ☐ ____ No. of Handicapped Car; ☐ ____ No. of Bicycle Spaces; ☐ ____ No. of Motorcycle; ☐ ____ No. of Other

c. Are any changes being proposed to the number of available parking spaces? ☐ NO ☐ YES. – If YES, will there be an increase or a decrease in the total number of spaces. ☐ Increased by _____ spaces; ☐ Decreased by _____ spaces.

d. Indicate the revised composition: : ☐ ____ No. of Standard; ☐ ____ No. of Compact; ☐ ____ No. of Handicapped Van; ☐ ____ No. of Handicapped Car; ☐ ____ No. of Bicycle Spaces; ☐ ____ No. of Motorcycle; ☐ ____ No. of Other

Planning and Neighborhood Services
455 East Calaveras Boulevard
Milpitas, CA 95035
Phone (408) 586-3279

Environmental Information Assessment

Purpose: The Environmental Information Assessment process is intended to identify any potential environmental effects of a proposed development project, and to identify measures to minimize or compensate for any impacts that are expected. Further, the Environmental Information Assessment facilitates the completion of a subsequent Initial Study. The Initial Study document is the primary means of determining the level of environmental review required under the California Environmental Quality Act (CEQA) and, consequently, whether a Negative Declaration or an Environmental Impact Report must be completed for a proposed project. The three major documents in the environmental review process are:

- An initial study is the preliminary analysis prepared by staff to determine whether a negative declaration or an environmental impact report should be prepared;
- A negative declaration is a document which states the project will not have, or can, based on available information be prevented from having, a significant adverse impact on the environment; and
- An environmental impact report (EIR) is a detailed report on the estimated significant avoidable and unavoidable environmental impacts of the project.

This form is intended to accompany a project application form.

Application Submittal Requirements: Most environmental impact assessments are required in conjunction with a request for a land use or site plan approval. In such cases, see the information sheet for a project for all submittal requirements. This information sheet and questionnaire provides supplemental information to the project submittal application form.

Code/Regulations Reference: California Public Resources Code, beginning with Section 21000; implementing regulations adopted by the Office of Planning and Research (CEQA: California Environmental Quality Act, Statutes and Guidelines 2002)

Incomplete Applications: An application is considered to be incomplete if any of the items checked on this information sheet have not been included. Processing of the application will be delayed until the submittal is determined to be complete.

I understand that my plan review may be delayed if required materials are missing, incomplete, or otherwise lacking information or clarity as determined by staff from the submittal package. I further understand that my plan review will be delayed if materials submitted do not comply with City codes, ordinances and standards.

Leah Beniston — Project Applicant

11-1-18 — Date

Project Address: 2001 TAROB CT. MILPITAS

Assessor's Parcel Number: 086-36-034

General Plan Designation: HIGH DENSITY RESIDENTIAL **Zoning District:** R-3 TOD

Project Applicant Name and Telephone Number: LEAH BENISTON 925-380-1699

The following information is required to be submitted with a planning or development application to ascertain the level and type of environmental review that will be needed to support your project. This form may also be submitted with a Planning Application form to commence environmental studies on a project site to inform the overall project design.

Project Name: _____

Brief Project Description:

FOUR STORY CONDOMINIUM BUILDING WITH 40 RESIDENTIAL DWELLING UNITS ABOVE GROUND FLOOR PARKING.

Have any studies or site investigations been performed for the property? No___ If yes, please attach a copy of each study and list the title of each study here:

PRELIMINARY TITLE REPORT DATED NOVEMBER 2,2018

PRELIMINARY ARBORIST REPORT DATED MARCH 5,2018

PRELIMINARY GEOTECHNICAL REPORT DATED NOVEMBER 13,2017

PHASE I ESA AND SOIL QUALITY EVALUATION DATED JANUARY 9,2017

SIGNED UTILITY MODELING ACKNOWLEDGEMENT

ALTA SURVEY 2018

PRELIMINAY STORM WATER MANAGEMENT PLAN DATED OCTOBER 31,2018

SEWER NEEDS ASSESSMENT DATED OCTOBER 31,2018

Please describe what, if any, known constraints exist on the site or are adjacent to the site. Also describe any constraints attributable to the proposed use on the site and in relation to its surroundings.

40 FOOT UTILITY EASEMENT ADJACENT TO LUNDY AVE.

1. Project Site and Surrounding Land Uses:

a. Site size (acres): 1.22

b. Total square footage of all existing buildings: 16,463

c. Total square footage of all buildings to be removed: 16,463

d. Total square footage of all proposed buildings: 102,736

e. Describe the project site as it exists before the project:

OFFICE BUILDING WITH ASSOCIATED PARKING.

f. Does the project area include any off site improvements or staging areas, i.e. storage, roadway improvements or utility extensions? No___ If yes, please describe type and location:

EXISTING RIGHT OF WAY TO BE ABANDONED PER CITY OF MILPITAS

g. Describe the surrounding properties (type of land use e.g., single family residential, gas station, warehouse, park, etc.):

North: INDUSTRIAL

East: APPROVED TOWNHOME PROJECT

South: CITY OF SAN JOSE

West: INDUSTRIAL

2. Biological (Plant and Animal Life)

a. Does the site contain any trees? Yes✓ No ___ If yes, briefly describe the number and type. Attach a tree survey and or arborist report if one is available.

SEE ARBORIST REPORT DATED MARCH 5, 2015

TOTAL 43 TREES REMOVED

TOTAL 49 TREES PLANTED

b. Does the site contain any wildlife breeding, nesting or feeding areas? Yes__ No✓ Unknown____ If yes or no, please provide your justification:

c. Does the site contain any known endangered animal or plant species habitats? Yes__ No✓ Unknown___ If yes or no, please provide your justification:

d. Does the site contain or is it near (within 300 feet) any watercourse such as a stream, flood control drainage way, ditch or swale, flowing annually or seasonally? No✓ If yes, please describe:

SITE IS IN A FLOOD ZONE. GRADE WILL BE RAISED APPX. 4 1/2 FT. TO COMPLY WITH CITY FLOOD CONTROL ORDINANCE.

e. Does the site contain or is it within 300 feet of any permanent or seasonal wetlands? No✓ If yes, please describe:

3. Cultural:

a. Are there any known graves or burial sites on the property? Yes__ No✓

b. Is the property on a Milpitas, State or National Historic Register? No__ If yes, please identify which list(s) here:

c. Does the property contain any buildings 50 years or older? Yes__ No✓

If yes, please attach either a Request for Historic Evaluation form or any prior historic evaluation work (e.g. a DPR form) that has been prepared.

4. Earth - Soils and Topography:

a. Briefly describe any grading or topographic changes needed to carry out the project:

SITE IS IN A FLOODZONE. GRADE WILL BE RAISED APPX. 4 1/2 FT. TO COMPLY WITH CITY FLOOD CONTROL ORDINANCE.

b. Does the site have a slope of 10% or more? No ✓ If yes, approximate % slope __

c. Will grading involve more than 1,000 yards of cut and fill combined? No ✓ If yes, approximate total cubic yards _____ and depth of excavation_____.

Please describe the probable disposition of the cut and fill of the project, i.e. import or export?

NO CUT BUT FILLING FOR FLOOD ZONE UNDERTERMINED QUANTITY AT THIS TIME.

5. Hazards and Hazardous Materials:

a. Is any part of this property within a study zone as identified by the California

Geological Survey? Consult the California Department of Conservation website for information at www.conservation.ca.gov No ✓ If yes, note which of the following apply:

____ Hayward Fault (Alquist-Priolo zone)

____ Liquefaction zone

____ Landslide zone

____ Other site specific hazards, please specify: _____

b. Is the subject site in the Wildfire Hazard Zone? No ✓ Yes_____

c. Is the property on the Hazardous Waste and Substances Site List produced by the State of California? Consult list on City web site or Permit Counter. No ✓ Yes__

d. Does the site contain any underground storage tanks? No ✓ Yes __

e. Have pesticides been used for agricultural or landscape activities? No ✓ Yes __

f. Will end users store or work with hazardous or potentially hazardous materials? No ✓ Unknown at this time ____ If, yes, please specify:

g. Will the users generate any by-products that require on-site treatment or processing prior to disposal? No ✓ Unknown at this time ____ If yes, please describe:

RESIDENTIAL TRASH

6. Hydrology and Water Quality:

a. Does the site contain any active or abandoned wells? No ✓ Yes ____

b. Is the site within a flood plain? No ___ Yes ✓

c. Does the project traverse or alter any drainage swale or creek? No ✓ Yes ____

d. Describe the method(s) to be used to manage storm water. Identify Best Management Practices (BMP's) that will be used to prevent pollutants from entering the storm water system after the project is completed. Is the site within a flood plain?

SEE PRELIMINARY STORM WATER MANAGEMENT PLAN

7. Noise, Vibration, Glare and Odors:

a. Is the project site within:

120 feet of a rail line or BART? Yes ___ No ✓

500 feet of an at-grade rail crossing? Yes ___ No ✓

500 feet of a freeway, highway or other heavily traveled roadway? Yes __ No ✓

Near any other noise or vibration source (e.g., industrial or commercial process)? No ✓ If yes, specify source:

b. Will the project or end user be a source of noise or vibration (e.g., industrial or commercial process)? No ✓ Unknown at this time ___ or if yes, specify source:

c. Will the project contain larger surface areas of reflective materials such as glass or metal? No ___ If yes, please specify material and usage:

REPLACING SINGLE STORY CONCRETE BUILDING WITH A FOUR STORY RESIDENTIAL BUILDING.

d. Will the project or end user generate odors? No ✓ If yes, please describe:

e. Will the project produce a noticeable change in the ambient noise levels or subject persons to excessive noise levels or vibrations? If so, what would cause the change?

NO

8. Transportation and Circulation:

a. Will the number of vehicular access points for the site increase, remain the same or decrease as a result of the proposed project? DECREASE BY ONE

b. Are any drive-through facilities proposed as part of this project? Yes___ No✓

c. Are any off-site improvements (e.g., traffic signal, turn lanes, and/or road improvements) needed to serve the project? No ✓ If yes, please describe the improvements:

d. Is the project frontage improved with curb, gutter and sidewalk? Yes✓ If not, describe which improvements are missing.

e. Are there any nearby pathways, trails, bike lanes, or bus stops? No ___ If yes, please describe what exists and approximate distance from site:

PENITENCIA CREEK TRAIL ACCESSED THROUGH 1980 TAROB CT.

TRADE ZONE AND LUNDY BUS STOP 0.1 MILES

f. Estimate the number of auto and truck trips generated daily by this project. Indicate trip generation factor and source of traffic.

CONFORMS WITH THE TRANSIT AREA SPECIFIC PLAN.

9. Community Safety.

Note any special requirements for fire or police services such as hazardous materials use or storage.

NONE

10. Geologic Hazards.

Does the site contain any evidence of past landslides, unstable soils or serpentine rock?

No✓; If yes, please describe the improvements:

Other Comments or information you would like to provide:

THIS IS A 100% CONFORMING PROJECT TO R-3 TOD.

Certification:

I hereby certify that the statements furnished above and in the attached exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements and information presented are true and correct to the best of my knowledge and belief.

Leah Gemstra — 11-2-18

Project Applicant — Date

If you need additional information or clarification to prepare your submittal please contact the staff person who furnished you this sheet for further assistance.

Information sheet furnished by: _____ **Phone: (408) 586-**_____

for proposal:

_____

Date: _____

May 8, 2019

Ms. Lillian Hua
Associate Planner
455 E. Calaveras Blvd.
Milpitas, CA 95035

Re: New 40 Unit Condominium Development – P-SD18-0014, P-MT18-0004-2001Tarob Court

Dear Lillian,

Thank you for the City comments regarding our second submittal set forth in the April 29, 2019 letter and updated letter from Fire received on April 30, 2019. Attached you will find a spreadsheet that addresses each comment individually.

As a supplement to that spreadsheet, TTLC is addressing the Housing Department Comments as follows:

> *In 2017 TTLC set an affordable housing fee precedent for paying a 10% affordable fee (when the standard at the time was 5%) as per the October 16, 2017 (attached) stating that The True Life Companies was committed to paying such a fee for the 551 Lundy Place, 1992 Tarob Court, and 2001 Tarob Court properties. At the time, we had anticipated a voluntary contribution of approximately $650,000 as the affordable housing fee for the future 2001 Tarob project based on building a side by side townhome product.*
>
> *Now that the City has adopted a new affordable housing ordinance, TTLC will be paying the affordable housing fee at $33.00 per square foot. With an average unit size of 1,420 SF this fee would come to approximately $1,874,400.00. The actual fee amount will be determined at the time the building permits are issued.*
>
> *At one time, TTLC felt we could "build" the units if the percentage had remained at 10% and we were still doing townhome style units for the project, but with the City request for higher density and the adoption of the affordable housing fee at 15%, TTLC is now choosing to go back to our original 2017 approach by paying the fee.*

TTLC understands that there are some findings that City Council must make to approve affordable housing fees which are:

> *Prior to City Council approval to the requested exception, affirmative findings to the following must be made:*
>
> *1. The exception requested exceeds the minimum affordable requirements; and*
> *2. The project is better served with the exception; or*
> *3. The community benefits exceed the project benefits.*

TTLC proposes the following rational to make the above findings.

1. Paying the fee should be an alternative not an exception. Every City in the Bay Area is struggling to meet the housing demands made by a full spectrum of people across a broad range of socio-economic strata. With the total amount of for sale and rental housing already approved in the TASP nearing its maximum of 7000 new dwelling units serving a variety of income levels, the TASP properties within the approved Tarob Court neighborhood area are set up to serve the attainable housing population of folks who can afford market rate housing and want to live near transit.

   The City of Milpitas has an existing housed low income population that would like to stay in their homes for the foreseeable future. Established low income neighborhoods, such as the Sunnyhills Neighborhood, need subsidies from the City in order to stave off the pressures of redevelopment similar to the TASP and other Opportunity zones being studied in the upcoming General Plan Update.

   Affordable fees are the route to keeping the City's affordable housing fund liquid to help deserving folks and neighborhoods stay intact and in their homes. While building new affordable units provides a few new residents an opportunity to live in Milpitas at an affordable rate compared to their neighbors in the same new development, keeping existing residents in their homes attacks the problem of homelessness and affordable housing at the existing need.

2. TTLC feels that the project and the whole Tarob Court neighborhood is better served by keeping the adjacent projects all market rate. While everyone deserves housing, folks who participate in affordable housing lotteries are often in need of other social support services beyond mortgage assistance. The menu of social assistance programs available in Santa Clara County and the City of Milpitas are not located within this TASP neighborhood. Many of the Santa Clara County social and family assistance services are located in San Jose and Santa Clara.

   Paying the affordable fee allows Milpitas the flexibility to have funds on hand to support the under housed population through projects that may be more likely to be located near established social services in the future.

3. The community benefits of the project are inherently created by the project. TTLC has taken a small 1.2 acre property and proposed a high density 40 unit to the acre housing development even with a 40 foot wide PUE encumbering the frontage along Lundy Place and an 80' diameter Fire Apparatus turn around on the opposing property line. The point being, TTLC has committed to meeting the goals of

the City of Milpitas by producing a conforming R-3 TOD high density residential project within the TASP.

TTLC believes that this submittal meets the remaining requests of the City of Milpitas and looks forward to having our project deemed complete. Please let me know if the City or LSA will be requiring any other information to complete the project analysis.

Leah Beniston

Vice President of Entitlements
THE TRUE LIFE COMPANIES

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Adopt a Resolution Granting Acceptance of Americans with Disabilities Act (ADA) Curb Ramp Transition Projects No. 4283 and No. 4287, and Grant Authorization to Director of Engineering/City Engineer to file a Notice of Completion (Staff Contact: Steve Erickson, 408-586-3301)**
Category:	Consent Calendar-Community Development
Meeting Date:	10/15/2019
Staff Contact:	Steve Erickson, 408-586-3301
Recommendation:	Adopt a Resolution Granting Acceptance of the ADA Curb Ramp Transition Project, Project No. 4283 and No. 4287 , and Grant Authorization to Director of Engineering/City Engineer to file a Notice of Completion

Background:
On April 2, 2019, the City Council awarded a construction contract to J.J.R. Construction Inc. for the ADA Curb Ramp Transition Project, Projects No. 4283 and No. 4287 in the amount of $660,063 ("Project"). The Project included installation of ADA compliant curb ramps and replacement of damaged sidewalk, curb, gutter, and driveway aprons. The Project occurred on portions of Jacklin Road, McCarthy Boulevard, Bellew Drive, Technology Drive, SanDisk Drive, North and South Hillview Drive, and Murphy Ranch Road. The Project was successfully completed on time and within budget.

Analysis:
The Project has been successfully completed on-time and within budget. Staff recommends the City Council adopt a resolution granting acceptance of the Project. Staff also recommends the City Council authorize the Director of Engineering/City Engineer to file the Notice of Completion in accordance with the provisions of Section 9204 of the Civil Code.

Policy Alternative:
Alternative: Deny Project acceptance and deny filing a notice of completion.

Pro: None

Con: The Project has been successfully completed in accordance with the contract documents and is ready for acceptance.

Reason not Recommended: Failure to adopt the resolution would result in the Project not being accepted and the Notice of Completion not being filed along with a potential delay claim by the contractor.

Fiscal Impact:
The Project has been successfully completed on-time and within budget. No additional funds are required to close-out the Project.

Recommendation:
Adopt a resolution granting acceptance of the Project and authorizing the Director of Engineering/City Engineer to file the Notice of Completion.

Attachment:
Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS APPROVING ACCEPTANCE OF AMERICANS WITH DISABILITIES ACT (ADA) CURB RAMP TRANSITION PROJECT, PROJECT NOS. 4283 AND 4287

WHEREAS, the City of Milpitas has heretofore entered into a contract with J.J.R. Construction, Inc., for the ADA Curb Ramp Transition Project, Projects No. 4283 and No. 4287 in the amount of $660,063 ("Project"), and the City Engineer of the City of Milpitas has recommended acceptance of said improvement as completed in accordance with plans, specifications and approved change orders and correction lists, and in accordance with the final inspection of said City Engineer.

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

2. The City of Milpitas does hereby accept the Project as completed on this 15th day of October, 2019, and does hereby authorize and direct the City Engineer of the City of Milpitas to file a Notice of Completion in accordance with the provisions of Section 9204 of the Civil Code of the State of California, and does hereby authorize and direct the City Engineer to file a Certificate of Completion in accordance with the provisions of Section 4005 of the Government Code of the State of California, if said work was by day's labor or force account.

PASSED AND ADOPTED this _____ day of _____ 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: APPROVED:

_____ _____

Mary Lavelle, City Clerk Rich Tran, Mayor

APPROVED AS TO FORM:

_____

Christopher J. Diaz, City Attorney

Recording Requested by and
When Recorded Mail to:

City of Milpitas
455 East Calaveras Boulevard
Milpitas, CA 95035
Attention: City Clerk

Record without fee under
Section 6103 - Government Code
State of California

CITY OF MILPITAS

NOTICE OF COMPLETION
(Civil Code Section 9204)

NOTICE IS HEREBY GIVEN:

1. On or about October 18, 2019, the City Council of the City of Milpitas, a municipal corporation of the State of California, whose address is City Hall, 455 East Calaveras Boulevard, Milpitas, California, 95035 (as owner) entered into a contract for work of: **ADA Curb Ramp Transition Project, CIP Nos. 4283 and 4287.**

2. A description of the site of which the City is co-owner for said work of improvement is: Jacklin Road, McCarthy Boulevard, Bellew Drive, Technology Drive, SanDisk Drive, North and South Hillview Drive and Murphy Ranch Road in the City of Milpitas, Santa Clara County, California, more particularly described on the plans.

3. The name and address of the direct contractor is: **J.J.R. Construction, Inc., 1120 Ninth Avenue, San Mateo, CA 94402**.

4. A general statement of the kind of work done or materials furnished to the City is as follows: **Install ADA compliant sidewalk ramps, repair damaged driveway, sidewalk, and curb and gutter**.

5. Said work of improvement was accepted by the Milpitas City Council as complete on **October 15, 2019**.

****

I, the undersigned, declare that I am the **City Engineer** of the City of Milpitas and am authorized to execute the foregoing Notice of Completion and this Verification thereof. I have read the foregoing Notice of Completion. I declare under penalty of perjury that the foregoing Notice of Completion is true and correct. Executed on _____, 201_ at Milpitas, California.

_____
Steve P. Erickson, City Engineer
City of Milpitas

NOTE: RECORD WITHIN 15 DAYS OF ACCEPTANCE WITH COUNTY RECORDER OF SANTA CLARA COUNTY

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Approve and Authorize the City Manager to Execute a Measure B Funding Agreement between the City and VTA State Route 237 Near Term Improvements Project (Staff Contact: Steve Erickson, 408-586-3301)**
Category:	Consent Calendar-Community Development
Meeting Date:	10/15/2019
Staff Contact:	Steve Erickson, City Engineer, 408-586-3301
Recommendation:	Approve and authorize the City Manager to execute a Funding Agreement between the City and Santa Clara Valley Transportation Authority for 2016 Measure B State Route 237 Near Term Improvements Project.

BACKGROUND:

In November 2016, Santa Clara County voters approved the 2016 Measure B Program, a 30-year, half-cent countywide sales tax to fund projects to improve transit, roadways, and active transportation (bicycles and pedestrians) within the County. Over the next 30 years, 2016 Measure B is anticipated to generate a total of $6.3 billion for various transportation related improvements.

On December 5, 2017, the City Council adopted Resolution No. 8729 declaring State Route 237/Calaveras Boulevard (SR237) improvements as the highest priority transportation projects for the City of Milpitas, and selected three preferred projects for the improvement of SR237. The three preferred SR237 projects will be completed together and are eligible for 2016 Measure B funding. The Santa Clara Valley Transportation Authority (VTA) will implement the projects and the City will be responsible to fund a 10% local match, estimated to be $200,000.

The following are the three preferred SR237 corridor projects recommended by the VTA and approved by the City Council on December 5, 2017:

1. Construct HOV (carpool) only lane on westbound Calaveras Boulevard between I-880 southbound off-ramp and SR237 freeway on ramp.

2. Construct HOV (carpool) only lane on westbound Calaveras Boulevard across McCarthy Boulevard freeway overpass.

3. Complete a SR237 corridor study and identify other transit, pedestrian, bicycle, and roadway infrastructure and operational improvements within the City of Milpitas between I-880 and I-680.

The VTA has been requested to prioritize the completion of these projects and to fund in fiscal year 2018/19. The City's 2019-24 Capital Improvement Program (CIP) includes Project No. 4294, SR237 HOV Lane Improvements, and this project provides the City 10% local match fund for the project. VTA is anticipated to start these projects in the fall of 2019, and completion is estimated at summer of 2021.

ANALYSIS:

A funding agreement between the VTA and the City is required to allow VTA to start the projects. The agreement sets the framework for design, construction, reporting, administrative roles and responsibilities for the projects. The total project cost is estimated at $2,000,000, and VTA will allocate $1,800,000 of Measure B funding for the project, and the City would be required to provide an estimated $200,000 as the 10% loca

funding match. Staff recommends the City Council approve and authorize to the Interim City Manager to execute a Funding Agreement with VTA to allow the SR237 projects to move forward.

POLICY ALTERNATIVE:
Alternative 1: Deny approval and authorization of the VTA Funding Agreement with VTA.

Pros: The City would not need to contribute the 10% local match in the amount of $200,000.

Cons: Not approving the Funding Agreement would not allow the SR237 projects to move forward, and the $1.8M in Measure B funding would be allocated to other projects within the County.

Reason not Recommended: Traffic congestion along the SR237 corridor is heavy, and the VTA has recommended these projects move forward to help alleviate congestion.

FISCAL IMPACT:
The City's 10% local match of $200,000 is available from Project No. 4294, SR237 HOV Lane Improvements

California Environmental Quality Act (CEQA):
VTA shall complete environment clearance for the project per the proposed funding agreement.

RECOMMENDATION:
Approve and authorize the City Manager to execute a Funding Agreement between the City and Santa Clara Valley Transportation Authority for State Route 237 Near Term Improvements Project.

Attachment:
Funding Agreement between City of Milpitas and Santa Clara VTA

FUNDING AGREEMENT
BETWEEN THE CITY OF MILPITAS AND
SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
FOR THE STATE ROUTE 237 NEAR TERM IMPROVEMENTS PROJECT

THIS AGREEMENT ("Agreement") dated _____, 2019, for purposes of reference, is made and entered into by and between the CITY OF MILPITAS, a municipal corporation of the State of California ("CITY"), and SANTA CLARA VALLEY TRANSPORTATION AUTHORITY, a public agency organized as a special district under California law ("VTA"). Hereinafter, CITY and VTA may be individually referred to as "Party" or collectively referred to as "Parties".

I. RECITALS

A. Whereas, on June 24, 2016, the VTA Board of Directors adopted a resolution to place a ballot measure before the voters of Santa Clara County in November 2016 to authorize a one-half of one percent retail transaction and use tax ("**2016 MEASURE B**") for 30 years for nine transportation-related program categories; and

B. Whereas, on November 8, 2016, the voters of Santa Clara County enacted 2016 MEASURE B for 30 years to pay for the nine transportation-related program categories; and

C. Whereas, on October 5, 2017, the VTA Board of Directors established the 2016 Measure B Program ("PROGRAM") and adopted the 2016 Measure B Program Category Guidelines; and

D. Whereas, the PROGRAM includes a "Highway Interchange" program category (HIGHWAY IC CATEGORY), which includes a list of eligible projects, that funds highway projects throughout the valley; and

E. Whereas, CITY and VTA each recognize the need to improve traffic operations and improve circulation in the City of Milpitas in the County of Santa Clara by adding a high occupancy vehicle (HOV) bypass lane at the westbound SR 237/Calaveras Boulevard on ramp and by extending the westbound SR 237/McCarthy Boulevard HOV bypass lane across the McCarthy Boulevard/Calaveras Boulevard intersection limit line, hereinafter referred to as "PROJECT;" and

F. Whereas, the PROJECT is eligible for HIGHWAY IC CATEGORY funds; and

G. Whereas, the 2016 Measure B Program Category Guidelines for the HIGHWAY IC CATEGORY requires a minimum 10% non-2016 Measure B contribution for development of PROJECT.

H. Whereas, this Agreement is intended to delineate the duties, and funding responsibilities of the Parties for the PROJECT.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, the Parties agree as follows:

II. AGREEMENT

1. **The PROJECT.** The Parties agree to construct the Project pursuant to the terms and conditions set forth herein.

2. **Cost of PROJECT.** The anticipated total cost of PROJECT is $2,000,000 (Two million dollars).

3. **CITY's Financial Contribution for PROJECT.** CITY agrees to contribute to the PROJECT an amount not to exceed TWO-HUNDRED THOUSAND ($200,000) dollars (hereinafter, "CITY's Contribution") towards the development of PROJECT.

   Upon execution of the Agreement, VTA shall invoice CITY for the CITY's Contribution, and, upon receipt, will deposit the CITY's Contribution into an interest-bearing account. CITY shall pay to VTA the CITY's Contribution within thirty (30) calendar days after receipt of invoice.

   CITY's Contribution and any interest earned will be considered toward the required minimum 10% non-2016 Measure B contribution for the listed cost of PROJECT as identified in the 2016 Measure B Program Category Guidelines for the HIGHWAY IC CATEGORY.

4. **City's Role in PROJECT.**

   During the term of the PROJECT, CITY shall provide CITY staff oversight of, and participation in, the PROJECT, and necessary and appropriate coordination with all departments of the CITY. CITY will issue, if required, necessary encroachment permits for the PROJECT at no cost. The CITY shall provide timely reviews, comments, and approvals of PROJECT's documents submitted by VTA to CITY. CITY will attend any Project Development Team meetings. CITY costs to administer and participate in PROJECT as described in this Agreement will not be allowable costs against CITY's Contribution.

5. **VTA's Role in PROJECT.**

   a. Tasks. VTA shall perform and/or be responsible for the following tasks to complete the PROJECT:

      i. Serve as project manager for PROJECT;
      ii. Coordinate with the State of California as necessary to allow for its review and approval of PROJECT;

iii. Obtain all necessary permits and rights of way for PROJECT; and
iv. Conduct preliminary engineering, and planning activities for PROJECT.
v. Complete Environmental Clearance and Permit Engineering Evaluation Report (PEER)
vi. Complete Construction of the PROJECT

Costs and expenses to perform these tasks shall be considered allowable costs and expenses pursuant to this Agreement.

b. Consultants. VTA may retain design consultants to perform any of the functions listed in Section 4(a). VTA's administrative costs to procure and manage consultant agreements as well as the actual costs of such consultants shall be allowable costs pursuant to this Agreement.

c. Project Cost Updates. VTA shall actively monitor actual PROJECT expenditures to ensure that CITY's Contribution is used to pay for allowable PROJECT expenditures.

If an amount exceeding $2,000,000 is required to complete PROJECT, VTA shall notify CITY in writing that additional funds are needed pursuant to Section II Article 7. VTA shall not perform any work beyond the amount of funds provided in Section II, Articles 2 and 3 until an amendment to this AGREEMENT is executed, adding funds to cover PROJECT completion.

d. Other Project Management Duties VTA shall include CITY staff as an active participant within VTA's project management process, VTA will hold periodic meetings as agreed upon by the PROJECT team to assess the progress of PROJECT and address PROJECT issues as they arise.

6. **Use of CITY's Contribution.** VTA will use the CITY's Contribution and the interest earned thereon for allowable costs and expenses related to work on the PROJECT, as set forth in this Agreement. The use of the City's Contribution shall not exceed 10% of total allowable costs incurred to date. Any portion of the City Contribution not used shall be returned to the City upon termination of the PROJECT and/or this Agreement.

7. **Additional Funds.** The final PROJECT cost may ultimately exceed current cost estimates. Any additional eligible costs resulting from increased contract prices or change orders arising from unforeseen conditions shall be submitted to CITY for review and CITY's responsibility for such additional costs shall not exceed 10% of the total PROJECT cost.

8. **Compliance with Governmental Requirements.** VTA shall comply with all laws and regulations pertaining to the PROJECT.

9. **Compliance with 2016 Measure B requirements.** VTA and CITY will comply with all 2016 Measure B requirements as identified in the 2016 Measure B Program and Program Guidelines for the HIGHWAY IC CATEGORY.

10. **Term of Agreement.** This Agreement shall become effective upon full execution and shall remain in effect through the earlier of: (i) December 31, 2023, or (ii) completion of PROJECT. If the PROJECT is delayed beyond December 31, 2023, or cancelled completely, either Party may terminate this Agreement which can be accomplished by either Party giving written notice to the other Party of such termination.

11. **Audit and Record Retention.** CITY may audit the expenses incurred in the performance of this Agreement. VTA shall retain all records related to the PROJECT for three (3) years after the completion of PROJECT. During this period, VTA shall make these records available to the City for inspection within a reasonable time, upon City's written request. VTA will repay any portion of the City Contribution used for unallowable expenses as determined by the audit.

12. **Parties' Representatives.** The General Manager of VTA, or the General Manager's designee, is hereby made the representative of VTA for all purposes under this Agreement. The Director of the Public Works for CITY ("Director"), or the Director's designee, is hereby made the representative of CITY for all purposes under this Agreement.

13. **Indemnification.**

    a. Neither VTA nor any officer or employee thereof shall be responsible for any damage or liability occurring by reason of CITY's negligence, recklessness, or willful misconduct under or in connection with any work, authority or jurisdiction associated with the PROJECT. In addition, CITY shall fully indemnify and hold VTA harmless from any liability imposed for injury (as defined by Government Code §810.8) occurring by reason of CITY's negligence, recklessness, or willful misconduct under or in connection with any work, authority or jurisdiction delegated to CITY under this Agreement. This provision will survive the termination or expiration of this Agreement.

    b. Neither CITY nor any officer or employee thereof shall be responsible for any damage or liability occurring by reason of VTA's negligence, recklessness, or willful misconduct in the completion of any work associated with the PROJECT. In addition, VTA shall fully indemnify and hold CITY harmless from any liability imposed for injury (as defined by Government Code §810.8) occurring by reason of VTA's negligence, recklessness, or willful misconduct in the completion of the work, undertaken by VTA pursuant to this Agreement. This provision will survive the termination or expiration of this Agreement.

14. **No Waiver.** The failure of either Party to insist upon the strict performance of any of the terms of this Agreement shall not be deemed a waiver of any right or remedy that either Party may have, and shall not be deemed a waiver of their right to require strict performance

of all of the terms thereafter.

15. **Notice.** Any notice required to be given by either Party, or which either Party may wish to give, shall be in writing and served either by personal delivery or sent by certified or registered mail, postage prepaid, addressed as follows:

To VTA: Santa Clara Valley Transportation Authority
Casey Emoto, Interim Chief Planning and Engineering Officer
3331 North First Street, Bldg. B
San Jose, CA 95134-1906
casey.emoto@vta.org

To CITY: City of Milpitas
Steve Erickson, City Engineer/Engineering Director
Department of Public Works
455 E. Calaveras Blvd.
Milpitas, CA 95035
serickson@ci.milpitas.ca.gov

Notice shall be deemed effective on the date personally delivered or, if mailed, three (3) days after deposit in the United States mail.

16. **Dispute Resolution.** If a question arises regarding interpretation of this Agreement or its performance, or the alleged failure of a Party to perform, the Party raising the question or making the allegation shall give written notice thereof to the other Party. The Parties shall promptly meet in an effort to resolve the issues raised. If the Parties fail to resolve the issues raised, alternative forms of dispute resolution, including mediation or arbitration, may be pursued by mutual agreement. It is the intent of the Parties to the extent possible that litigation be avoided as a method of dispute resolution.

17. **Entire Agreement.** This Agreement constitutes the entire Agreement between the Parties pertaining to the subject matter contained therein and supersedes all prior or contemporaneous agreements, representations and understandings of the Parties relative thereto.

18. **Amendments.** No alteration or variation of the terms of this Agreement will be valid unless made in writing and signed by both of the Parties hereto, and no oral understanding or agreement not incorporated herein will be binding on any of the Parties hereto.

19. **Warranty of Authority to Execute Agreement.** Each Party to this Agreement represents and warrants that each person whose signature appears hereon has been duly authorized and has the full authority to execute this Agreement on behalf of the entity that is a Party to this Agreement.

20. **Severability**. If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions and provisions of this Agreement, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

21. **Governing Law**. The laws of the State of California will govern this Agreement, as well as any dispute that might arise between VTA and CITY, without regard to conflict of law provisions.

WITNESS THE EXECUTION HEREOF the day and year first hereinabove set forth.

"CITY" City of Milpitas a municipal corporation	"VTA" Santa Clara Valley Transportation Authority a public agency
Steven McHarris Interim City Manager	Nuria I. Fernandez General Manager/CEO
Date	Date
APPROVED AS TO FORM:	APPROVED AS TO FORM:
Christopher Diaz City Attorney	Victor Pappalardo Senior Assistance Counsel

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Approve Revision to the City's Travel and Expense Reimbursement Policy (SOP) No. 6-1 (Staff Contact: Walter C. Rossmann, 408-586-3111)**
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	10/15/2019
Staff Contact:	Walter C. Rossmann, 408-586-3111
Recommendation:	Approve the revision of the travel policy regarding reimbursement of expenses for elected officials to be consistent with Article 2.3 Section 53232.2 of the California Government Code.

Background:
On April 16, 2019, the Council approved the updated City's Travel and Expense Reimbursement Policy (Policy) for employees and City Officials including Council, Commission and Committee members.

In accordance with Article 2.3 Section 53232.2 of the California Government Code, when a reimbursement is otherwise authorized by statute, a local agency may reimburse members of a legislative body for actual and necessary expenses incurred in the performance of official duties, including, but not limited to, activities described in Article 2.4 (commencing with Section 53234). If a local agency reimburses members of a legislative body for actual and necessary expenses incurred in the performance of official duties, then the governing body shall adopt a written policy, in a public meeting, specifying the types of occurrences that qualify a member of the legislative body to receive reimbursement of expenses relating to travel, meals, lodging, and other actual and necessary expenses.

Analysis:
The City of Milpitas' Standard Operating Procedure (SOP) No. 06-01 establishes procedures and guidelines for business-related travel and training expenses of all City officials and employees, including City Council, Commission and Committee members (hereafter "City officials"), in accordance California Government Code Article 2.3 Section 53232.2 as well as Internal Revenue Service (IRS) *accountable plan* requirements. The referenced Government Code Section is applicable to elected officials only and requires that all reimbursement requests be substantiated with receipts up to federal per diem amounts. The IRS requirements help determine what types of allowances or reimbursements can be excluded from taxable wages.

The updated policy reflects recommended changes consistent with California Government Code Article 2.3 Section 53232.2 (see attached redline and clean version). Additionally, staff reviewed the policy for clarity and recommends minor edits.

Fiscal Impact:
The recommended Policy changes may result in minimal savings if elected officials submit receipts for meal reimbursements less than the allowable per diem amounts.

California Environmental Quality Act:
Not applicable.

Recommendation:
Approve revised travel policy (SOP 06-01) regarding reimbursement of expenses for elected officials consistent with Article 2.3 Section 53232.2 of the California Government Code.

Attachments:
A – Proposed Revised Travel and Expense Reimbursement Policy – redline version
B – Proposed Revised Travel and Expense Reimbursement Policy – clean version
C – Article 2.3 Section 53232.2 of California Government Code.

No. 6-1
Effective: 8/1/75
Revised: 8/10/81
12/4/90*
7/16/91*
12/9/92
4/1/94
8/1/97
4/16/19

CITY OF MILPITAS, CALIFORNIA
STANDARD OPERATING PROCEDURE

SUBJECT: TRAVEL AND EXPENSE REIMBURSEMENT POLICY

I. PURPOSE

The purpose of this policy is to establish procedures and guidelines for business-related travel and training expenses of all City officials and employees, including Council, Commission and Committee members (hereafter "City officials"), in accordance with California Government Code Article 2.3 Section 53232.2 ~~with~~ as well as Internal Revenue Service (IRS) *accountable plan* requirements. The referenced Government Code Section is applicable to elected officials only and requires that all reimbursement requests be substantiated with receipts. The~~se~~ IRS requirements help determine what types of allowances or reimbursements can be excluded from taxable wages. An allowance or reimbursement is not subject to income tax if all three of the following conditions are met:

- Expenses have a business connection,
- Expenses are substantiated, and
- Unspent excess amounts are returned.[1]

It is also the purpose of this policy to identify standards governing the prudent use of City funds that safeguard integrity and promote public confidence in the efficient and effective use of limited resources. Therefore, expenses incurred in conjunction with approved travel and training must:

- Benefit the City and/or have a public purpose,
- Be reasonable, and
- Meet the City's standards of ethical conduct.

II. POLICY

City officials may be required to travel and incur other business-related expenses in the course of their official duties and as representatives of the City.[2] This policy is issued to promote consistent and equitable practices and establishes:

A. General conditions for travel expenses
B. Travel request and authorization processes
C. Criteria for use
D. Reporting requirements
E. Policy violations

[1] This provision does not apply to per diem meal allowances as further explained in Section II.C.8.
[2] This policy satisfies the requirements of Government Code sections 53232.2 and 53232.3 and supplements the definition of actual and necessary expenses for purposes of state laws relating to permissible uses of public resources.

A. General Conditions for Travel Expenses

1. Travel expenses include the registration, transportation and related costs incurred when attending or participating in out-of-town business or activities such as professional meetings, conferences and training sessions, whether for less than one day, overnight, in-state, out-of-state, or out of the country. All travel requires preapproval as specified throughout this policy.

2. Out-of-state travel and/or travel requiring an overnight stay requires prior approval of the City Manager unless such authority is delegated in writing. All international travel for staff requires prior approval of the City Council.

3. All travel for the Mayor and Council members requires prior approval of the City Council.

4. Time associated with travel, training and conferences as specified in this policy shall be consistent with the provisions of applicable negotiated Memoranda of Understanding (MOUs).

5. Travel not requiring an overnight stay can be authorized by a Department Head based on appropriateness and/or importance, in accordance with expense reporting guidelines established by the City Manager.

6. City officials requiring air travel must use commercial airlines unless a waiver is approved by the City Attorney and Risk Manager.

~~6.~~7. City funds shall not be used for any personal costs, side-trips for personal reasons not related to the business expense (such as visiting a nearby family member or friend), accompanied guests or for the purchase of alcoholic beverages or products.

~~7.~~8. Prepayments of conference registration or other travel-related costs can be made when paid directly by the City with City funds. (City officials who wish to use their personal credit cards cannot be reimbursed before an event occurs.)

~~8.~~9. City officials should select options that meet travel needs at the lowest possible cost.

10. Reimbursement requests other than allowable per diem expenses must always be accompanied by itemized receipts and other justifiable documentation such as event registration and/or event programming information or meeting agendas.

11. In compliance with California Government Code Article 2.3 Section 53232.2, the City will reimburse elected officials for actual and necessary expenses incurred related to travel, rather than the per diem allowance. Itemized receipts, credit card statements and other documentation verifying expenses incurred are required to be submitted with reimbursement requests.

~~9.~~12. The use of a hotel is restricted to cities located beyond 75 miles from the Milpitas City Hall or the traveler's residence, whichever is a shorter distance. Exceptions can be made by the City Manager depending on business necessity or other justifiable circumstances such as early morning or evening meetings at the destination.

~~10.~~13. City departments shall designate travel coordinators to serve as primary points of contact for travel coordination and reimbursement processing in compliance with policy and procedure requirements.

~~11.~~14. Travel for less than one day will be reimbursed in accordance with Section II.C.7 for reasonable actual expenses.

~~12.~~15. With the exception of international travel for staff and all travel for the Mayor and Councilmembers which must be approved by the City Council, the approval authorities

granted herein can be delegated in writing by the City Manager to his/her designees for justifiable business necessities.

B. Travel Request and Authorization Process

1. Except in cases of emergency, all requests for travel authorization must be made in advance on Travel Authorization and Expense Report Form No. 32-11 (travel form). Estimated expenses shall be reviewed and authorized in advance by the City Manager.

~~2.~~1. ~~Advances of planned expenses are prohibited except in the case of pre-approved per diem allowances for meals in accordance with the provisions of II.C.5.~~

~~3.~~2. To provide approvers with sufficient information to justify the travel request, appropriate documentation such as event brochures/agendas must be attached to the travel form.

~~4.~~3. Once approved, travel forms authorizing overnight travel must be sent to Accounts Payable for file documentation and to help ensure efficient reimbursement processing.

4. Advances of planned expenses are prohibited except in the case of pre-approved per diem allowances for meals in accordance with the provisions of II.C.5.

5. If requesting a per diem allowance or prepayment of conference registration, a complete, accurate and approved travel form should be submitted to Accounts Payable for processing at least 10 business days prior to date payments are requested.

6. Travel not involving an overnight stay does not require preauthorization through the preparation/submittal of the travel form (unless required by a Department Head), but any reimbursable expenses incurred must be submitted on the travel form in accordance with the reimbursement requirements established in Section II.C.7.

7. The Chiefs of Police and Fire may authorize out-of-state and/or overnight emergency-related travel for their respective personnel in the following instances requiring an immediate response:

    a. Investigative travel

    b. Prisoner extraditions

    c. Mutual aid requests

C. Criteria for Use of City Funds

1. Registration

    a. Registration fees may be prepaid by the City or reimbursed to City officials in accordance with Section II.C.7.

    b. Federal travel regulations require that any meals included in the cost of registration be deducted from the per diem (Section II.C.5).

    c. Discounts offered for early registration or attendance by additional persons should be obtained whenever possible.

    d. To satisfy IRS accountable plan regulations, a copy of the registration materials must be submitted with the travel form.

2. Air Transportation

    a. Airfare costs to and from the travel destination shall not exceed the most economical advance purchase option available, unless such fare is unavailable and the expense is authorized by the City Manager. Upgrades of any kind will not be reimbursed.

b. City officials who wish to take an alternative form of transportation to a destination may do so, but the City will cover the lowest cost option. A cost comparison must be submitted at the time of travel authorization and with the reimbursement request.

c. City officials shall endeavor to acquire any government discount the airlines may provide.

d. Costs to change or re-book a flight will not be paid by the City unless the flight change results from business necessity, is documented in writing and authorized by the City Manager.

e. The City will cover the cost of one checked bag and will not reimburse for excess baggage charges.

f. If airfare is paid directly by the City, and airfare credits are received by City officials as the result of a trip cancellation, such credits should be used for future business travel. Credits used for personal travel must be reimbursed to the City.

g. City officials who use their personal frequent flyer miles for official business will not be reimbursed for the value of the foregone tickets.

3. Ground Transportation

a. Every effort shall be made to rideshare when two or more City officials are traveling to the same destination. Use of public transit is encouraged when feasible.

b. When using a privately owned vehicle, mileage reimbursement shall be at the rate set by the Internal Revenue Code and shall be reimbursed for the distance between home and the destination or work and the destination, whichever is less. Note: City officials receiving auto allowances will not be reimbursed for mileage unless the destination is beyond a 75-mile radius one way from the City or from the official's home, whichever is less; reimbursement is limited to mileage in excess of the 75-mile radius for each direction traveled.

c. Transportation to and from airports shall be reimbursed for either actual mileage if a personal vehicle is used or for reasonable taxi fare, airport van, rideshare service, or public transportation, if available.

d. Airport parking will be reimbursed at the long-term parking rates for more than one day, and at the short-term parking rates for up to one day only.

e. Ground transportation at the travel destination should be accomplished to the best extent possible by hotel courtesy buses or other free shuttles, or public transportation. Taxi or rideshare service may be used when those options are either not available or will cause undue delays in arrival.

f. The necessity for a rental car must be established and authorized in advance by the City Manager. Economy car rentals, i.e., the most cost effective and fuel-efficient vehicles, will be used whenever possible. Upgrades provided at no additional cost to the City can be considered if economy cars are unavailable. City officials must obtain the liability insurance coverage offered by the car rental company.

4. Lodging

a. City officials are encouraged to plan for and stay at a designated conference hotel at the negotiated daily rate. If the designated conference hotel/rate is not available, City officials should obtain the most reasonable rate available and note the disparity on the travel form.

b. If lodging is required for travel not associated with a conference or event with a predetermined rate, the City will pay for actual lodging expenses up to the U.S. General Services Administration (GSA) maximum daily rate (excluding taxes) allowed by location, available here: GSA daily lodging rate. Based on market research, if the GSA rate for a particular region is inconsistent with rates found for reasonable business accommodations, the City Manager can preauthorize a higher rate based on business necessity.

c. Lodging expenses may be prepaid directly to the hotel or reimbursed to the employee in accordance with Section II.C.7. Lodging expenses for conference attendance will be limited to single occupant room rates and shall not exceed the negotiated conference daily rate.

d. Trips that bundle lodging, meals and/or other travel costs are not allowed, unless it can be demonstrated to the City Manager that the bundled cost does not exceed the total of component costs if each were booked separately.

e. In cases where breakfast is included in the room rate, this must be identified on the travel form and deducted from the per diem reimbursement.

f. Non-mandatory fees such as health club or resort fees are not reimbursable unless it is determined to the satisfaction of the City Manager that payment of such charges is critical to conducting City business.

g. If free wireless Internet service is unavailable and establishing a paid connection is a justifiable business necessity, reimbursement may be requested for reasonable fees charged by the hotel.

5. Per Diem for Meals

a. Employees and City Officials except for Elected Officials ~~The City of Milpitas will pay~~ will receive the federal per diem allowance for Meals and Incidental Expenses (M&IE) ~~to employees,~~ for *overnight travel only*, based on locality. Elected Officials receive reimbursement for meals up to the federal per diem allowance if substantiated by receipts. The federal per diem rates for the continental United States are published annually and can be accessed at the GSA website: Per Diem Rates. Rates for travel outside the continental United States will be obtained by the Finance Department when requested. *Note: If a destination city is not listed, then the rate for the county applies. If there is no rate for the city or county, a comparable nearby city should be identified and used.*

b. Meals and Incidental Expenses included in the per diem are meals, tips/fees for food and luggage handling services.

c. Meals and Incidentals that are not considered per diem expenses (but qualify for reimbursement) are cab/rideshare fare, fax, telephone, wireless Internet as previously specified, copy charges, room taxes, and energy surcharges. These expenses can be reimbursed based on properly documented reasonable actual cost.

d. Meals and allowable incidental expenses eligible for reimbursement in accordance with this section will be paid by the City strictly on a per diem basis (actual expenses for meals only apply in the case of non-overnight travel, see Section II.C.7, as well as for Elected Officials up to the federal per diem allowance).

e. For the first and last day of travel, reimbursement is limited to 75% of the applicable per diem rate. City officials may be eligible for 100% per diem on these days, subject to authorization by the City Manager, as follows:

i. First day travel requires leaving the official's home before 9:00 a.m. in the morning; and/or

ii. Last day travel requires return to the official's home after 6:00 p.m.

f. Per diem reimbursement is not allowed for any meals included as part of the registration cost of an event or included in the cost of a lodging rate and must be deducted from the per diem reimbursement. Event brochures must be submitted with requests for reimbursement so that meal costs can be verified.

If there is a justifiable business, medical or personal reason to not accept a meal provided at an event AND there is no available accommodation, written justification must be provided on the expense reimbursement form to request the each per diem for which this situation applies.

6. City Credit Cards

a. After pre-approval of travel in accordance with this policy, City ~~issued~~ credit cards issued to travel coordinators and other officials should be used for payment of actual and necessary expenses as detailed within this policy (and in accordance with SOP 6.3, Credit Card Use)~~, but this does not eliminate the need to obtain pre-approval for travel~~.

b. Copies of original itemized receipts, with appropriate coding, must accompany travel expense reports (original receipts are submitted with purchasing card statements).

c. Personal charges should not be incurred on City-issued credit cards. Note: Hotels can accommodate requests for separate bills upon check-out. Personal charges must be reimbursed to the City or deducted from the reimbursement request.

d. It is the credit card user's responsibility to provide an accurate accounting on the travel form and reimburse the City for pre-paid per diem expenses, if applicable.

7. Reimbursement and Substantiation Requirements

a. All requests for reimbursement, including travel for less than one day, must be submitted on the travel form accompanied by supporting documentation including original itemized receipts or invoices, conference registration/event information, meeting agendas, etc. As noted, per diem reimbursements for employees and City Officials except for Elected Officials are not included in this requirement.

b. Reimbursement requests submitted without the required documentation/justifications will be returned.

c. Reimbursement requests submitted with missing receipts must include a written explanation of the purchase, subject to the approval of the City Manager.

d. Reimbursement requests associated with City business that do not require an overnight stay will be reimbursed based on actual, reasonable and properly documented costs. Meal reimbursement is typically not allowed for planned travel with no overnight stay unless it can be determined to the satisfaction of Department Heads that such expense is justified, and that the meal meets the IRS requirements as discussed below.

e. In order to meet IRS requirements for reimbursements that do not constitute taxable benefits, meal reimbursements for non-overnight travel must meet one of the following criteria:

i. to accommodate extended work hours, that is because travel necessitates an extension of the employee's normal work schedule;

ii. to attend a meeting on City business in which a meal is served as part of the meeting itself. This is typically for group meetings such as a half-day information conference in the Bay Area; and

iii. to allow for a City official to meet with another government official or business consultant to conduct official City business. An example would be that scheduling requires two officials to meet during lunch time to discuss official City business, and that the lunch meeting is the most convenient time to discuss City business.

Additional information can be obtained by linking to the federal fringe benefit guides referenced below or by contacting the Finance Department.

f. If a personal credit card is used to pay the registration fee for a conference, training session, etc., City officials cannot request reimbursement until after the event has concluded.

g. Approved travel that must be canceled by a City official due to a bona fide emergency or situation completely outside of his/her control, and for which refunds cannot be obtained, will be reimbursed by the City upon approval of a properly documented travel form.

h. City officials must substantiate all expenses. The following constitutes "substantiate" for the purpose of this document:

i. Within 30 calendar days after the expense is incurred, the employee shall submit to the City all receipts and other documentary evidence substantiating the time, place, amount, and business connection of the expenditure.

8. Return of Excess Amounts

a. Travel advances are not allowed under this policy unless it is determined by the City Manager that a business necessity exists. In such cases, City officials must return any amount of an advance that is in excess of the actual expense incurred within 30 calendar days upon return to work (or within 120 calendar days after the expense was incurred, whichever is less).

b. Per diem allowances for City Officials except for Elected Officials do not apply to this section, i.e., actual expenses less than the allowable per diem are not required to be returned so long as the appropriate business needs for the per diem have been established.

D. Reporting Requirements

1. ~~A City Councilmember~~ Elected Officials shall, at the first regular meeting following a meeting or conference attended at City expense, provide a brief oral or written report regarding the meeting or conference. If multiple elected or appointed officials attended, a joint report may be made.

E. Policy Violations

1. Use of public resources or falsifying expense reports in violation of this policy may result in any or all of the following:

a. Loss of reimbursement privileges;

b. Restitution to the City;

c. The reporting of expenses as income earned to state and federal tax authorities;

d. Civil penalties of up to $1,000 per day and three times the value of the resources used; and

e. Disciplinary actions, including termination of employment and/or prosecution for misuse of public resources.

Attachments: Travel Authorization & Expense Report (Form 32-11)
Credit Card Missing Invoice Form

Reference Documents:

IRS Fringe Benefit Guide - Publication 5137 (January 2014)
IRS Employer's Tax Guide to Fringe Benefits - Publication 15-B (for use in 2019)

No. 6-1
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4/16/19

CITY OF MILPITAS, CALIFORNIA
STANDARD OPERATING PROCEDURE

SUBJECT: TRAVEL AND EXPENSE REIMBURSEMENT POLICY

I. PURPOSE

The purpose of this policy is to establish procedures and guidelines for business-related travel and training expenses of all City officials and employees, including Council, Commission and Committee members (hereafter "City officials"), in accordance with California Government Code Article 2.3 Section 53232.2 as well as Internal Revenue Service (IRS) *accountable plan* requirements. The referenced Government Code Section is applicable to elected officials only and requires that all reimbursement requests be substantiated with receipts. The IRS requirements help determine what types of allowances or reimbursements can be excluded from taxable wages. An allowance or reimbursement is not subject to income tax if all three of the following conditions are met:

- Expenses have a business connection,
- Expenses are substantiated, and
- Unspent excess amounts are returned.[1]

It is also the purpose of this policy to identify standards governing the prudent use of City funds that safeguard integrity and promote public confidence in the efficient and effective use of limited resources. Therefore, expenses incurred in conjunction with approved travel and training must:

- Benefit the City and/or have a public purpose,
- Be reasonable, and
- Meet the City's standards of ethical conduct.

II. POLICY

City officials may be required to travel and incur other business-related expenses in the course of their official duties and as representatives of the City.[2] This policy is issued to promote consistent and equitable practices and establishes:

A. General conditions for travel expenses
B. Travel request and authorization processes
C. Criteria for use
D. Reporting requirements
E. Policy violations

[1] This provision does not apply to per diem meal allowances as further explained in Section II.C.8.
[2] This policy satisfies the requirements of Government Code sections 53232.2 and 53232.3 and supplements the definition of actual and necessary expenses for purposes of state laws relating to permissible uses of public resources.

A. General Conditions for Travel Expenses

1. Travel expenses include the registration, transportation and related costs incurred when attending or participating in out-of-town business or activities such as professional meetings, conferences and training sessions, whether for less than one day, overnight, in-state, out-of-state, or out of the country. All travel requires preapproval as specified throughout this policy.

2. Out-of-state travel and/or travel requiring an overnight stay requires prior approval of the City Manager unless such authority is delegated in writing. All international travel for staff requires prior approval of the City Council.

3. All travel for the Mayor and Council members requires prior approval of the City Council.

4. Time associated with travel, training and conferences as specified in this policy shall be consistent with the provisions of applicable negotiated Memoranda of Understanding (MOUs).

5. Travel not requiring an overnight stay can be authorized by a Department Head based on appropriateness and/or importance, in accordance with expense reporting guidelines established by the City Manager.

6. City officials requiring air travel must use commercial airlines unless a waiver is approved by the City Attorney and Risk Manager.

7. City funds shall not be used for any personal costs, side-trips for personal reasons not related to the business expense (such as visiting a nearby family member or friend), accompanied guests or for the purchase of alcoholic beverages or products.

8. Prepayments of conference registration or other travel-related costs can be made when paid directly by the City with City funds. (City officials who wish to use their personal credit cards cannot be reimbursed before an event occurs.)

9. City officials should select options that meet travel needs at the lowest possible cost.

10. Reimbursement requests other than allowable per diem expenses must always be accompanied by itemized receipts and other justifiable documentation such as event registration and/or event programming information or meeting agendas.

11. In compliance with California Government Code Article 2.3 Section 53232.2, the City will reimburse elected officials for actual and necessary expenses incurred related to travel, rather than the per diem allowance. Itemized receipts, credit card statements and other documentation verifying expenses incurred are required to be submitted with reimbursement requests.

12. The use of a hotel is restricted to cities located beyond 75 miles from the Milpitas City Hall or the traveler's residence, whichever is a shorter distance. Exceptions can be made by the City Manager depending on business necessity or other justifiable circumstances such as early morning or evening meetings at the destination.

13. City departments shall designate travel coordinators to serve as primary points of contact for travel coordination and reimbursement processing in compliance with policy and procedure requirements.

14. Travel for less than one day will be reimbursed in accordance with Section II.C.7 for reasonable actual expenses.

15. With the exception of international travel for staff and all travel for the Mayor and Councilmembers which must be approved by the City Council, the approval authorities

granted herein can be delegated in writing by the City Manager to his/her designees for justifiable business necessities.

B. Travel Request and Authorization Process

1. Except in cases of emergency, all requests for travel authorization must be made in advance on Travel Authorization and Expense Report Form No. 32-11 (travel form). Estimated expenses shall be reviewed and authorized in advance by the City Manager.

2. To provide approvers with sufficient information to justify the travel request, appropriate documentation such as event brochures/agendas must be attached to the travel form.

3. Once approved, travel forms authorizing overnight travel must be sent to Accounts Payable for file documentation and to help ensure efficient reimbursement processing.

4. Advances of planned expenses are prohibited except in the case of pre-approved per diem allowances for meals in accordance with the provisions of II.C.5.

5. If requesting a per diem allowance or prepayment of conference registration, a complete, accurate and approved travel form should be submitted to Accounts Payable for processing at least 10 business days prior to date payments are requested.

6. Travel not involving an overnight stay does not require preauthorization through the preparation/submittal of the travel form (unless required by a Department Head), but any reimbursable expenses incurred must be submitted on the travel form in accordance with the reimbursement requirements established in Section II.C.7.

7. The Chiefs of Police and Fire may authorize out-of-state and/or overnight emergency-related travel for their respective personnel in the following instances requiring an immediate response:

    a. Investigative travel

    b. Prisoner extraditions

    c. Mutual aid requests

C. Criteria for Use of City Funds

1. <u>Registration</u>

    a. Registration fees may be prepaid by the City or reimbursed to City officials in accordance with Section II.C.7.

    b. Federal travel regulations require that any meals included in the cost of registration be deducted from the per diem (Section II.C.5).

    c. Discounts offered for early registration or attendance by additional persons should be obtained whenever possible.

    d. To satisfy IRS accountable plan regulations, a copy of the registration materials must be submitted with the travel form.

2. <u>Air Transportation</u>

    a. Airfare costs to and from the travel destination shall not exceed the most economical advance purchase option available, unless such fare is unavailable and the expense is authorized by the City Manager. Upgrades of any kind will not be reimbursed.

b. City officials who wish to take an alternative form of transportation to a destination may do so, but the City will cover the lowest cost option. A cost comparison must be submitted at the time of travel authorization and with the reimbursement request.

c. City officials shall endeavor to acquire any government discount the airlines may provide.

d. Costs to change or re-book a flight will not be paid by the City unless the flight change results from business necessity, is documented in writing and authorized by the City Manager.

e. The City will cover the cost of one checked bag and will not reimburse for excess baggage charges.

f. If airfare is paid directly by the City, and airfare credits are received by City officials as the result of a trip cancellation, such credits should be used for future business travel. Credits used for personal travel must be reimbursed to the City.

g. City officials who use their personal frequent flyer miles for official business will not be reimbursed for the value of the foregone tickets.

3. Ground Transportation

a. Every effort shall be made to rideshare when two or more City officials are traveling to the same destination. Use of public transit is encouraged when feasible.

b. When using a privately owned vehicle, mileage reimbursement shall be at the rate set by the Internal Revenue Code and shall be reimbursed for the distance between home and the destination or work and the destination, whichever is less. Note: City officials receiving auto allowances will not be reimbursed for mileage unless the destination is beyond a 75-mile radius one way from the City or from the official's home, whichever is less; reimbursement is limited to mileage in excess of the 75-mile radius for each direction traveled.

c. Transportation to and from airports shall be reimbursed for either actual mileage if a personal vehicle is used or for reasonable taxi fare, airport van, rideshare service, or public transportation, if available.

d. Airport parking will be reimbursed at the long-term parking rates for more than one day, and at the short-term parking rates for up to one day only.

e. Ground transportation at the travel destination should be accomplished to the best extent possible by hotel courtesy buses or other free shuttles, or public transportation. Taxi or rideshare service may be used when those options are either not available or will cause undue delays in arrival.

f. The necessity for a rental car must be established and authorized in advance by the City Manager. Economy car rentals, i.e., the most cost effective and fuel-efficient vehicles, will be used whenever possible. Upgrades provided at no additional cost to the City can be considered if economy cars are unavailable. City officials must obtain the liability insurance coverage offered by the car rental company.

4. Lodging

a. City officials are encouraged to plan for and stay at a designated conference hotel at the negotiated daily rate. If the designated conference hotel/rate is not available, City officials should obtain the most reasonable rate available and note the disparity on the travel form.

b. If lodging is required for travel not associated with a conference or event with a predetermined rate, the City will pay for actual lodging expenses up to the U.S. General Services Administration (GSA) maximum daily rate (excluding taxes) allowed by location, available here: GSA daily lodging rate. Based on market research, if the GSA rate for a particular region is inconsistent with rates found for reasonable business accommodations, the City Manager can preauthorize a higher rate based on business necessity.

c. Lodging expenses may be prepaid directly to the hotel or reimbursed to the employee in accordance with Section II.C.7. Lodging expenses for conference attendance will be limited to single occupant room rates and shall not exceed the negotiated conference daily rate.

d. Trips that bundle lodging, meals and/or other travel costs are not allowed, unless it can be demonstrated to the City Manager that the bundled cost does not exceed the total of component costs if each were booked separately.

e. In cases where breakfast is included in the room rate, this must be identified on the travel form and deducted from the per diem reimbursement.

f. Non-mandatory fees such as health club or resort fees are not reimbursable unless it is determined to the satisfaction of the City Manager that payment of such charges is critical to conducting City business.

g. If free wireless Internet service is unavailable and establishing a paid connection is a justifiable business necessity, reimbursement may be requested for reasonable fees charged by the hotel.

5. Per Diem for Meals

a. Employees and City Officials except for Elected Officials will receive the federal per diem allowance for Meals and Incidental Expenses (M&IE) for *overnight travel only*, based on locality. Elected Officials receive reimbursement for meals up to the federal per diem allowance if substantiated by receipts. The federal per diem rates for the continental United States are published annually and can be accessed at the GSA website: Per Diem Rates. Rates for travel outside the continental United States will be obtained by the Finance Department when requested. *Note: If a destination city is not listed, then the rate for the county applies. If there is no rate for the city or county, a comparable nearby city should be identified and used.*

b. Meals and Incidental Expenses included in the per diem are meals, tips/fees for food and luggage handling services.

c. Meals and Incidentals that are not considered per diem expenses (but qualify for reimbursement) are cab/rideshare fare, fax, telephone, wireless Internet as previously specified, copy charges, room taxes, and energy surcharges. These expenses can be reimbursed based on properly documented reasonable actual cost.

d. Meals and allowable incidental expenses eligible for reimbursement in accordance with this section will be paid by the City strictly on a per diem basis (actual expenses for meals only apply in the case of non-overnight travel, see Section II.C.7, as well as for Elected Officials up to the federal per diem allowance).

e. For the first and last day of travel, reimbursement is limited to 75% of the applicable per diem rate. City officials may be eligible for 100% per diem on these days, subject to authorization by the City Manager, as follows:

i. First day travel requires leaving the official's home before 9:00 a.m. in the morning; and/or

ii. Last day travel requires return to the official's home after 6:00 p.m.

f. Per diem reimbursement is not allowed for any meals included as part of the registration cost of an event or included in the cost of a lodging rate and must be deducted from the per diem reimbursement. Event brochures must be submitted with requests for reimbursement so that meal costs can be verified.

If there is a justifiable business, medical or personal reason to not accept a meal provided at an event AND there is no available accommodation, written justification must be provided on the expense reimbursement form to request the each per diem for which this situation applies.

6. City Credit Cards

a. After pre-approval of travel in accordance with this policy, City credit cards issued to travel coordinators and other officials should be used for payment of actual and necessary expenses as detailed within this policy (and in accordance with SOP 6.3, Credit Card Use).

b. Copies of original itemized receipts, with appropriate coding, must accompany travel expense reports (original receipts are submitted with purchasing card statements).

c. Personal charges should not be incurred on City-issued credit cards. Note: Hotels can accommodate requests for separate bills upon check-out. Personal charges must be reimbursed to the City or deducted from the reimbursement request.

d. It is the credit card user's responsibility to provide an accurate accounting on the travel form and reimburse the City for pre-paid per diem expenses, if applicable.

7. Reimbursement and Substantiation Requirements

a. All requests for reimbursement, including travel for less than one day, must be submitted on the travel form accompanied by supporting documentation including original itemized receipts or invoices, conference registration/event information, meeting agendas, etc. As noted, per diem reimbursements for employees and City Officials except for Elected Officials are not included in this requirement.

b. Reimbursement requests submitted without the required documentation/justifications will be returned.

c. Reimbursement requests submitted with missing receipts must include a written explanation of the purchase, subject to the approval of the City Manager.

d. Reimbursement requests associated with City business that do not require an overnight stay will be reimbursed based on actual, reasonable and properly documented costs. Meal reimbursement is typically not allowed for planned travel with no overnight stay unless it can be determined to the satisfaction of Department Heads that such expense is justified, and that the meal meets the IRS requirements as discussed below.

e. In order to meet IRS requirements for reimbursements that do not constitute taxable benefits, meal reimbursements for non-overnight travel must meet one of the following criteria:

i. to accommodate extended work hours, that is because travel necessitates an extension of the employee's normal work schedule;

ii. to attend a meeting on City business in which a meal is served as part of the meeting itself. This is typically for group meetings such as a half-day information conference in the Bay Area; and

iii. to allow for a City official to meet with another government official or business consultant to conduct official City business. An example would be that scheduling requires two officials to meet during lunch time to discuss official City business, and that the lunch meeting is the most convenient time to discuss City business.

Additional information can be obtained by linking to the federal fringe benefit guides referenced below or by contacting the Finance Department.

f. If a personal credit card is used to pay the registration fee for a conference, training session, etc., City officials cannot request reimbursement until after the event has concluded.

g. Approved travel that must be canceled by a City official due to a bona fide emergency or situation completely outside of his/her control, and for which refunds cannot be obtained, will be reimbursed by the City upon approval of a properly documented travel form.

h. City officials must substantiate all expenses. The following constitutes "substantiate" for the purpose of this document:

i. Within 30 calendar days after the expense is incurred, the employee shall submit to the City all receipts and other documentary evidence substantiating the time, place, amount, and business connection of the expenditure.

8. Return of Excess Amounts

a. Travel advances are not allowed under this policy unless it is determined by the City Manager that a business necessity exists. In such cases, City officials must return any amount of an advance that is in excess of the actual expense incurred within 30 calendar days upon return to work (or within 120 calendar days after the expense was incurred, whichever is less).

b. Per diem allowances for City Officials except for Elected Officials do not apply to this section, i.e., actual expenses less than the allowable per diem are not required to be returned so long as the appropriate business needs for the per diem have been established.

D. Reporting Requirements

1. Elected Officials shall, at the first regular meeting following a meeting or conference attended at City expense, provide a brief oral or written report regarding the meeting or conference. If multiple elected or appointed officials attended, a joint report may be made.

E. Policy Violations

1. Use of public resources or falsifying expense reports in violation of this policy may result in any or all of the following:

a. Loss of reimbursement privileges;

b. Restitution to the City;

c. The reporting of expenses as income earned to state and federal tax authorities;

d. Civil penalties of up to $1,000 per day and three times the value of the resources used; and

e. Disciplinary actions, including termination of employment and/or prosecution for misuse of public resources.

Attachments: Travel Authorization & Expense Report (Form 32-11)
Credit Card Missing Invoice Form

Reference Documents:

IRS Fringe Benefit Guide - Publication 5137 (January 2014)
IRS Employer's Tax Guide to Fringe Benefits - Publication 15-B (for use in 2019)

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GOVERNMENT CODE - GOV

TITLE 5. LOCAL AGENCIES [50001 - 57550] *(Title 5 added by Stats. 1949, Ch. 81.)*

DIVISION 2. CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 55821] *(Division 2 added by Stats. 1949, Ch. 81.)*

PART 1. POWERS AND DUTIES COMMON TO CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 54999.7] *(Part 1 added by Stats. 1949, Ch. 81.)*

CHAPTER 2. Officers and Employees [53200 - 53299] *(Chapter 2 added by Stats. 1949, Ch. 81.)*

ARTICLE 2.3. Compensation [53232 - 53232.4] *(Article 2.3 added by Stats. 2005, Ch. 700, Sec. 3.)*

53232. For the purposes of this article, the following terms have the following meanings:

(a) "Governing body" means the board of supervisors in the case of a county or a city and county, the city council or board of trustees in the case of a city, and the board of directors or other governing body in the case of a special district.

(b) "Legislative body" has the same meaning as specified in Section 54952.

(c) "Local agency" means a city, county, city and county, charter city, charter county, charter city and county, or special district.

(d) "Meeting" has the same meaning as specified in subdivision (a) of Section 54952.2.

(Added by Stats. 2005, Ch. 700, Sec. 3. Effective January 1, 2006.)

53232.1. (a) When compensation is otherwise authorized by statute, a local agency may pay compensation to members of a legislative body for attendance at the following occurrences:

(1) A meeting of the legislative body.

(2) A meeting of an advisory body.

(3) A conference or organized educational activity conducted in compliance with subdivision (c) of Section 54952.2, including, but not limited to, ethics training required by Article 2.4 (commencing with Section 53234).

(b) A local agency may pay compensation for attendance at occurrences not specified in subdivision (a) only if the governing body has adopted, in a public meeting, a written policy specifying other types of occasions that constitute the performance of official duties for which a member of the legislative body may receive payment.

(c) This section shall not apply to any local agency that pays compensation in the form of a salary to members of a legislative body, including, but not limited to, those local agencies whose legislative bodies' compensation is subject to Section 36516 or 36516.1, subparagraph (B) or (C) of paragraph (2) of subdivision (a) of Section 21166 or Section 22840 of the Water Code, Section 11908.1 of the Public Utilities Code, Section 6060 of the Harbors and Navigation Code, or subdivision (b) of Section 1 or Section 5 of Article XI of the California Constitution.

(Added by Stats. 2005, Ch. 700, Sec. 3. Effective January 1, 2006.)

53232.2. (a) When reimbursement is otherwise authorized by statute, a local agency may reimburse members of a legislative body for actual and necessary expenses incurred in the performance of official duties, including, but not limited to, activities described in Article 2.4 (commencing with Section 53234).

(b) If a local agency reimburses members of a legislative body for actual and necessary expenses incurred in the performance of official duties, then the governing body shall adopt a written policy, in a public meeting, specifying the types of occurrences that qualify a member of the legislative body to receive reimbursement of expenses relating to travel, meals, lodging, and other actual and necessary expenses.

(c) The policy described in subdivision (b) may also specify the reasonable reimbursement rates for travel, meals, and lodging, and other actual and necessary expenses. If it does not, the local agency shall use the Internal

Revenue Service rates for reimbursement of travel, meals, lodging, and other actual and necessary expenses as established in Publication 463, or any successor publication.

(d) If the lodging is in connection with a conference or organized educational activity conducted in compliance with subdivision (c) of Section 54952.2, including, but not limited to, ethics training required by Article 2.4 (commencing with Section 53234), lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the member of a legislative body at the time of booking. If the group rate is not available, the member of a legislative body shall use comparable lodging that is consistent with the requirements of subdivisions (c) and (e).

(e) Members of the legislative body shall use government and group rates offered by a provider of transportation or lodging services for travel and lodging when available.

(f) All expenses that do not fall within the adopted travel reimbursement policy or the Internal Revenue Service reimbursable rates as provided in subdivision (c), shall be approved by the governing body, in a public meeting before the expense is incurred, except as provided in subdivision (d).

(g) If a member of a legislative body chooses to incur additional costs that are above the rates established pursuant to this section and those costs have not been approved pursuant to subdivision (f), then the member of a legislative body may do so at his or her own expense.

(h) This section shall not supersede any other laws establishing reimbursement rates for local agencies.

(Amended by Stats. 2006, Ch. 643, Sec. 10. Effective January 1, 2007.)

53232.3. (a) If a local agency reimburses members of a legislative body for actual and necessary expenses incurred in the performance of official duties, then a local agency shall provide expense report forms to be filed by the members of the legislative body for reimbursement for actual and necessary expenses incurred on behalf of the local agency in the performance of official duties. Reimbursable expenses shall include, but not be limited to, meals, lodging, and travel.

(b) Expense reports shall document that expenses meet the existing policy, adopted pursuant to Section 53232.2, for expenditure of public resources.

(c) Members of a legislative body shall submit expense reports within a reasonable time after incurring the expense, as determined by the legislative body, and the reports shall be accompanied by the receipts documenting each expense.

(d) Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

(e) All documents related to reimbursable agency expenditures are public records subject to disclosure under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1).

(Added by Stats. 2005, Ch. 700, Sec. 3. Effective January 1, 2006.)

53232.4. Penalties for misuse of public resources or falsifying expense reports in violation of expense reporting polices may include, but are not limited to, the following:

(a) The loss of reimbursement privileges.

(b) Restitution to the local agency.

(c) Civil penalties for misuse of public resources pursuant to Section 8314.

(d) Prosecution for misuse of public resources, pursuant to Section 424 of the Penal Code.

(Added by Stats. 2005, Ch. 700, Sec. 3. Effective January 1, 2006.)

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Authorize the City Manager to Execute the Agreement with OpenGov, Inc. for a Five-Year Not-To-Exceed contract amount of $410,450 for the Purchase of Budget Performance Software (Staff Contact: Walter C. Rossmann, 408-586-3111)**
Category:	Leadership and Support Services
Meeting Date:	10/15/2019
Staff Contact:	Walter C. Rossmann, 408-586-3111
Recommendation:	Authorize the City Manager to execute the agreement with OpenGov, Inc. for a Five-Year contract amount not to exceed $410,450 for the purchase of Budget Performance Software and consolidation of the "Management Reporting" and "Open Town Hall" Software already owned by the City.

Background:

The Finance Department administers the Citywide budget development using the software, BRASS. The BRASS budget software is used by all City departments and the Finance Department to develop and prepare information related to the City's annual operating budget. The CIP budget is completed using a program designed around an Access database and is not developed in BRASS. BRASS' official end-of-life is December 2020. Given its current limited supported status, staff recommends acquisition of a budget system to replace BRASS and the Access database.

The City has used the BRASS budget software since 2003. Since 2015, there have been no more updates provided with the impending end-of-life date of December 2020. The City receives virtually no support for ongoing maintenance, and Budget staff do not have a point of contact at BRASS to communicate and resolve questions or problems.

Analysis:

On July 3, 2019, the Purchasing Division released a Request for Proposals (RFP) #2351 seeking proposals from qualified vendors with demonstrated experience in implementing, hosting, and supporting web-based budget management, analysis, and forecasting software for the development and management of the City's Operating and Capital Improvement Program (CIP) budgets.

The RFP was publicly noticed in accordance with the City's Municipal Code, advertised on the City's website, emailed to companies registered with the City via PublicPurchase.com (the City's eProcurement system), and notifications were sent to seven (7) companies that had expressed interest in similar projects. Upon release, 1,444 firms received the solicitation notification and 58 firms downloaded the RFP documents. The Purchasing Division received seven (7) proposals by 2:00 pm on the July 26, 2019 deadline in response to the RFP. Three (3) companies were disqualified for failure to submit the required documentation, and four (4) continued in the evaluation process.

The four (4) companies that continued in the evaluation process were:

1. Armanino & Adaptive Insights
2. VantagePoint Business Solutions and SAP
3. Questica, Ltd.
4. OpenGov, Inc.

The evaluation committee reviewed proposals based on the following criteria:

1. Cover Letter
2. Executive Summary
3. Description of Proposed Software
4. Implementation and Support Strategy
5. Personnel Assigned
6. References, and
7. Proposed Compensation

After an initial evaluation by seven City staff members who comprised the evaluation committee, two firms were invited to and attended an interview to do a product demonstration of their budget system. Onsite interviews were held at City Hall on September 6, 2019. Due to several outstanding questions remaining after the product demonstrations, a follow-up evaluation with each company was scheduled on September 18 and 19, 2019. Scoring was finalized on September 25, 2019. Reference checks were also performed from September 13-18, 2019 to further understand system functionality and user experience with references that both companies included in their responses to the RFP. The table below shows the final evaluation scores with the recommended firm highlighted in green:

Budget System **RFP No. 2351**	**OpenGov**	Questica	Armanino & Adaptive Insights	VantagePoint Business Solutions and SAP
Evaluation Score	**93.64**	80.33	56.35	54.61

OpenGov is a cloud-based solution for public sector budgeting and performance. It was founded in 2012 and is backed by Andreesen Horowitz, Emerson Collective, 8VC, and Thrive Capital. Over 2,100 public agencies in 48 states use OpenGov software. It has a strong management presence in the San Jose/Oakland/San Francisco area, with the headquarters located in Redwood City, California. Opengov local customers include Redwood City, Foster City, El Cerrito, Hayward, Alameda, and Cupertino. It has over 230 customers in California alone, including the City of Milpitas which currently is licensed to use its Intelligence and Transparency and Open Town Hall software. The Intelligence and Transparency software allows users to generate financial and non-financial reports and to selectively share them with the public. The Open Town Hall software enables governments to solicit citizen feed back on a variety of topics of the City's choosing.

OpenGov is an integrated cloud Software-as-a-Service ("SaaS") solution for budgeting, performance, communications and reporting with the following functionalities:

- An integrated solution that allows for all pieces of the budget process (including historical information and various versions of budget within each of the processes) to be in one environment;
- A fully automated integration with the City's existing financial management system Cayenta to allow staff to focus on analysis versus manual data consolidation;
- A comprehensive and robust personnel cost forecast module that allows for detailed salary calculations and projections, as well as scenario analysis;
- A configurable and flexible reporting engine that will allow staff the ability to create and edit their own reports and views to drive operational performance;
- Capability to interface with external publishing systems;
- Unlimited user license model to involve as many people as necessary during the budget process and communicate and collaborate within the tool;
- Ability to forecast and allocate expenses;
- Plan and budget for the Capital Budget, allowing the insertion of maps, project descriptions, costs, financing, and other metadata; and
- Publish the budget and actual expenditures to the web for full transparency of the City's fiscal data.

On November 11, 2016, the City entered into a five-year sole source software agreement (ending November 10, 2021) with OpenGov, Inc. to utilize its "Intelligence and Transparency" software now rebranded as "Management Reporting", which allows customers to create and share internal operational reports. The annual cost for this software was $19,290 and the total amount of the five-year agreement is $99,151. An amendment on February 6, 2018, was approved by City Council to add the sole source purchase of OpenGov, Inc.'s Open Town Hall Software service in the amount of $41,690 for the remaining three years of the "Intelligence and Transparency"contract. Both of the existing programs will work seamlessly with the new Budget Performance Software freely exchanging information back and forth.

The recommended new contract with OpenGov includes continuation of the "Intelligence and Transparency" and "Open Town Hall" software and combines them with the purchase of the new Budget and Performance software as detailed in the fiscal impact section. All three pieces of software work together, it is therefore logical to combine them in one coterminous contract with a single annual billing.

Policy Alternatives:

Alternative 1: Do not approve staff recommendation of OpenGov, Inc., as the highest ranked vendor for a budget system and do not award the contract for a new budget system.

Pros: Currently, the City is paying $13,519.65 annually to CGI Technologies and Solutions for Brass. By not awarding the contract to OpenGov, the City would save approximately $31,500 annually.

Cons: The current system is not an integrated database that requires a lot of manipulation of data which increases the possibility of error and dual entry of data.

Reason not recommended:
BRASS' official end-of-life is December 2020, and the City currently has virtually no support and maintenance. BRASS is a legacy system that requires significant manual input. It does not have modern reporting capabilities that enable users to generate useful reports and analyze their budget. Macro enabled queries in Excel are used and the City uses a consultant when these need to be updated. It also lacks a forecasting module that will allow staff to generate long-term forecasts, with forecasts having to be developed separately in Excel using macro enabled queries that pull information from Brass. Additionally, it does not allow more than one user to be in the same screen at the same time, thereby limiting system efficiency and oftentimes slowing down the budget input process. With the acquisition and implementation of a new budget system, the City will be able to take advantage of efficiencies inherent in the system and rededicate staff time from data entry and other inefficient tasks towards analytical work.

Fiscal Impact:
The total cost of the five-year contract with OpenGov, Inc., is $410,450. There are sufficient funds budgeted in the 2017-18, 2018-19 Finance System Upgrade Project (CIP 3435) for the first-year cost of $110,090. Costs for years two through five of the contract will be incorporated into the development of future years' budgets.

As detailed in the table below, the five-year contract of $350,270 includes a one-time implementation fee of $35,000, and the annual cost of $45,000 for the first two years, and $75,090 in years three to five. Years one and two for Open Town Hall & Management Reporting Software License Costs are included in the FY 2019-20 budget and the General Fund Forecast. Years three to five of the contract include the addition of $35,090 of the Open Town Hall & Management Reporting Software License costs as discussed above. By combining the two agreements, the total not-to-exceed contract cost for the recommended agreement is $410,450.

Pricing Summary	Year 1	Year 2	Year 3	Year 4	Year 5	Grand Total
Software Licensing/Hosting Costs	$45,000	$45,000	$75,090	$75,090	$75,090	$315,270
Implementation Services	$35,000 --	--	--	--	--	
Proposal Sub-Total						**$350,270**
Open Town Hall & Management Reporting Software License Costs	$30,090	$30,090				
Total Solution Cost	**$110,090**	**$75,090**	**$75,090**	**$75,090**	**$75,090**	**$410,450**

California Environmental Quality Act:
Software procurement is not deemed a project under the California Environmental Quality Act. Approving a selected vendor and directing the City Manager to provide a signature on behalf of the City are administrative activities of government and will not result in direct or indirect physical changes to the environment.

Recommendation:
It is recommended that the City Council:
Authorize the City Manager to Execute the Agreement with OpenGov, Inc. for a Five-Year Not-To-Exceed contract amount of $410,450 for the Purchase of Budget Performance Software and the Consolidation of the "Management Reporting" and "Open Town Hall" Software Already Owned by the City

Attachments:
Attachment A: Professional Service Agreement with OpenGov, Inc.

PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE
CITY OF MILPITAS AND OPENGOV INC.

This Agreement is made and entered into as of _____, 20____ ("Effective Date") by and between the City of Milpitas, a municipal corporation organized and operating under the laws of the State of California with its principal place of business at 455 E. Calaveras Boulevard, Milpitas, California 95035 ("City"), and **OpenGov, Inc.,** a Corporation with its principal place of business at **955 Charter Street, Redwood City, CA. 94063** (hereinafter referred to as "Consultant"). City and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

RECITALS

A. City is a public agency of the State of California and is in need of professional services for the following project:

PURCHASE AND INSTALLATION OF BUDGET AND PERFORMANCE SOFTWARE AND CONSOLIDATION OF THE MANAGEMENT REPORTING AND OPEN TOWN HALL SOFTWARE

(hereinafter referred to as "the Project").

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for City to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide the City with the software services ("Software Services") and professional services ("Professional Services") (collectively, the "services") described in the Scope of Services attached hereto as Exhibit A.

2. Compensation.

a. Subject to paragraph 2(b) below, the City shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit B.

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of **Four Hundred Ten Thousand Four Hundred Fifty-One Dollars and Forty Cents ($410,451.40)**. This amount is to cover all printing and related costs, and the City will not pay any additional fees for printing expenses. Payment for Professional Services will be made in advance as a one-time lump sum fee in the amount specified in Exhibit B and within thirty (30) days of the City's receipt of a valid invoice for the Professional Services from Consultant.. Payments to Consultant for Software Services will be made on an annual basis in advance with payment occurring within thirty (30) days of the City's receipt of a valid invoice for the Software Services from Consultant.

3. Additional Work.

If changes in the work seem merited by Consultant or the City, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the City by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the City and executed by both Parties before performance of such services, or the City will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times, with ten (10) days prior notice, during the Agreement term and for four (4) years from the date of final payment under the Agreement for inspection by City.

5. Term.

The term of this Agreement shall be from **October 16, 2019** to **October 15, 2024**, unless earlier terminated as provided herein.

6. Delays in Performance.

a. Neither City nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

8. Standard of Care

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant

Except in the event of a change of control wherein a controlling interest in Consultant's company is transferred to a third party, Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the City, which may be withheld for any

reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Consultant

Consultant is retained as an independent contractor and is not an employee of City. No employee or agent of Consultant shall become an employee of City. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from City as herein provided.

11. Insurance. Consultant shall not commence work for the City until it has provided evidence satisfactory to the City it has secured all insurance required under Exhibit D (Insurance Requirements), attached hereto and incorporated herein by this reference. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required therein.

12. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel of City's choosing), indemnify and hold the City, its officials, officers, employees, volunteers, and agents free and harmless, from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, the City, its officials, officers, employees, agents, or volunteers.

b. If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance of "design professional" services (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

13. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is One Thousand Dollars and Zero Cents ($1,000.00) or more, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code

Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

b. If the services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

c. This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant's performance of services, including any delay, shall be Consultant's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the City. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

14. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

15. City Material Requirements.

[RESERVED]

16. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Santa Clara, State of California.

17 Termination or Abandonment

a. If either Party materially breaches any term of this Agreement and fails to cure such breach within thirty (30) days after receiving written notice from the non-breaching party, the non-breaching party may terminate this Agreement. City shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. In the event the City has materially breached the Agreement and failed to cure in accordance with the requirements above, City shall pay Consultant any portion of the annual Software Services fee due for the year in which the breach occurred. In the event the Consultant has materially breached the Agreement and failed to cure in accordance with

the requirements above, any payments for Software Services made in advance shall be refunded based on the proportionate percentage of the year remaining in which the breach occurred. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for professional services performed during such task shall be the reasonable value of such professional services, based on an amount mutually agreed to by City and Consultant of the portion of such task completed but not paid prior to said termination. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed professional services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to City only in the event of substantial failure by City to perform in accordance with the terms of this Agreement through no fault of Consultant.

c. The Consultant understands and accepts that at all times; the Agreement is subject to appropriation of funds by the Milpitas City Council. The Agreement may terminate without penalty, liability or expense of any kind to the City at the end of Agreement term. The City has no obligation to make appropriations for the Agreement in lieu of appropriations for new or other contracts. City budget decisions are subject to the discretion of the Mayor and City Council. Consultant's assumption of risk of possible non-appropriation is a part of the consideration for the Agreement. This section controls against any and all other provisions of the Agreement. With respect to the Software Services the City will be responsible for payment of any portion of the annual Software Services fee due prior to termination under this Section 17.c, and any payments made for Software Services shall be non-refundable. Consultant shall have no right to collect any annual Software Services fee accruing following termination under this Section 17.c.

18 [RESERVED]

19. Organization

Consultant shall assign **Sally Steel-Ginis** as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the City or the departure of the Project Manager from the Consultant's employ.

20. Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described above.

21. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

CITY:
City of Milpitas
455 E. Calaveras Boulevard
Milpitas, California 95035
Attn: City Manager

CONSULTANT:
OpenGov, Inc.
955 Charter Street
Redwood City, CA, 94063
Attn: General Counsel

and shall be effective upon receipt thereof.

22. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and the Consultant.

23. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

24. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of City and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

25. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the provisions unenforceable, invalid or illegal.

26. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each party to this Agreement. However, except in the event of a change of control wherein a controlling interest in Consultant's company is transferred to a third party, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of City. Any attempted assignment without such consent shall be invalid and void.

27. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specifically specified in writing.

28. [RESERVED]

29. City's Right to Employ Other Consultants

City reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

30. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

31. Wage Theft Prevention

a. Consultant, and any subconsultant it employs to complete work under this Agreement, shall comply with all applicable federal, state and local wage and hour laws. Applicable laws may include, but are not limited to, the Federal Fair Labor Standards Act, the California Labor Code and the Milpitas Minimum Wage Ordinance.

b. BY SIGNING THIS AGREEMENT, CONSULTANT AFFIRMS THAT IT HAS DISCLOSED ANY FINAL JUDGMENTS, DECISIONS OR ORDERS FROM A COURT OR INVESTIGATORY GOVERNMENT AGENCY, FINDING IN THE FIVE (5) YEARS PRIOR TO EXECUTING THIS AGREEMENT THAT CONSULTANT OR ITS SUBCONSULTANTS HAS VIOLATED ANY APPLICABLE WAGE AND HOUR LAWS. CONSULTANT FURTHER AFFIRMS THAT IT OR ITS SUBCONSULTANT(S) HAS EITHER FULLY SATISFIED EACH JUDGMENT, DECISION OR ORDER, OR, IF ANY JUDGMENT, DECISION OR ORDER HAS NOT BEEN FULLY SATISFIED, CONSULTANT AFFIRMS THAT IT OR ITS SUBCONSULTANT(S) IS CURRENTLY SATISFYING SAID JUDGMENT, DECISION OR ORDER THROUGH A PAYMENT OR ALTERNATIVE PLAN APPROVED BY THE APPLICABLE COURT/GOVERNMENT AGENCY AND THAT CONSULTANT OR ITS SUBCONSULTANT(S) ARE IN COMPLIANCE WITH SAID PLAN AS OF THE DATE OF EXECUTING THIS AGREEMENT.

c. If at any time during the term of this Agreement, a court or investigatory government agency issues a final judgment, decision or order finding that Consultant or a subconsultant it employs to perform work under this Agreement has violated any applicable wage and hour law, or Consultant learns of such a judgment, decision, or order that was not previously disclosed in its bid/proposal, Consultant shall inform the City no more than fifteen (15) calendar days after the judgment, decision or order becomes final or from the date of learning of the final judgment, decision or order. Consultant or its subconsultant(s) shall, within thirty (30) calendar days after notifying the City, either (i) fully satisfy any such judgment, decision, or order and provide the City with documentary evidence of satisfying said judgment, decision or order; or (ii) provide the City documentary evidence of a payment or other alternative plan approved by the court/government agency to satisfy the judgment, decision or order. If the Consultant or its subconsultant is subject to a payment or other alternative plan, the Consultant or its subconsultant shall continue to submit documentary evidence every thirty (30) calendar days during the term of the Agreement demonstrating continued compliance with the plan until the judgment, decision or order has been fully satisfied.

d. For purposes of this Section, a "final judgment, decision, or order" refers to one for which all appeals have been exhausted or the time period to appeal has expired. Relevant investigatory government agencies include: the United States Department of Labor, the California Division of Labor Standards Enforcement, the City, or any other governmental entity or division tasked with the investigation and enforcement of wage and hour laws.

e. Failure to comply with any part of this Section constitutes a material breach of this Agreement. Such breach may serve as a basis for immediate termination of this Agreement and/or any other remedies available under this Agreement and/or law.

f. Notice provided to the City shall be addressed to: Attention: Finance Director, 455 E. Calaveras Blvd. Milpitas, CA 95035. The Notice provisions of this Section are separate from any other notice provisions in this Agreement and, accordingly, only notice provided to the above address satisfies the notice requirements in this Section.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF MILPITAS AND OPENGOV, INC.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CITY OF MILPITAS
Approved By:

Steven G. McHarris, Interim City Manager

Date

Approved As To Form:

Christopher J. Diaz, City Attorney

Approved:

Walter C. Rossmann, Risk Manager/Director of Finance

OPENGOV, INC.

Signature

Paul H. Denton
Name

CFO
Title

Date

DIR Registration Number (If Applicable)

EXHIBIT A

Scope of Services

1. Objective

1.1. Summary

This Statement of Work ("SOW") identifies services that OpenGov, Inc. ("OpenGov") will perform for City of Milpitas, CA ("Customer"). This SOW is subject to, and hereby incorporates by reference, the terms and conditions contained in the Software Subscription Agreement (the "Agreement") to which it is attached between Customer and OpenGov.

OpenGov will enable and support the Customer to deliver on the Scope of Work outlined below. The objective of this Statement of Work is to define the scope, activities, roles and responsibilities, and timeline necessary to successfully execute this deployment project. This project aims to implement the OpenGov Budgeting and Planning Solution for the Customer to enable effective and accountable governing. This SOW defines the scope and deliverables for a successful implementation of the OpenGov Cloud.

2. Scope

2.1. Project Scope

The project scope includes the following services and deliverables. Any items not specifically included in scope will be considered out of scope.

OpenGov will provide Professional Services to implement the OpenGov Cloud Full Cycle package.

2.2. Deliverables

OpenGov Cloud - Full Cycle - Fixed Fee	
Functionality	**Deliverables**
Chart of Accounts	• Review and feedback of Customer's source system chart of accounts • Chart of accounts functional build and review • Chart of accounts configuration and peer review • Administrator training
Management Reporting	• 4 Standard Reports (Annual, Budget to Actuals, Change in Fund Balance, and Transactions) • 1 department-specific budget to actual report • 1 custom report (stipulated by the Customer) • Standard saved views for each report • Up to 10 years of data • Administrator training

	• Creation of launch plan • End user training/presentation (depts, council, etc.) • Review of best practices for launch • Launch

Performance Measures	• Metrics Conceptualization sessions for 2 programs from 2 departments
	• Program Inventory document for 2 departments
	• Up to 6 non-financial reports
	• 1 department dashboard containing tiles for the 2 programs above
	• OpenGov recommends building the following tile types,
	  ○ 2 Financial
	  ○ 4 Output or Outcome
	  ○ 2 Efficiency (cost for doing something)
	• SFTP dataset integration of up to 3 .CSV datasets
	• Administrator Training
	• Creation of launch plan
	• Review of best practices for launch
	• Launch

Stories	• Up to 2 story conceptualizing sessions • Up to 2 Stories • Administrator training • External communication resource packet • Citizen Engagement Best Practice Newsletter • Creation of launch plan • Review of best practices for launch • Publish the created stories
Financial Integration	• Integration of budget and actuals, with transaction level detail up to 10 years • Single system connector • Design, map, and validate data from the system. • Administrator training • Ongoing monitoring and alerts
Budget Builder • **Operating Budget** • **Capital Budget**	• Builder Builder setup • Up to 2 budgets (i.e. Operating & capital) • Creation of up to 5 proposals per budget • 2 Reports (Budget to Actuals & milestones) • Project continues to Adopted Budget • Administrator training • Personalized User Guide • Up to 3 kick off trainings to departments • Creation of launch plan • Review of best practices for launch • Launch • Budget end user and Administrator assistance throughout Budget Development and Adoption

Workforce Planning	• Initial configuration based on Customer provided documentation and cost elements • 1 Workforce plan • Data formatting and loading • Validate calculations • 1 authorized position list report • 1 total compensation detail report • Administrator training • Administrator guide
Budget Book	Import and Format Main Document: • Import document (must be in .docx format) provided by Customer. • Set up document outline and break document into appropriate outline sections. • Review text and tables for formatting accuracy (font style, font size, spacing, borders, shading). Set up default header and footer. • Import and place graphics. • Set up the Table of Contents to auto generate page numbers, edit text to reflect current quarter and add hyperlinks to text. Linking: • Includes 1-1 linking from a source spreadsheet to the main document for all data presented in a chart or table in the main document. Process Improvement Consultation: • Our solutions architect team will spend time with your reporting team. This time will allow the team to understand your data source files and how they integrate with your final report(s) in Wdesk. • We will provide process and data flow recommendations, best practices, outline project implementation, and provide enhanced training as needed. Training: • Our team will spend time with your reporting team training on the Wdesk Account and Budget Book, project editing and maintenance following implementation. Five training sessions will be offered: o Wdesk Application Introduction & Account Overview o Wdesk Account Administration o Wdesk Document Editing & Formatting o Wdesk Spreadsheet Editing and o Wdesk Linking & Wdesk Sync

2.3. Assumptions

- If a Fixed Fee engagement: The concept of Fixed Fee defines how the outlined deliverables are achieved. If Fixed Fee, OpenGov commits to delivering on the items outlined in the above Professional Services packages regardless of how many hours they might take.
- **For the Financial Integration,**
    - The data will be linked to the Customer's chart of accounts.

- OpenGov will perform the validation for data accuracy for the Integration.
- OpenGov will require assistance from the Customer to understand source system specific customizations and configurations when building the data extract.

- **If there is an FTP integration of 3 .CSV datasets,**
  - The data will NOT be linked to the Customer's chart of accounts.
  - The Customer will perform the validation for data accuracy for the Integration.
  - Customer will perform the data extraction from the source system and automate it to be dropped in OpenGov FTP location.

3. Schedule

OpenGov will schedule resources for this project upon signature of this SOW. Unless specifically noted, the OpenGov assigned project manager (as identified below or such alternate designated by OpenGov, the "OpenGov Project Manager") will work with Customer to develop the project schedule for all requested deliverables under this SOW. OpenGov reserves the right to adjust the schedule based on the availability of OpenGov resources and the deliverables provided by Customer.

4. Project Organization

4.1. Project Team

OpenGov

OpenGov will assign a Project Manager (the "OpenGov Project Manager") upon execution of the SOW. The OpenGov Project Manager will coordinate any additional resources needed from OpenGov.

Customer

Customer will assign a project manager (the "Customer Project Manager") and technical resource prior to project kick-off. The Customer Project Manager will be the primary contact person at Customer and will coordinate all Customer resources needed to complete the project. It is anticipated that the areas of need will be in Finance, Data Gathering, and the IT department.

4.2. Project Responsibilities

The project responsibilities for each organization are outlined below:

OpenGov

1. Manage delivery of in-scope items in coordination with Customer.
2. Make available deliverables to Customer project team for review and verification.
3. Provide relevant technical details and documentation for data requirements for Customer's environment.
4. Keep Customer Project Manager informed of project progress and communicate any issues relating to the project in a timely manner.
5. Establish documentation and procedural standards for the project.

6. Review and administer project change control, as described in Section 5, Change Control Procedures.
7. Ensure that all meetings and training sessions are attended by OpenGov personnel, as scheduled.

8. Budget Builder files are exported as .xlsx. OpenGov may assist in formatting that file, but cannot convert files to any other file types

Customer

1. Make available a representative to serve as the primary contact for OpenGov Project Manager to coordinate project activities.
2. Make available appropriate representatives with the authority to review and approve deliverables produced during the project.
3. Make available appropriate Subject Matter Experts (SME) to support the project needs, test integrations and provide Customer environment specific technical details.
4. Setup firewall rules to allow incoming requests from OpenGov's proxy over HTTP/HTTPS to Customer systems.
5. Communicate any issues relating to the project to OpenGov Project Manager in a timely manner.
6. Provide acceptance of deliverables and Project in a timely manner.
7. If Integration services are purchased, Customer will be responsible for making any configuration changes or modifications to Financial System (ERP) to support integration and make available access for integration to OpenGov software. The Customer will be responsible for ensuring that the versions of Financial System (ERP) running on all environments remain the same across all environments.
8. Customer will be responsible for any infrastructure required to access OpenGov, and will maintain relevant non-OpenGov software licenses and infrastructure needed for this project i.e. accounting system licenses. Please note, OpenGov software is optimized for Google Chrome.
9. The Customer will be responsible for ensuring that all meetings and training sessions are attended by personnel, as scheduled.

4.3. Implementation Methodology

OpenGov uses an iterative methodology, with a focus on rapid implementation of a configured system. This methodology requires a degree of focus from the Customer and collaboration between both parties to complete work products in a timely manner.

1. Initiate Phase

a. Key Activities: Discovery, Design Sessions, Solution Document Review

b. Key Work Products: Data Inventory, Functional Model Build, Solution Document

c. Summary: The Initiate Phase is the first step of the implementation project. The purpose of this phase is to define the success criteria of the project, make design decisions based on the functional model build, and begin gathering data that needs to be loaded into the OpenGov platform. At the end of the Phase, a Solution Document will be created that outlines how the solutions will be implemented.

2. Configure Phase

. Key Activities: Application and Solution Configuration, Data Load

a. Key Work Products: Peer Review

b. Summary: The Configure Phase consists of application configuration, and solution configuration as defined in the Solution Document. OpenGov will also load the data gathered in the Initiate Phase from

the Customer to use for unit testing purposes. The Phase ends with a Peer Review done by an OpenGov Subject Matter Expert to confirm that the solution follows OpenGov best practices.

3. **Validate Phase**

. **Key Activities:** User Acceptance Testing, Data Confirmation

a. **Key Work Products:** Test Scripts, Test Acceptance

b. **Summary:** The Validate Phase starts with a review of the entire solution with the Customer project team to confirm that all project elements have been implemented. Once that process has completed, the Customer will execute test scripts and validate that data is being represented accurately in the solution. If any issues are found, they will be logged and the OpenGov team will assess the issue and resolve as needed. The Phase ends with the Acceptance of test results by the Customer.

4. **Deploy Phase**

. **Key Activities:** Administrator Training, Go Live Support, Transition to Customer Success Manager and Technical Support

a. **Key Work Products:** Project Documentation, Project Acceptance

b. **Summary:** The purpose of the Deploy phase is to complete the Administrator Training process, provide Go Live Support, and begin Transition activities to close the project. Post Go Live Support is technical assistance with the project team and issue resolution for the solution during the two week period after Go Live. Once this period has passed, the Project team will begin working on transition activities to the Customer, the CSM, and the Customer Technical Support Function. The Project closes upon the acceptance of the project and a brief survey to provide feedback about the experience.

EXHIBIT B

Schedule of Charges/Payments

With respect to Professional Services, Consultant will invoice City on a monthly cycle as specified below. With respect to the Software Services the City will be responsible for payment of any portion of the annual Software Services fee due following receipt of an invoice from Consultant, and any payments made for Software Services shall be non-refundable except in the event of a material breach of this Agreement by Consultant. Consultant will inform City regarding any out-of-scope work being performed by Consultant. With respect to Software Services, this is a Software Services subscription agreement pursuant to the terms of Exhibit E, attached and incorporated herein.

SOFTWARE SERVICES:

Product / Service	Start Date	End Date	Annual Term	Annual Fee
The OpenGov Cloud *Budget Builder, Budget Book, Workforce Planning, Management Reporting, Performance Measures, Story Builder, Open Town Hall, Financial Integration*	11/11/2019	11/10/2024	5	$75,090.28
			Annual Subscription:	$75,090.28

PROFESSIONAL SERVICES:

Product / Service	Description	
OpenGov Deployment — One Time Fee	Product configuration and setup, training, and ongoing support to help organizations deploy and adopt the OpenGov solutions described in the attached SOW.	
	Professional Services Total:	$35,000.00

Billing Table:

Billing Date	Amount Due
November 11, 2019	$110,090.28
November 11, 2020	$75,090.28
November 11, 2021	$75,090.28
November 11, 2022	$75,090.28
November 11, 2023	$75,090.28

EXHIBIT C

Activity Schedule

	October				November				December					
	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W5	
Chart of Accounts*	V	D												
Operating Budget			I		C			V	D					I = Initiate
Capital Budget			I		C			V	D					C = Configure V = Validate D = Deploy
Workforce			I	C	V	D								
Financial Integration			I	C	V	D								
Budget Book								I	C		V	D		
Performance Measures						I	C		V	D				
Story Builder								I	C		V	D		

**Because Milpitas is an existing customer, we will be able to go right to the Validation stage Day 1.*

Please note, this proposed project schedule is subject to change based on customer priorities and preferences

EXHIBIT D

Insurance Requirements

Please refer to the insurance requirements listed below. Those that have an "X" indicated in the space before the requirement apply to Contractor's or Consultant's Agreement.

Contractor or Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor or Consultant, its agents, representatives, employees or subcontractors.

Contractor or Consultant shall provide its insurance broker(s)/agent(s) with a copy of these requirements and request that they provide Certificates of Insurance complete with copies of all required endorsements.

Contractor or Consultant shall furnish City with copies of original endorsements affecting coverage required by this Exhibit D. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements and certificates are to be received and approved by City before work commences. City has the right to require Contractor's or Consultant's insurer to provide complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications.

Commercial General Liability (CGL):

___ Coverage at least as broad as Insurance Services Office ("ISO") Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than $2,000,000.00 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

X_ Coverage at least as broad as ISO Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than $1,000,000.00 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

___ Coverage at least as broad as ISO Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than $5,000,000.00 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

Automobile Liability:

X_ Coverage at least as broad as ISO Form Number CA 0001 covering, Code 1 (any auto), of if Contractor or Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limits no less than $1,000,000.00 per accident for bodily injury and property damage.

___ Coverage at least as broad as ISO Form Number CA 0001 covering, Code 1 (any auto), with limits no less than $5,000,000.00 per accident for bodily injury and property damage.

___ Garage keepers' extra liability endorsement to extend coverage to all vehicles in the care, custody and control of the Contractor or Consultant, regardless of where the vehicles are kept or driven.

Professional Liability (Errors and Omissions):

The Employer's Liability policy shall be endorsed to waive any right of subrogation as respects the City, its elected and appointed officials, officers, attorneys, agents, and employees.

___ Insurance appropriates to the Contractor or Consultant's profession, with limit no less than $1,000,000.00 per occurrence or claim, $2,000,000.00 aggregate.

___ (If Design/Build), with limits no less than $1,000,000.00 per occurrence or claim, and $2,000,000.00 policy aggregate.

___ Insurance appropriates to the Contractor or Consultant's profession, with limit no less than _____ per occurrence or claim, _____ aggregate

Workers' Compensation Insurance:

X_ Insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than $1,000,000.00 per accident for bodily injury or disease. *(Not required if Contractor or Consultant provides written verification it has no employees)*

The Contractor or Consultant makes the following certification, required by section 1861 of the California Labor Code:

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

X_____
Contractor/Consultant Signature

Builder's Risk (Course of Construction):

___ Insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions.

Surety Bonds:

___ Contractor shall provide the following Surety Bonds:

1. Bid Bond
2. Performance Bond
3. Payment Bond

The Payment Bond and Performance Bond shall be in a sum equal to the contract price. Bonds shall be duly executed by a responsible corporate surety, authorized to issue such bonds in the State of California and secured through an authorized agent with an office in California.

Contractor's or Consultant's Pollution Legal Liability:

___ Contractor's or Consultant's pollution legal liability and/or Asbestos Legal Liability and/or Errors and Omissions (if project involves environmental hazards) with limits no less than $1,000,000.00 per occurrence or claim and $2,000,000.00 policy aggregate.

If the Contractor or Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Contractor or Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

Other Insurance Provisions:

The insurance policies are to contain, or be endorsed to contain the following provisions:

X_ Additional Insured Status:

The insurance policies are to contain, or be endorsed to contain the following provision:

The City, its elected and appointed officials, officers, attorneys, agents, and employees are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor or Consultant or any subcontractors including materials, parts, or equipment furnished in connection with such work or operations, including completed operations. General liability coverage can be provided in the form of an endorsement to the Contractor's or Consultant's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used).

The Additional Insured coverage under the Contractor's policy shall be "primary and non-contributory" and will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13.

The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis

for the benefit of City (if agreed to in a written contract or agreement) before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

X__ Primary Coverage:

The insurance policies are to contain, or be endorsed to contain the following provision:

For any claims related to this contract, the Contractor's or Consultant's insurance coverage shall be primary insurance as respects the City, its elected and appointed officials, officers, attorneys, agents, and employees. Any insurance or self-insurance maintained by the City, its elected and appointed officials, officers, attorneys, agents, and employees shall be in excess of the Contractor's or Consultant's insurance and shall not contribute with it.

____ Builder's Risk (Course of Construction Insurance) (applicable to Construction Contracts only)

Contractor or Consultant may submit evidence of Builder's Risk insurance in the form of Course of Construction coverage. Such coverage shall name the City as a loss payee as their interest may appear.

If the project does not involve new or major reconstruction, at the option of the City, an Installation Floater may be acceptable. For such projects, a Property Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at the City's site.

X__ Notice of Cancellation, Suspension or Otherwise Voiding Policies:

Each insurance policy required above shall contain, or be endorsed to contain that coverage shall not be suspended, voided, canceled or reduced in coverage or in limits except with thirty (30) days' prior written notice by certified mail, return receipt requested to the City.

X__ Waiver of Subrogation:

Contractor or Consultant hereby grants to City a waiver of any right to subrogation which any insurer of said Contractor or Consultant may acquire against the City by virtue of the payment of any loss under such insurance. Contractor or Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer. The Workers' Compensation Policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by Contractor or Consultant, its employees, agents and subcontractors.

____ Completed Operations

For Construction Agreements, Contractor shall maintain insurance as required by this Agreement to the fullest amount allowed by law and shall maintain insurance for a minimum of five (5) years following the completion of this project. In the event Contractor fails to obtain or maintain completed operations coverage as required by this Agreement, the City at its sole discretion may purchase the coverage required and the cost will be paid by Contractor.

THE FOLLOWING PROVISIONS APPLY TO ALL AGREEMENTS

Deductibles and Self-Insured Retentions ("SIR"):

Any deductibles or self-insured retentions must be declared to and approved by City. The City may require the Contractor or Consultant to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. At the option of the City, either (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its elected and appointed officials, officers, attorneys, agents, and employees; or (2) the Contractor or Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

All SIRs must be disclosed to Risk Management for approval and shall not reduce the limits of liability.

Policies containing any SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or the City.

City reserves the right to obtain a full-certified copy of any insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

Acceptability of Insurers:

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to City.

Claims Made Policies: (note - should be applicable only to professional liability, see below)

1. The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor or Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.
4. A copy of the claims reporting requirements must be submitted to the City for review.
5. If the services involve lead-based paint or asbestos identification/remediation, the Contractor's Pollution Liability Policy shall not contain lead-based paint or

asbestos exclusions. If the services involve mold identification/remediation, the Contractors Pollution Liability Policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

Subcontractors:

Contractor or Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors.

Subcontractor agrees to be bound to Contractor and City in the same manner and to the same extent as Contractor is bound to City under this Agreement and any other contract documents. Subcontractor further agrees to include the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, with any sub-subcontractor to the extent they apply to the scope of the sub-subcontractor's work. A copy of the City indemnity and insurance provisions will be furnished to the subcontractor upon request.

Verification of Coverage:

Contractor or Consultant shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor or Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Special Risks or Circumstances

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage or other special circumstances.

Failure to Comply:

Each insurance policy required above shall contain or be endorsed to contain that any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its elected and appointed officials, officers, attorneys, agents, and employees.

Applicability of Coverage:

Each insurance policy required above shall contain or be endorsed to contain that the Contractor's or Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

EXHIBIT E - OpenGov Software Services Agreement

This Software Services Agreement (this "**Agreement**") is entered into by OpenGov, Inc., a Delaware corporation with a principal place of business at 955 Charter Street, Redwood City, California 94063 ("**OpenGov**") and the City of Milpitas ("**Customer**"). This Agreement is an Exhibit to the Professional Services Agreement between OpenGov and Customer and sets forth the terms under which Customer will be permitted to use OpenGov's hosted software services.

1. DEFINITIONS

"Customer Data" means data that is provided by Customer to OpenGov pursuant to this Agreement (for example, by email or through Customer's software systems of record). Customer Data shall not include any confidential personally identifiable information.

"Documentation" means the documentation for the Software Services at the Customer Resource Center page found at https://opengov.zendesk.com.

"Feedback" means suggestions, comments, improvements, ideas, or other feedback or materials regarding the Software Services provided by Customer to OpenGov, including feedback provided through online developer community forums.

"Initial Term" means the initial license term specified in number of years on the Order Form, commencing on the Effective Date.

"Intellectual Property Rights" means all intellectual property rights including all past, present, and future rights associated with works of authorship, including exclusive exploitation rights, copyrights, and moral rights, trademark and trade name rights and similar rights, trade secret rights, patent rights, and any other proprietary rights in intellectual property of every kind and nature.

"Order Form" means OpenGov's Software Services order form that: (a) specifies the Software Services provided by OpenGov; (b) references this Agreement; and (c) is signed by authorized representatives of both parties.

"Renewal Term" means each additional renewal period, which shall be for a period of equal duration as the Initial Term, for which this Agreement is extended pursuant to Section 7.2.

2. SOFTWARE SERVICES, SUPPORT AND PROFESSIONAL SERVICES

2.1 Software Services. Subject to the terms and conditions of this Agreement, OpenGov will use commercially reasonable efforts to perform the software services identified in the applicable Order Form entered into by OpenGov and Customer ("**Software Services**").

2.2 Support. Customer support is available by email to support@opengov.com or by using the chat messaging functionality of the Software Services, both of which are available during OpenGov's standard business hours of 8am to 6pm Pacific Time. Customer may report issues any time. OpenGov will timely address issues during the business hours noted above.

2.3 Professional Services.

(a) If OpenGov or its authorized independent contractors provides professional services to Customer, such as implementation services, then these professional services will be described in a statement of work ("**SOW**") agreed to by the parties (the "**Professional**

Services"). For Professional Services performed on a time and materials basis, any pre-paid Professional Services Fees must be utilized within one (1) year from the Effective Date. Any unused pre-paid Professional Services Fees shall be forfeited.

(b) Unless the SOW provides otherwise, all reasonable travel expenses, pre-approved by Customer and incurred by OpenGov in performing the professional services will be reimbursed by Customer. Travel expenses include cost of coach airfare travel round trip from the individual's location to Customer's location, reasonable hotel accommodations, ground transportation and meals.

3. RESTRICTIONS AND RESPONSIBILITIES

3.1 Restrictions. Customer may not use the Software Services in any manner or for any purpose other than as expressly permitted by the Agreement. Customer shall not, and shall not enable any third party to: (a) use or access any of the Software Services to build a competitive product or service; (b) modify, disassemble, decompile, reverse engineer or otherwise make any derivative use of the Software Services (except to the extent applicable laws specifically prohibit such restriction); (c) sell, license, rent, lease, assign, distribute, display, host, disclose, outsource, copy or otherwise commercially exploit the Software Services; (d) perform or disclose any benchmarking or performance testing of the Software Services; (e) remove any proprietary notices included with the Software Services; (f) use the Software Services in violation of applicable law; or (g) transfer any confidential personally identifiable information to OpenGov or the Software Services platform except as authorized by this Agreement or at law.

3.2 Responsibilities. Customer shall be responsible for obtaining and maintaining computers and third party software systems of record (such as Customer's ERP systems) needed to connect to, access or otherwise use the Software Services. Customer also shall be responsible for: (a) ensuring that such equipment is compatible with the Software Services, (b) maintaining the security of such equipment, user accounts, passwords and files, and (c) all uses of Customer user accounts by any party other than OpenGov. OpenGov shall provide such reasonable assistance as specified in the SOW to integrate the Software Services to operate in the manner contemplated in the SOW.

4. INTELLECTUAL PROPERTY RIGHTS; LICENSE GRANTS; ACCESS TO CUSTOMER DATA

4.1 Software Services. OpenGov retains all right, title, and interest in the Software Services and all Intellectual Property Rights in the Software Services. Except as authorized by this Agreement, the Software Services, are the property of OpenGov and Customer may not copy, imitate, or use them, in whole or in part, without OpenGov's prior written consent. Subject to Customer's obligations under this Agreement, OpenGov hereby grants to Customer a worldwide, non-exclusive, royalty-free license during the Term to use the Software Services.

4.2 Customer Data. Customer retains all right, title, and interest in the Customer Data and all Intellectual Property Rights therein. Customer hereby grants to OpenGov a non-exclusive, royalty-free license to, and permit its hosting and development partners to, use, store, edit and reformat the Customer Data, and to use Customer Data for purposes of sales, marketing, business development, product enhancement, customer service, or for analyzing such data and publicly disclosing such analysis ("**Insights**"), provided that in all such uses Customer Data is rendered anonymous such that Customer is no longer identifiable.

4.3 Access to Customer Data. Customer may download the Customer Data from the

Software Services at any time during the Term, other than during routine software maintenance periods. OpenGov has no obligation to return Customer Data to Customer.

4.4 Feedback. Customer hereby grants to OpenGov a non-exclusive, royalty-free, irrevocable, perpetual, worldwide license to use and incorporate into the Software Services and Documentation Customer's Feedback provided Customer is not identified without Customer's prior written consent. OpenGov will exclusively own any improvements or modifications to the Software Services and Documentation based on or derived from any of Customer's Feedback including all Intellectual Property Rights in and to the improvements and modifications.

5. CONFIDENTIALITY

5.1 Each party (the "**Receiving Party**") agrees not to disclose any Confidential Information of the other party (the "**Disclosing Party**") without the Disclosing Party's prior written consent, except as provided below. The Receiving Party further agrees: (a) to use and disclose the Confidential Information only in connection with this Agreement; and (b) to protect such Confidential Information using the measures that Receiving Party employs with respect to its own Confidential Information of a similar nature, but in no event with less than reasonable care. Notwithstanding the above, the Receiving Party may disclose Confidential Information to the extent required by law or court order, provided that prior written notice of such required disclosure is given to the Disclosing Party.

5.2 "**Confidential Information**" means all confidential business, technical, and financial information of the disclosing party that is marked as "Confidential" or an equivalent designation or that should reasonably be understood to be confidential given the nature of the information and/or the circumstances surrounding the disclosure. OpenGov's Confidential Information includes, without limitation, the software underlying the Software Services and all Documentation.

5.3 Notwithstanding the foregoing, "Confidential Information" does not include: (a) "**Public Data**," which is data that either party has previously released to the public, would be required to release to the public, upon request, according to applicable federal, state, or local public records laws, or is data OpenGov makes available to the public in conjunction with the Software Services. Confidential Information does not include (b) information that has become publicly known through no breach by the receiving party; (c) information that was rightfully received by the Receiving Party from a third party without restriction on use or disclosure; or (d) information independently developed by the Receiving Party without access to the Disclosing Party's Confidential Information.

6. PAYMENT OF FEES

6.1 Fees; Invoicing; Payment; Expenses.

(a) Fees. The fees for the Software Services for the Initial Term and any Renewal Term ("**Software Services Fees**") shall be as specified in Exhibit B. Software Services Fees and Professional Services Fees shall hereafter be referred to as "**Fees**".

(b) Inflation Adjustment. OpenGov shall increase the Fees payable for the Software Services during any Renewal Term by 4% each year of the Renewal Term.

6.2 Credit Card Customers. If applicable, Customer will provide OpenGov with valid credit card information and promptly notify OpenGov of any changes necessary to charge the credit card at billing@opengov.com. Please update your credit card information when necessary. The provision of credit card information to OpenGov authorizes OpenGov to charge the credit card for all applicable Fees plus a 3% credit card processing fee. OpenGov processes credit card payments through a secure third party processing partner and does not take receipt of credit card information itself.

6.3 Taxes. All Fees under this Agreement are exclusive of any applicable sales, value-added, use or other taxes ("**Sales Taxes**"). Customer is solely responsible for any and all Sales Taxes, not including taxes based solely on OpenGov's net income. If any Sales Taxes related to the Fees under this Agreement are found at any time to be payable, the amount may be billed by OpenGov to, and shall be paid by, Customer. If Customer fails to pay any Sales Taxes, then Customer will be liable for any related penalties or interest, and will indemnify OpenGov for any liability or expense incurred in connection with such Sales Taxes. In the event Customer or the transactions contemplated by the Agreement are exempt from Sales Taxes, Customer agrees to provide OpenGov, as evidence of such tax exempt status, proper exemption certificates or other documentation acceptable to OpenGov.

7. TERM & TERMINATION

7.1 Term. Subject to compliance with all terms and conditions, the term of this Agreement shall commence on the Effective Date and shall continue until the Subscription End Date specified in Section 5 of the Agreement (the "**Initial Term**").

7.2 Renewal. The parties may elect by mutual written agreement to renew this Agreement, in writing no less than thirty (30) days before the end of the Initial Term (the "**Renewal Term**"). The "**Renewal Term**" together with the Initial Term, shall be the "**Term**").

8. REPRESENTATIONS AND WARRANTIES; DISCLAIMER

8.1 By OpenGov.

(a) General Warranty. OpenGov represents and warrants that: (i) it has all right and authority necessary to enter into and perform this Agreement; and (ii) the Professional Services, if any, will be performed in a professional and workmanlike manner in accordance with the related statement of work and generally prevailing industry standards. For any breach of the Professional Services warranty, Customer's exclusive remedy and OpenGov's entire liability will be the re-performance of the applicable services. If OpenGov is unable to re-perform all such work as warranted, Customer will be entitled to recover all fees paid to OpenGov for the deficient work.

(b) Software Services Warranty. OpenGov further represents and warrants that for a period of one (1) year, the Software Services will perform in all material respects in accordance with the Documentation. The foregoing warranty does not apply to any Software Services that have been used in a manner other than as set forth in the Documentation and authorized under this Agreement. OpenGov does not warrant that the Software Services will be uninterrupted or error-free. Any claim submitted under this Section 8.1(b) must be submitted in writing to OpenGov during the Term. OpenGov's entire liability for any breach of the foregoing warranty is to repair or replace any nonconforming Software Services so that the affected portion of the Software Services operates as warranted or, if OpenGov is unable to do so,

terminate the license for such Software Services and refund the pre-paid, unused portion of the Fee for such Software Services.

8.2 By Customer. Customer represents and warrants that (i) it has all right and authority necessary to enter into and perform this Agreement; and (ii) OpenGov's use of the Customer Data pursuant to this Agreement will not infringe, violate or misappropriate the Intellectual Property Rights of any third party.

8.3 Disclaimer. OPENGOV DOES NOT WARRANT THAT THE SOFTWARE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE; NOR DOES IT MAKE ANY WARRANTY AS TO THE RESULTS THAT MAY BE OBTAINED FROM USE OF THE SOFTWARE SERVICES. EXCEPT AS SET FORTH IN THIS SECTION 8, THE SOFTWARE SERVICES ARE PROVIDED "AS IS" AND OPENGOV DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, TITLE, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT.

9. LIMITATION OF LIABILITY

9.1 Special Damages. NEITHER PARTY, NOR ITS SUPPLIERS, OFFICERS, AFFILIATES, REPRESENTATIVES, CONTRACTORS OR EMPLOYEES, SHALL BE RESPONSIBLE OR LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY, OR OTHER THEORY: (A) FOR ERROR OR INTERRUPTION OF USE OR FOR LOSS OR INACCURACY OF DATA OR COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES OR LOSS OF BUSINESS; (B) FOR ANY INDIRECT, EXEMPLARY, PUNITIVE, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES; OR (C) FOR ANY MATTER BEYOND SUCH PARTY'S REASONABLE CONTROL, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE.

9.2 By Amount. IN NO EVENT SHALL EITHER PARTY'S AGGREGATE, CUMULATIVE LIABILITY FOR ANY CLAIMS ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT EXCEED THREE TIMES THE FEES PAID BY CUSTOMER TO OPENGOV (OR, IN THE CASE OF CUSTOMER, PAYABLE) FOR THE SOFTWARE SERVICES UNDER THIS AGREEMENT IN THE 12 MONTHS PRIOR TO THE ACT THAT GAVE RISE TO THE LIABILITY.

9.3 Limitation of Liability Exclusions. The limitations of liability set forth in Sections 9.1 and 9.2 above do not apply to, and each party accepts liability to the other for: (a) claims based on either party's intentional breach of its obligations set forth in Section 5 (Confidentiality), (b) claims arising out of fraud or willful misconduct by either party and (c) either party's unauthorized use, distribution, or disclosure of the other party's intellectual property.

9.4 No Limitation of Liability by Law. Because some jurisdictions do not allow liability or damages to be limited to the extent set forth above, some of the above limitations may not apply to Customer.

10. MISCELLANEOUS

10.1 Logo Use. Customer hereby grants to OpenGov a non-exclusive, royalty-free license to use, reproduce, distribute and publicly display Customer's name and logos in connection with OpenGov's corporate resume. Subject to approval from Customer, OpenGov may issue a press release generally describing the transaction contemplated by this Agreement or otherwise state that Customer is a user of an OpenGov product.

10.2 Notice. Ordinary day-to-day operational communications may be conducted by email, live chat or telephone communications. However, for notices required by the Agreement (in Sections where the word "notice" appears) the parties must communicate more formally in a writing given by personal delivery, by pre-paid first-class mail or by overnight courier to the address specified in the most recent Order Form (or such other address as may be specified in writing in accordance with this Section).

10.3 Anti-corruption. OpenGov has not offered or provided any bribe, kickback, illegal or improper payment, gift, or thing of value to any Customer personnel in connection with the Agreement, other than reasonable gifts and entertainment provided Customer in the ordinary course of business. If OpenGov become aware of any violation of the above restriction then OpenGov shall promptly notify Customer.

10.4 Injunctive Relief. The parties acknowledge that any breach of the confidentiality provisions or the unauthorized use of a party's intellectual property may result in serious and irreparable injury to the aggrieved party for which damages may not adequately compensate the aggrieved party. The parties agree, therefore, that, in addition to any other remedy that the aggrieved party may have, it shall be entitled to seek equitable injunctive relief without being required to post a bond or other surety or to prove either actual damages or that damages would be an inadequate remedy.

10.5 Force Majeure. Neither party shall be held responsible or liable for any losses arising out of any delay or failure in performance of any part of this Agreement, other than payment obligations, due to any act of god, act of governmental authority, or due to war, riot, labor difficulty, failure of performance by any third-party service, utilities, or equipment provider, or any other cause beyond the reasonable control of the party delayed or prevented from performing.

10.6 Severability; Waiver. If any provision of this Agreement is found to be unenforceable or invalid, that provision will be limited or eliminated to the minimum extent necessary so that this Agreement will otherwise remain in full force and effect and enforceable. Any express waiver or failure to exercise promptly any right under this Agreement will not create a continuing waiver or any expectation of non-enforcement. There are no third-party beneficiaries to this Agreement.

10.7 Assignment. Except as set forth in this Section, neither party shall assign, delegate, or otherwise transfer this Agreement or any of its rights or obligations to a third party without the other party's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed. Either party may assign, without such consent but upon written notice, its rights and obligations under this Agreement to: (i) its corporate affiliate; or (ii) any entity that acquires all or substantially all of its capital stock or its assets related to this Agreement, through purchase, merger, consolidation, or otherwise. Any other attempted assignment shall be void. This Agreement shall inure to the benefit of and bind each party's permitted assigns and successors.

10.8 Independent Contractors. No agency, partnership, joint venture, or employment is created as a result of this Agreement and neither party has any authority of any kind to bind the other party in any respect.

10.9 Attorneys' Fees. In any action or proceeding to enforce rights under this Agreement, the prevailing party will be entitled to recover costs and attorneys' fees.

10.10 Complete Agreement. This Agreement is the complete and exclusive statement of the

mutual understanding of the parties and supersedes and cancels all previous written and oral agreements, communications, and other understandings relating to the subject matter of this Agreement. No modification of this Agreement will be binding, unless in writing and signed by an authorized representative of each party.

10.11 Cooperative Use Contract: Any Agreement resulting from this solicitation shall be for the use of the City. In addition, third party, public and nonprofit agencies that have entered into a direct order with OpenGov are eligible to use the terms and conditions of this Agreement.

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Approve the Milpitas Arts Commission Work Plan for Fiscal Year 2019-20 (Staff Contact: Tegan McLane, 408-586-3212)**
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	10/15/2019
Staff Contact:	Tegan McLane, 408-586-3212
Recommendation:	Approve proposed Arts Commission Fiscal Year 2019-20 Work Plan.

Background:
The Milpitas Arts Commission was established October 17, 2000, with the purpose of advising City Council on matters pertaining to the Arts in Milpitas, as well as to serve as the advisory body for the Public Art Program. The Commission's Fiscal Year 2019-20 Work Plan identifies goals, projects and ongoing tasks that the Commission plans to accomplish in this fiscal year.

At its August 26, 2019 Special Meeting, the Commission discussed and unanimously voted to forward their 2019-2020 Work Plan to the City Council for final approval.

Analysis:
The Arts Commission's Fiscal Year 2019-20 Work Plan aligns with existing programs and recommendations from the recent Performing Arts/ Youth Theatre Study.

Key proposed tasks are:

Milpitas Arts and Culture Grant Program
1. Promote public awareness to encourage applications.
2. Select four grant recipients.
3. Research reinstatement of cash grants to accompany space grants.

Phantom Art Gallery
1. Review existing commitments to exhibit work at the Milpitas Community Center and Library.
2. Promote public awareness campaign to encourage visitors to gallery(ies).
3. Review any new artist applications received and recommend scheduling.

Public Art Installations
1. Complete selection of Higuera Adobe Park public art.
2. Determine specifications for Montague Expressway Pedestrian Over-Crossing public art.
3. Identify at least two additional prospective locations for public art and options for low-cost, non-traditional art.
4. Prioritize and calendar all public art installation locations.
5. Make presentations to local companies illustrating how public art could be used to enhance their properties and promote their businesses.

City Public Art Collection

1. Review existing City-owned public art for maintenance and repair needs.
2. Recommend maintenance process for City-owned public art.

Performing Arts Program

1. Promote public awareness campaign for Performing Arts.
2. Support at least one new City-initiated Performing Arts opportunity.

Digital Arts

1. Research a Milpitas Film Festival to showcase Milpitas filmmakers, and short films about or filmed in Milpitas.

Fiscal Impact:

There is no fiscal impact to the Fiscal Year 2019-20 budget associated with any of the items on the Work Plan.

Recommendation:

1) Receive Arts Commission 2019-2020 Work Plan
2) Approve proposed Arts Commission Fiscal Year 2019-20 Work Plan.

Attachment

Draft Arts Commission Fiscal Year 2019-20 Work Plan

Topic/Advisory Area	Tasks	Required Resources	Goal Deadline
Milpitas Arts and Culture Grant Program	Promote public awareness campaign to encourage applications.	Commission, Staff	October 2019
	Select four grant recipients.	Commission, Staff	December 2019
	Research and propose reinstatement of cash grants to accompany space grants.	Commission, Staff	January 2020
Phantom Art Gallery	Review all existing commitments to exhibit work at MCC, Library.	Commission, Staff	October 2019
	Promote public awareness campaign to encourage visitors to Gallery.	Commission, Staff	December 2019
	Review any new artist applications received and recommend scheduling	Commission, Staff	Ongoing
Public Art Installations	Complete selection of Higuera Adobe Park public art.	Commission, Staff, Community	August 2019
	Determine specifications for Montague Expressway Pedestrian Over-Crossing public art.	Commission, Staff, Coordination with VTA	TBD
	Identify at least two additional prospective locations for public art and options for additional low-cost non-traditional art projects.	Commission, Staff	February 2020
	Prioritize and calendar all public art installation locations.	Commission, Staff	February 2020
	Make presentations to local companies illustrating how public art could be used to enhance their properties and promote their businesses.	Commission	Ongoing
City Public Art Collection	Review existing City-owned public art for maintenance, repair needs.	Commission, Staff	February 2020
	Recommend maintenance process for City-owned public art.	Commission, Staff	April 2020

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Performing Arts Program	Promote public awareness campaign for Performing Arts.	Commission, Staff	December 2019
	Support at least one new Performing Arts opportunity.	Commission, Staff	June 2020
Digital Arts	Research and propose a Milpitas Film Festival to showcase Milpitas filmmakers, and short films about or filmed in Milpitas.	Commission, Staff	February 2020

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CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Approve the Library and Education Advisory Commission Work Plan for Fiscal Year 2019-20 (Staff Contact: John Macon, 408-586-3226)**
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	10/15/2019
Staff Contact:	John Macon, 408-586-3226
Recommendation:	Approve proposed Library and Education Advisory Commission Fiscal Year 2019-20 Work Plan.

Background:
The Library and Education Advisory Commission was founded on January 17, 1961 and makes recommendations to the City Council on matters pertaining to the operation of library services and facilities in Milpitas. The Commission's Fiscal Year 2019-20 Work Plan identifies goals, projects and ongoing tasks that the Commission plans to accomplish in this fiscal year.

At its September 16, 2019 meeting, the Commission discussed and unanimously voted to forward their 2019-2020 Work Plan to the City Council for final approval.

Analysis:
The Library and Education Advisory Commission's Fiscal Year 2019-20 Work Plan aligns with existing programs and recommendations from the previous year's Work Plan, plus a few new initiatives.

Key proposed tasks are:

County Commissions Forum
1. Attend forum and report back.

Special Projects/ Essay Contest
1. Conduct annual essay contest and/or special literacy event(s).
2. Arrange contest, judging, and awards.

Attend Local CPLA Library Conference
1. Attend conference to gain continued library knowledge.
2. If possible, seek to host the 2020 CPLA Conference in Milpitas.

National Library Week
1. Promote National Library Week Citywide via City youth programs, Senior Center, Community Center, general public, etc.

Summer Reading Program
1. Promote Summer Reading Program Citywide via City youth programs, Senior Center, Community Center, general public, etc.

Volunteerism

1. Promote and assist, events, book sales, membership drives, etc.

City Events

1. Attend City events and promote literacy and library services.

Library Donor Program

1. Review current donor program.

Fiscal Impact:

There is no additional fiscal impact to the Fiscal Year 2019-20 budget associated with any of the items on the Work Plan.

Recommendation:

1) Receive Library and Education Advisory Commission 2019-2020 Work Plan
2) Approve proposed Library and Education Advisory Commission Fiscal Year 2019-20 Work Plan.

Attachment

Draft Library and Education Advisory Commission Fiscal Year 2019-20 Work Plan

Topic/Advisory Area	Tasks	Required Resources	Goal Deadline
County Commissions Forum	Attend and report back to City Council	Commission, County Library	February 2020
Essay Contest/Special Projects Subcommittees: ** Dr. Seuss Day Event ** April (Arts, Math, Poetry focus)	Conduct Annual Essay Contest – Arrange, Judging, Awards	Commission, Community Partners, Staff	March-April 2020
Attend Local Library Conference	Commissioners attend local Conference to gain continued library knowledge.	Commission	April 2020
National Library Week	Form subcommittee. Promote program Citywide via City Youth Programs, Sr. Center, general public, etc.	County Library, Commission	April 2020
Summer Reading Program	Promote program Citywide via City Youth Programs, Sr. Center, general public, etc.	Commission, County Library	May-August 2019/20
Volunteerism	Membership drives, book sales, library events, etc.	Commission	September, January, June, 2019/20
City Events	Attend City Events and promote Literacy and Library Services	Commission, Staff	FY 2019-20
Library Donor Program	Form subcommittee. Review Current Donor Program	Commission, Staff	FY 2019-20

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CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Approve the Senior Advisory Commission Work Plan for Fiscal Year 2019-20 (Staff Contact: John Macon, 408-586-3226)**
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	10/15/2019
Staff Contact:	John Macon, 408-586-3226
Recommendation:	Approve proposed Senior Advisory Commission Fiscal Year 2019-20 Work Plan.

Background:
Originally founded as the Senior Advisory Commission on December 14, 1978, this Commission served in advisory capacity to the Parks, Recreation and Cultural Resources Commission. The Commission now advises the City Council on matters pertaining to the senior citizens of Milpitas. The Commission's Fiscal Year 2019-20 Work Plan identifies goals, projects and ongoing tasks that the Commission plans to accomplish in this fiscal year.

At its August 27, 2019 meeting, the Commission discussed and unanimously voted to forward their 2019-2020 Work Plan to the City Council for final approval.

Analysis:
The Senior Advisory Commission's Fiscal Year 2019-20 Work Plan aligns with existing programs and recommendations from the previous year's Work Plan, plus a few new initiatives.

Key proposed tasks are:

Host Annual Open House and Resource Fair Events

1. Establish events subcommittee.
2. Determine event components and partnerships.
3. Assist staff with marketing and post-event evaluations.

Promote Senior Center Resource Area and Health & Wellbeing Presentations

1. Establish wellness and resource subcommittee to assist with resource area oversight.
2. Promote "Age-Friendly" kiosk area and health and wellbeing presentations.

Sponsor Senior Center Events and Activities

1. Sponsor and promote birthday celebrations, dances, holiday events, multi-cultural events, etc.

Support/Participate in "Age-Friendly" Initiatives

1. Promote and participate in Age-Friendly Initiatives (i.e. Dementia Friends) and Santa Clara County Seniors' Agenda activities.

Fiscal Impact:
There is no additional fiscal impact to the Fiscal Year 2019-20 budget associated with any of the items on the Work Plan.

Recommendation:
1) Receive Senior Advisory Commission 2019-2020 Work Plan
2) Approve proposed Senior Advisory Commission Fiscal Year 2019-20 Work Plan.

Attachment
Draft Senior Advisory Commission Fiscal Year 2019-20 Work Plan

Topic/Advisory Area	Tasks	Required Resources	Goal Deadline
Host Open House Event in January and Resource Fair in May	Establish Seniors Events Subcommittee Determine event components and partnerships. Host event. Assist staff with marketing and post-event evaluation.	Commission, Partners, Staff	January 2020 (Open House) May 2020 (Resource Fair)
Promote the Senior Center Resource Area, “Age-Friendly” kiosk and various health and wellbeing presentations throughout the year	Establish Wellness & Resources Subcommittee (in partnership with Case Manager) to oversee the Resource Area Meet on an ongoing basis to promote "Age-Friendly" kiosk area and health and wellbeing presentations.	Commission, Partners, Staff	Ongoing
Sponsor Senior Center Events and Activities	Sponsor and promote: Birthdays, dances, holiday events, multicultural events, etc.	Commission, Staff	Ongoing
Support/Participate in “Age-Friendly” Initiative(s)	Promote and participate in Age-Friendly initiatives (i.e. Dementia Friends) and Santa Clara County Seniors' Agenda activities	Commission, Partners, Staff	Ongoing

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CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Consider Mayor's Recommendation for Appointment of Casey McNeil as the Technology and Trade Representative to the Economic Development and Trade Commission (Contact: Mayor Tran, 408-586-3029)**
Category:	Consent Calendar-Community Development
Meeting Date:	10/15/2019
Staff Contact:	Mayor Rich Tran, 408-586-3029
Recommendation:	Receive Mayor Tran's recommendation and move to newly appoint Casey McNeil as the Technology and Trade Representative to the Economic Development and Trade Commission to a currently vacant term that expires in April 2020.

Background:
The purpose of the Economic Development and Trade Commission (EDTC) is to advise the City Council on business issues, cultivate international trade relationships, and make recommendations on the design, development, and implementation of economic development programs and initiatives in Milpitas.

The EDTC was originally established by the Milpitas City Council on February 18, 2003, as the Economic Development Commission. On August 21, 2018, City Council approved a merger of the Economic Development Commission with the dissolved Sister Cities Commission topics to form the Economic Development and Trade Commission. Additionally, on August 21, 2018, the City Council adopted the City's first Commission Handbook, which states that all Commissions shall consist of seven Commissioners and two Alternates (with the exception of the Planning Commission). Historically, the Economic Development Commission had been comprised of eleven Commissioners and two Alternates.

On April 16, 2019, Council re-appointed three Commissioners (Ms. Lynne Rice, Mr. Jeffrey Chen, and Mr. Chris Norwood); newly appointed two Commissioners (Mr. Matthew Taylor and Mr. Victor San Vicente); and newly appointed two Alternate Commissioners (Mr. Dipak Awasthi and Ms. Juliette Gomez) to the EDTC.

On June 10, 2019, Mr. Jeffrey Chen resigned as Vice Chair of EDTC. Mr. Chen served as the Business – Hospitality representative due to his role as General Manager of the Embassy Suites Milpitas – Silicon Valley. Mr. Chen's resignation was due to an out-of-state transfer opportunity with Embassy Suites. The Business – Hospitality representative is currently vacant and unfilled.

On September 17, 2019, Mr. Inderjit Mundra was appointed as a voting Commissioner representing the Chamber of Commerce to a term that expires in August 2021. In addition, Council confirmed Ms. Tina Broyles as Alternate from the Milpitas Chamber of Commerce, per Chamber Board action.

Analysis:
On September 12, 2019, Mr. Dhaval Brahmbhatt submitted his resignation to conclude as the Technology representative to the City of Milpitas. Former Commissioner Brahmbhatt was a founding member of the then Economic Development Commission and served as Vice Chair and Chair for several years.

Per Council direction, the EDTC is now exploring the possibility of enhancing relationships with Milpitas-based businesses that have a global presence for trade and commerce, business-to-business opportunities and workforce development. Businesses such as View, Nanometrics, Infineon, Cisco and other businesses

global offices throughout Western and Eastern Europe, Middle East, Asia, Latin America, Australia, Canada and Africa. This exploratory exercise may result in establishing new foreign relationships and is part of the recommended new Technology and Trade category necessitated by the commissions merger. The Mayor's recommendation and move to newly appoint Casey McNeil (of Flex) as the Technology and Trade representative to EDTC will achieve Council's direction on incorporating trade.

Pursuant to state law, a directly elected mayor has the power to make all appointments, with the approval of the City Council.

The following 6 applicants submitted applications for consideration by the Mayor and City Council for appointment or reappointment to the EDTC.

	Name	**Eligibility**	**Application Received**
1.	Steven Belong	May Be Appointed	March 2019
2.	Tina Broyles	May Be Appointed	July 2019
3.	Casey McNeil	May Be Appointed	June 2019
4.	Raghu Reddy	May Be Appointed	June 2019
5.	Warren Wettenstein	May Be Appointed	January 2019
6.	Francie Soito	May Be Appointed	November 2018

Fiscal Impact:
Appointment to a City Commission will result in no new fiscal impacts.

Recommendation:
Receive Mayor Tran's recommendation and move to newly appoint Casey McNeil as the Technology and Trade Representative to the Economic Development and Trade Commission to a currently vacant term that expires in April 2020

Attachment:
Current Economic Development and Trade Commission Applications

COMMISSION APPLYING FOR:	Economic Development and Cultural Trade Commission
Title	Mr.
Name	Casey McNeil
Address Type	Business
Address	847 Gibraltar Drive
City	Milpitas
Postal/Zip Code	95035
Mobile Number	(408) 406-5723
E-Mail Address	casey.mcneil@flex.com

City Clerk's Office
JUN 25 2019
RECEIVED

Present Employer	Flex
Other Phone	(408) 576-1994
Business Address (Optional)	847 Gibraltar Drive
City	Milpitas
Postal / Zip code	95035

Occupation	Automation Manager
College, Professional, Vocational, or other schools attended	Tennessee Tech University
Major Subject	Pre-law
Degree	BS

List community organizations to which you belong or have belonged (additional information may be attached).

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):
Flex is a large manufacturing company with 200,000 employees across 30 countries and 100+ sites. Our flagship site is the Milpitas campus, where we have 12 buildings and approximate 2,000 employees. As Automation Manager, my role is to oversee projects that will lower manufacturing costs with the goal of bringing back more manufacturing to the United States. I am part of the senior staff and have regular meetings with our executive teams.

Date Jun 25, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

Casey McNeil

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

COMMISSION APPLYING FOR:	Economic Development and Cultural Trade Commission
Name	Steven Belong
Address Type	Residence
Address	366 N. Park Victoria Dr
City	Milpitas
Postal/Zip Code	95035
Mobile Number	(408) 427-7130
E-Mail Address	steve.belong@dc16sj.org

City Clerk's Office
MAR 06 2019
RECEIVED

Present Employer	IUPAT DC16
Business Address (Optional)	2149 Oakland Road
City	San Jose
Postal / Zip code	95131

Occupation	Business Representative
Education: If Youth Advisory Commission applicant, indicate your grade/school:	High School Diploma

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization	IUPAT Local Union 12

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Date	Mar 05, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

Steven L. Belong

City Clerk's Office
MAR 19 2019
RECEIVED

366 N Park Victoria Dr, Milpitas CA 95035
steve.belong@dc16sj.org - (408) 427-7160

Qualifications Summary

- 14 years of experience in the construction industry as an installer/foreman.
- A Business Representative for over 1200 members and 40 signatory shops.
- Serving as a trustee for the Northern California Resilient Floor Covering Pension Fund.
- Serving as a trustee on the JATTF Northern California Floor Covering Apprenticeship Program.
- Seated on the California Carpet Stewardship Advisory Committee.

Experience

Business Representative, District Council 16 LU 12 South bay – 2016 to present

- Responsible for assisting and leading over 1200 members in Local Union 12.
- Oversee day to day operations for District Council 16 Local Union 12.
- Responsible for handling contract disputes between members and employers as well as assist members and employers in any manner possible.
- Mentor and guide apprentices into becoming well rounded Journeymen with a lifelong career.

Trustee, JATTF Northern California floor covering apprenticeship program- 2016 to present

- Oversee all operations of the Apprenticeship Program.
- Participate in a quarterly review of apprentice's progress.
- Review appeals of members discharged from the program.

Trustee, Northern California resilient floor covering Pension Trust Funds- 2016 to present

- Fiduciary responsibility for a multi-employer Pension Fund.

Committee Member of the California carpet stewardship advisory committee 2018 to present

- Review all language written by CARE for AB-1158 plan

Apprentice/Journeymen, Welker Bros. Milpitas CA- 2005-2016

- Responsibility of training, planning, coordination and facilitation of communication between general contractors, subcontractors and floor covering installers in the field.

Education

High School Diploma – Milpitas, CA	1993 – 1997
Journeymen Floor Coverer – San Leandro, CA	2005 – 2009

References

Director of Service, DC 16 – Robert Williams	(925)640-6239
Regional Director, DC 16 – Brett Davis	(408)921-1439

COMMISSION APPLYING FOR:	Economic Development and Cultural Trade Commission
Title	Mrs.
Name	Tina L Broyles
Address Type	Business
Address	1355 JacklinRoad
City	Milpitas
Postal/Zip Code	95035
Mobile Number	(408) 332-7479
E-Mail Address	tinabroyles@loanpros.net

City Clerk's Office
JUL 16 2019
RECEIVED

Present Employer	LoanPros, Inc
Other Phone	(408) 262-8700
Occupation	Home Loans/Real Estate sales

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization	Milpitas Chamber of commerce
Member	President

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Date	Jul 16, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

COMMISSION APPLYING FOR:	Economic Development and Cultural Trade Commission
Title	Mr.
Name	Raghu Reddy
Address Type	Residence
Address	455 E Calaveras Blvd
City	Milpitas
Postal/Zip Code	95035
Mobile Number	(408) 784-8000
E-Mail Address	raghuinwork@gmail.com

City Clerk's Office
JUN 27 2019
RECEIVED

Present Employer	Turning Point
Business Address (Optional)	1545 Larkwood ct
City	Milpitas
Postal / Zip code	95035

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization	Milpitas City--EDC
Member	Commissioner
Name of Organization	ATA
Member	Chairman-
Name of Organization	CEO
Member	Turningpoint

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

Greetings Team!
Am an MBA and Emerging Leadership Program at Harvard Business School.
I have been the EDC commissioner for the last 5 years. I am a Milpitas resident and Business owner for over a decade.
I am the BOD and Chairman for the various organization-
Chairman- Member Benefit - ATA- Largest Indian Telugu association in US
VP - Membership - Milpitas ToastManster
Parliamentarian - MHS
EX VP- for KKNC
EX VP- Russell Middle School and various other organization-
and BOD for various other cultural and community organizations.
I have my own IT organization, hence I qualify for both,as a resident or Business Category should be fine

This great experience will help in serving my Paramount Milpitas city Commission in a prudent way.

Tons of thanks for your help-
Raghu Reddy
408 784 8000

Date Jun 27, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy.
I hereby certify that all statements contained in

this application are true.

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

COMMISSION APPLYING FOR:	Economic Development and Cultural Trade Commission
Title	Mrs.
Name	Francie Soito
Address Type	Business
Address	176 S. Main Street
City	Milpitas
Postal/Zip Code	95035
Mobile Number	(408) 836-3201
E-Mail Address	francie.soito@gmail.com

City Clerk's Office
NOV 19 2018
RECEIVED

Present Employer	Black Cat Comics
Business Address (Optional)	176 S. Main Street
City	Milpitas
Postal / Zip code	95035

Occupation	Co-owner of 3 businesses in Milpitas
College, Professional, Vocational, or other schools attended	UC Berkeley
Major Subject	Interdisciplinary Studies
Degree	B.A.

List community organizations to which you belong or have belonged (additional information may be attached).

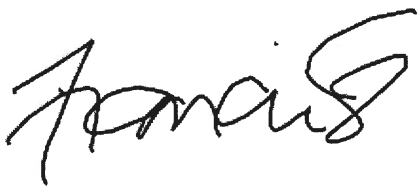
Name of Organization	Chamber of Commerce
Member	2017 - 2018 no longer active

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):
I am a business owner of 3 businesses in Milpitas, the longest since 2002. I am also a resident of Milpitas and an active member of the community. My husband and I have been involved in multiple community events:
- Community BBQ for Nob Hill farewell
- Organized/coordinated/recruited Milpitas small businesses for Chamber of Commerce BBQ in 2015
- Experience with Milpitas General Plan when we moved/ reconstructed business property on Main Street
- Attended General Plan and Economic Dev committee meetings
- Former Journalist for Milpitas Beat
- 15+ years as a market researcher and data analyst for high tech companies: Facebook, Yahoo, Macromedia, LinkedIn, AOL, Verizon

Date Nov 16, 2018

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.



COMMISSION APPLYING FOR:	Economic Development and Cultural Trade Commission
Title	Mr.
Name	Warren G Wettenstein
Address Type	Business
Address	320 S Abel Street
City	Milpitas
Postal/Zip Code	95035
Mobile Number	(408) 204-2231
E-Mail Address	commissioner@calvantage.net

City Clerk's Office
JAN 15 2019
RECEIVED

Present Employer	Wettenstein Insurance & Financial Solutions
Other Phone	(408) 824-1450
Occupation	Independent Insurance Broker
College, Professional, Vocational, or other schools attended	Boston University (MBA), George Washington University (BBA, AA)
Major Subject	Business Marketing
Degree	MBA, BBA, AA

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization	Milpitas Chamber of Commerce
Member	VP Mktg Membership, Board Member
Name of Organization	Milpitas Chamber
Member	CoFounder Connections Club
Name of Organization	Berryessa Business Association
Member	Board Member

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):
Have been an EDC Commissioner since 02 01 2011. Past Chairman and Past Vice Chairman. Liaison and advocate between Milpitas Chamber of Commerce and EDC. Have attended all meetings through the years, except for excused medical leave. Have attended and supported numerous events including Manufacturing Day and instgrumental in promoting City of Milpitas at numerous events.

Date Jan 15, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Conduct a Public Hearing and Adopt Resolution Approving an Amendment to Planned Unit Development No. 45 (Spinnaker Pointe Apartments) to amend the Conditions of Approval Allowing a Change in Roof Materials for All Building, including Carports, on 9.24 acre site at 231 Dixon Landing Road (Staff Contact: Avery Stark, 408-586-3288)**
Category:	Public Hearings-Community Development
Meeting Date:	10/15/2019
Staff Contact:	Avery Stark, 408-586-3288
Recommendations:	1. Open the public hearing and receive public comment. 2. Move to close the public hearing. 3. Adopt a Resolution approving an amendment (PA19-0001) to Planned Unit Development No. 45 (Spinnaker Pointe Apartments) to amend the conditions of approval allowing a change in roof materials for all buildings, including carports, on a 9.24-acre site located at 231 Dixon Landing Road.

Background:

The Milpitas City Council approved Planned Unit Development No. 45 (Spinnaker Pointe Apartments) on December 9, 1986. The PUD allowed the development of 220 units, 493 parking spaces, and related facilities including a recreation building, swimming pool, tennis court, tot lot and park area on the 9.24-acre site.
The original conditions of approval for this Planned Unit Development (PUD) required that "a clay barrel tile (mixed colors) shall be used for all buildings and carports." Currently, the property owner proposes to upgrade the property and replace the existing clay barrel tile roof materials with lighter composite shingles, in similar colors, to enhance the beauty, comfort, and safety of the development. The property owner states that: "The existing 35-year-old tile roof is beyond a useful life and is breaking and falling in areas where residents and autos are at risk. The numerous leaks cause wetness and mold inside units, and spot repairs are no longer viable…" Replacement of existing roof materials would occur in eight phases and be fully completed by July 31, 2021.

Analysis:

The proposed PUD amendment will modify the conditions of approval to allow a change in roof materials for the existing development. The proposed amendment will not change to the underlying zoning district of Multi-Family Residential (R3), but the amending the conditions of approval for the PUD requires City Council. Details of the project are provided in Attachment B (Planning Commission Staff Report 09/25/2019).

The proposed PUD amendment is consistent with the policies of the City of Milpitas General Plan policies and development standards provided in the Zoning Ordinance. On September 25, 2019, the Planning Commission unanimously approved (7-0-0) Resolution No. 19-029, recommending City Council approval of the proposed PUD Amendment (PA19-0001).

Staff recommends the City Council accept the Planning Commission's recommendation of approval for the proposed PUD Amendment (PA 10-0001) to amend the conditions of approval. Amending the PUD will allow a change in roof materials for all building, including carports, on a 9.24-acre site located at 231 Dixon Landing Road. The applicant has indicated that additional upgrades will be made, including repairs to gutters, eaves,

and exterior fireplaces as part of the overall project. A PUD amendment is not required for these additional changes to the property.

Policy Alternatives:
No policy alternatives.

Fiscal Impact:
No fiscal impact.

Environmental Review:
Categorically Exempt from further environmental review under the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15301 (Existing Facilities), and on a separate and independent basis, Section 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning).

Recommendations:
1. Open the public hearing and receive public comment.
2. Close the public hearing.
3. Adopt a resolution approving an amendment to Planned Unit Development No. 45 (Spinnaker Pointe Apartments) conditions of approval to allow a change in roof materials for all building, including carports, on the 9.24-acre site at 231 Dixon Landing Road.

Attachments:
A. Resolution
B. Planning Commission Staff Report and adopted Resolution – 09/25/2019
C. Project Phasing Plans and Existing Conditions

RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS APPROVING AN AMENDMENT (NO. PA19-0001) TO PLANNED UNIT DEVELOPMENT NO. 45 (SPINNAKER POINTE APARTMENTS) TO AMEND THE CONDITIONS OF APPROVAL TO ALLOW A CHANGE IN ROOF MATERIALS FOR ALL BUILDINGS, INCLUDING CARPORTS, ON A 9.24-ACRE SITE LOCATED AT 231 DIXON LANDING ROAD (APN 022-01-014)

WHEREAS, on December 9, 1986, the Milpitas City Council approved Planned Unit Development No. 45 (Spinnaker Pointe Apartments) to allow the development of 220 residential apartments, 493 parking spaces, and related facilities on a 9.24-acre site located at 231 Dixon Landing Road; and

WHEREAS, on July 29, 2019, David Litty of Enclave Enterprises, LLC, submitted an application to amend the Conditions of Approval for Planned Unit Development No. 45; and

WHEREAS, Planned Unit Development No. 45 ("PUD No. 45") is located within the Multi-Family Residential (R3) Zoning District; and

WHEREAS, a Planned Unit Development Amendment (Permit No. PA19-0001) is required to modify the Conditions of Approval for PUD No. 45 to allow a change in roof materials for all buildings, including carports, to be architecturally compatible and use the same roof materials (the "Project"); and

WHEREAS, the Planning Department determined that the Project is categorically exempt from further environmental review under the California Environmental Quality Act ("CEQA") in accordance with CEQA Guidelines Section 15301 (Existing Facilities) and; on a separate and independent basis, Section 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning); and

WHEREAS, on September 25, 2019, the Planning Commisison held a duly-noticed public hearing to consider the exemption in accordance with CEQA and voted unanimously (7-0-0) to recommend that the City Council approve Planned Unit Development Amendment (Permit No. PA19-0001); and

WHEREAS, on October 15, 2019, the City Council held a duly–noticed public hearing, at which time all those in attendance were given the opportunity to speak on the Project; and

WHEREAS, the City Council considered all of the written and oral testimony presented at the public hearing in making its decision; and

NOW THEREFORE, the City Council of the City of Milpitas hereby finds, determines and resolves as follows:

SECTION 1. Recitals. The City Council has considered the full record before it, which may include, but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals and findings set forth herein are found to be true and correct and incorporated herein by reference.

SECTION 2. Record. The location and custodian of the documents or other material which constitute the record of proceedings upon which this decision is based is within the Planning Department, City of Milpitas, 455 East Calaveras Boulevard, Milpitas, California 95035.

SECTION 3. CEQA. The Project is categorically exempt from further environmental review under the California Environmental Quality Act ("CEQA") in accordance with CEQA Guidelines Section

15301 (Existing Facilities) and; on a separate and independent basis, Section 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning).

SECTION 4. **Findings**. In accordance with Section XI-10-54.07(B)(6)(d) of the Zoning Code, the City Council makes the following required findings based on the evidence in the public record in support of Planned Unit Development Amendment No. PA19-0001:

1. Development of the site under the provisions of the Planned Unit Development will result in public benefit not otherwise attainable by application of the regulations of general zoning districts.

   The current project is an amendment to the conditions of approval for the original Planned Unit Development (PUD). The proposed amendment would allow replacement of roof materials throughout the project, including carports. The original PUD met all of the review requirements of the City of Milpitas Zoning Code, and amending the Conditions of Approval to allow a change in roof materials will not fundamentally change the design of the original PUD or the public benefit derived from the original approval. Re-roofing the entire project with new materials will upgrade the existing buildings, enhance the neighborhood, and improve safety.

2. The proposed Planned Unit Development is consistent with the Milpitas General Plan.

   The Project is in conformance with the applicable policies and standards in the City's General Plan, as outlined in the Table 1 below:

Table 1: General Plan Consistency

Policy	Conformance
***2.a-G-1** Maintain a land-use program that balances Milpitas' regional and local role by providing for a highly amenable community environment and a thriving regional industrial center*	*Consistent. The existing PUD is an attractive residential project with amenities for its residents. The development provides affordable housing options to Milpitas residents employed in the area.*
2.a-G-3 Provide a variety of housing types and densities that meet the needs of individuals and families.	*Consistent. The existing PUD provides multi-family apartments to meet the needs of individuals and families in Milpitas. The proposed re-roofing will help ensure the longevity of the project.*
2.a-I-12 Use zoning for new residential developments to encourage a variety and mix in housing types and costs.	*Consistent. The existing PUD provides a variety of housing types and costs in Milpitas.. The proposed re-roofing will help ensure the longevity of the project.*

   The General Plan designation for the site is Multi-Family Residential Very High Density (MFH). The intent of this designation is to stabilize and protect the residential characteristics of the area and promote, insofar as compatible with the intensity of land use, a suitable environment for family life. The existing multi-family residential development (Planned Unit Development No. 45), was approved by the City Council on December 9, 1986.

3. The proposed development will be in harmony with the character of the surrounding neighborhood and will have no adverse effects upon the adjacent or surrounding development, such as shadows, view obstruction, or loss of privacy that are not mitigated to acceptable levels.

The proposed PUD amendment will allow a change in roof materials for all buildings, including carports, within an existing development approved in 1986. The new roofing materials (composite shingles) will be consistent for all buildings across the site and will complement and enhance the surrounding neighborhood. The proposed re-roofing project will not change the existing size or bulk of the existing buildings and will not result in any adverse impacts such as shadows, loss of views, or loss of privacy upon adjacent development.

SECTION 5: City Council Decision and Approval

Based on the above Findings, the City Council of the City of Milpitas hereby approves Planned Unit Development Amendment Permit No. PA18-0001, subject to the Conditions of Approval attached hereto as **Exhibit 1**,

PASSED AND ADOPTED this ____ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Mary Lavelle, City Clerk

APPROVED:

Rich Tran, Mayor

APPROVED AS TO FORM:

Christopher J. Diaz, City Attorney

EXHIBIT 1

CONDITIONS OF APPROVAL FOR
SPINNAKER POINT, LLC
PLANNED UNIT DEVELOPMENT PERMIT AMENDMENT NO. PA19-0001
213 DIXON LANDING ROAD (APN 022-01-014)

General Conditions

1. General Compliance. The applicant, including all successors in interest (collectively "Permittee") shall comply with each and every condition set forth in this Permit. Planned Unit Development Amendment Permit NO. PA 19-0001, ("Permit") shall have no force or effect and no building permit shall be issued unless and until all things required by the below-enumerated precedent conditions have been performed or caused to be performed and this Resolution has been recorded by the Permittee with the Santa Clara County's Recorder Office and a copy shall be provided to the Planning Department. **(P)**

2. The Permittee shall develop the approved project in conformance with the approved plans (dated September 25, 2019), sample color and materials board approved by the Planning Commission, in accordance with these Conditions of Approval. **(P)**

3. Modifications to project. Any deviation from the approved site plan, floor plans, or other approved submittal shall require that, prior to the issuance of building permits, the Permittee shall submit modified plans and any other applicable materials as required by the City for review and obtain the approval of the Planning Director or Designee. If the Planning Director or designee determines that the deviation is significant, the Permittee shall be required to apply for review and obtain approval of the Planning Commission, in accordance with the Zoning Ordinance. **(P)**

4. Effective Date. Unless there is a timely appeal filed in accordance with the Milpitas Zoning Code, the date of approval of this Permit is the date on which the decision-making body approved this Permit. **(P)**

5. Conditions of Approval. As part of the issuance of building permits, the Permittee shall include within the first four pages of the working drawings for a plan check, a list of all conditions of approval imposed by the final approval of the project. **(P)**

6. Written Response to Conditions. The Permittee shall provide a written response to the Conditions of Approval indicating how each condition has been addressed with the building permit application submittal. **(ALL)**

7. Permit Expiration. Pursuant to Section XI-10-64.06 of the Milpitas Municipal Code, this Permit shall become null and void if the activity permitted by this Permit is not commenced within two (2) years from the date of approval, or for a project submitted with a tentative map, within the time limits of the approved tentative map. Pursuant to Section XI-10-64.06(B) of the Milpitas Municipal Code, an activity permitted by this Permit shall be deemed to have commenced when the project:
   a. Completes a foundation associated with the project; or
   b. Dedicates any land or easement as required from the zoning action; or
   c. Complies with all legal requirements necessary to commence the use, or obtains an occupancy permit, whichever is sooner.

8. Time Extension. Pursuant to Section XI-10-64.07 of the Milpitas Municipal Code, unless otherwise provided by State law, Permittee shall have the right to request a one-time extension of the Permit if the request is made in writing to the Planning Division prior to the expiration date of the approval. **(P)**

9. Project Job Account. If at the time of application for building permit there is a project job account balance due to the City for recovery of review fees, the review of permits will not be initiated until the balance is paid in full. **(E)**

10. Compliance with Laws. The construction, use, and all related activity authorized under this Permit shall comply with all applicable local, state, and federal laws, rules, regulations, guidelines, requirements, and policies. **(CA/P)**

11. Acceptance of Permit. Should Permittee fail to file a timely appeal within twelve (12) calendar days of the date of approval of this Permit, inaction by Permittee shall be deemed to constitute each of the following:
    a. Acceptance of this Permit by Permittee; and
    b. Agreement by the Permittee to be bound by, comply with, and to do all things required of or by Permittee pursuant to all of the terms, obligations, and conditions of this Permit.

12. Indemnification. To the fullest extent permitted by law, Permittee shall indemnify, defend with counsel of the City's choosing, and hold harmless City, its City Council, its boards and commissions, officials, officers, employees, and agents (the "Indemnified Parties") from and against any and all third party claim, action, or proceeding against City and/or the Indemnified Parties to attack, review, set aside, void or annul the City's approval of PLANNED UNIT DEVELOPMENT AMENDMENT PERMIT NO. PA19-0001; including any environmental determination made therefore. This indemnification shall include, but not be limited to, damages awarded against the City, if any, costs of suit, reasonable attorneys' fees, and other reasonable expenses incurred in connection with such claim, action, causes of action, suit or proceeding. The Permittee shall pay to the City upon demand or, as applicable, on a monthly basis to counsel of City's reasonable choosing, amounts owed pursuant to the indemnification requirements prescribed in this condition, provided each such demand or monthly payment request includes reasonably detailed back-up documentation, including invoices and/or receipts, as applicable, for all amounts to be paid. Notwithstanding the foregoing, City shall have the right to redact invoices and/or receipts as necessary to preserve attorney-client privilege. City shall promptly notify the Permittee of any claim, action, or proceeding and shall engage in reasonable efforts to cooperate in the defense. If City fails to so promptly notify the Permittee, or if City fails to engage in reasonable efforts to cooperate in the defense, then the Permittee's indemnification obligations as set forth in this condition of approval shall thereafter terminate. The Permittee shall not be required to pay or perform any settlement unless the settlement is approved by the Permittee. The above indemnification is intended to be as broad as permitted by applicable law. **(CA)**

13. Revocation, Suspension, Modification. This Permit may be suspended, revoked, or modified in accordance with Section XI-10-63.06 of the Milpitas Municipal Code. **(P)**

14. Severability. If any term, provision, or condition of this Permit is held to be illegal or unenforceable by the Court, such term, provision, or condition shall be severed and shall be inoperative, and the remainder of this Permit shall remain operative, binding, and fully enforceable.

15. Previous Approvals. Permittee shall abide by and continue to comply with all previous City approvals, permits, or requirements relating to the subject property, unless explicitly superseded or revised by this Permit.

16. Compliance with Fire Department and California Fire Code. The Project shall comply with the requirements of the Milpitas Fire Department and the California Fire Code as adopted by the City. Changes to the site plan and/or building(s) requires review and approval by the Fire Department. **(F)**

17. Compliance with Building Department. The project shall comply with the requirements of the Building Department and the International Building Code. **(B)**

Special Conditions:

18. The Planning Director or designee will determine the level of review required for all additions or alterations to the buildings or site design in accordance with the provisions of Milpitas Municipal Code Section XI-10-57.03 (Site Development Permits and Minor Site Development Permits).

Key:

(P) = Planning
(B) = Building
(E) = Engineering
(F) = Fire Prevention
(PD) = Police Department
(CA) = City Attorney

NOTICE OF RIGHT TO PROTEST

The Conditions of Project Approval set forth herein include certain fees, dedication requirements, reservation requirements, and other exactions. Pursuant to Government Code Section 66020(d)(1), these Conditions constitute written notice of a statement of the amount of such fees, and a description of the dedications, reservations, and other exactions. You are hereby further notified that the 90-day approval period in which you may protest these fees, dedications, reservations, and other exactions, pursuant to Government Code Section 66020(a), began on date of adoption of this resolution. If you fail to file a protest within this 90-day period complying with all of the requirements of Section 66020, you will be legally barred from later challenging such exactions.

AGREEMENT

Permittee/Property Owner

The undersigned agrees to each and every condition of approval and acknowledges the NOTICE OF RIGHT TO PROTEST and hereby agrees to use the Project property on the terms and conditions set forth in this resolution.

Dated: _____ _____

Signature of Permittee

P-PA19-0001
MILPITAS PLANNING COMMISSION
STAFF REPORT

September 25, 2019

APPLICATION: **Planned Unit Development No. 45 Amendment PA19-0001.** A request for a Planned Unit Development Amendment to modify the language of the conditions of approval to allow a re-roof of all buildings, including the carports, to be architecturally compatible and use the same roof materials.

RECOMMENDATION: **Staff recommends that the Planning Commission: Adopt Resolution No. 19-029, thereby recommending the City Council approve the Planned Unit Development Amendment No. 45 PA19-0001 subject to findings and Conditions of Approval.**

LOCATION:

Address/APN: 231 Dixon Landing Road (APN: 022-01-014)

Area of City: The project site is located to the City's northern boundary, north of Dixon Landing Road between the Pioneer Mobile Home Park and the railroad tracks.

PEOPLE:

Project Applicant: David Litty, Enclave Enterprise, LLC. (Owner Agent)

Property/Business Owner: Frances Chu, Spinnaker Point, LLC. (Owner/Managing Partner)

Project Planner: Avery Stark, Assistant Planner

LAND USE:

General Plan Designation: Multi-Family Residential Very High Density (MFH)

Zoning District: Multi-Family Residential (R3)

Overlay District: Planned Unit Development #45

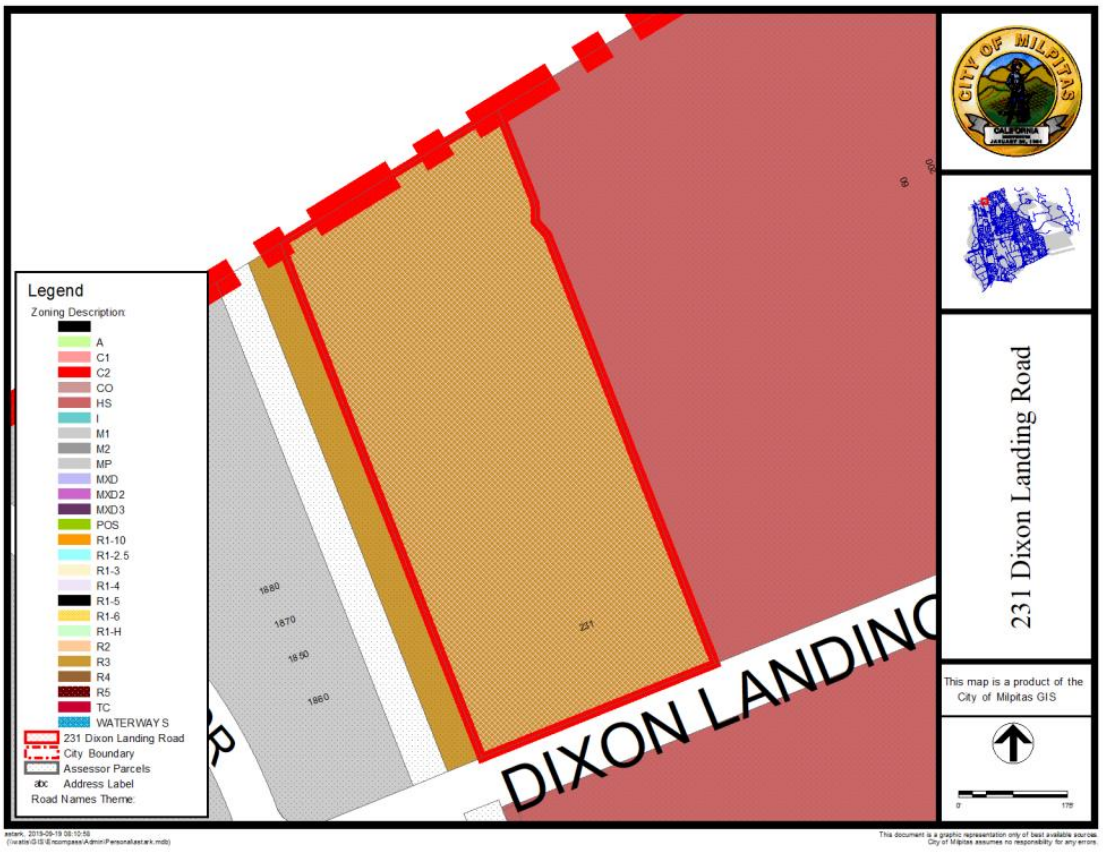
ENVIRONMENTAL: Categorically Exempt from further environmental review pursuant to Section 15301 (Existing Facilities) of the California Environmental Quality Act ("CEQA") and; as a separate and independent basis, the project is exempt from further environmental review pursuant to CEQA Guidelines Section 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning).

EXECUTIVE SUMMARY

The project includes an amendment to Planned Unit Development (PUD) Number 45 to modify the language of the Conditions of Approval (Condition # 6) which states, "A clay barrel tile (mixed colors) shall be used on all buildings and carports." The previously amended condition requires carports to be built with a clay barrel tile roof (mixed colors) on buildings and carports, as shown in Exhibit 'C.' The proposed amendment would not restrict the roof material type in order to allow a re-roof of all the buildings, including the carports, to be architecturally and materially compatible.

Map 1
Project Location

Map 2
Project Zoning Map



BACKGROUND

History

The original application for the existing condominium development (PUD #45) was submitted by Breckenridge Company for consideration by the Planning Commission on October 16, 1986. The project was subsequently approved by the Milpitas City Council on December 9, 1986. The PUD allowed the development of 220 units, 493 parking spaces, and related facilities including a recreation building, swimming pool, tennis court, tot lot and park area on the 9.24-acre site. No variance or density bonuses were granted or were required for this development. Subsequent amended special conditions for the PUD were reviewed by the Planning Commission on April 16, 1987, and approved by City Council on May 5, 1987.

On July 29, 2019, David Litty of Enclave Enterprises, LLC submitted an application for an amendment to PUD #45 to modify the language in the original conditions of approval to allow a re-roof of all buildings, including the carports, to be architecturally compatible and use the same

roof materials. There will be no change to the underlying zoning district of Multi-Family Residential (R3).

The Application

The following is a summary of the applicant's request:

PUD Amendment: To modify the original conditions of approval to allow a re-roof of all the buildings, including the carports, to be architecturally and materially compatible. Section 57, Table XI-10-57.03-01 of the Zoning Ordinance allows staff to review and administratively approve "re-roofing" applications as a Minor Site Development Permit when the following statement is true: "change to any other roofing material, except wood shake, non-tri-laminate or standing seam metal." However, the original conditions of approval for this PUD require a specific type of roofing material and modifying the conditions of approval requires recommendation by the Planning Commission to the Milpitas City Council for final approval.

PROJECT DESCRIPTION

Overview

The proposed amendment will remove specific language for the type of roof material in order to allow the applicant to re-roof the entire project site, including carports, with composite shingle materials. As stated in the applicant's letter of request: "The existing 35-year-old tile roof is beyond a useful life and is breaking and falling in areas where residents and autos are at risk. The numerous leaks cause wetness and mold inside units, and spot repairs are no longer viable without displacing over 600 residents." The property owner proposed to replace the tile roof with composite shingle material in similar colors and shades that are much lighter in weight and more energy-efficient, environmentally friendly, and earthquake-safe.

The applicant proposes an eight-phase re-roofing project plan, as shown in Exhibit 1. Phase one, to be completed in 2019, includes Buildings I and J and carports II, J1 and J2. Phases two through eight are noted in Exhibit 1 and will be fully completed no later than July 31, 2021.

In conjunction with the proposed re-roofing project, the applicant will also address issues with existing chimneys that serve wood-burning fireplaces included in the units at the project site. Chimneys and fireplaces are not specifically addressed in the conditions of approval for the original project, so Planning Commission approval of proposed changes is not required.

Location and Context

The project site is located north of Dixon Landing Road, between Pioneer Mobile Home Park and the railroad tracks, near the City's northern boundary with the City of Fremont. Nearby uses include residential apartments and mobile home parks to the east and south and light industrial office facilities located to the west abutting Interstate 880.

Table 1:
Surrounding Zoning and Land Uses

	General Plan	Zoning	Existing Uses
Subject Site	Multi-Family Residential Very High Density (MFH))	Multi-Family Residential (R3) (PUD No. 45)	Multi-Family Residential
North	City of Fremont	City of Fremont	City of Fremont
South	N/A	N/A	Dixon Landing Road
East	Highway Services (HS)	Highway Services (HS)	Pioneer Mobile Home Park
West	N/A	N/A	Railroad (Santa Clara VTA)

PROJECT ANALYSIS

General Plan Conformance

The General Plan designation for the site is Multi-Family Residential Very High Density (MFH). The intent of this designation is to stabilize and protect the residential characteristics of the area and promote, insofar as compatible with the intensity of land use, a suitable environment for family life. The existing multi-family residential development (Planned Unit Development No. 45), was approved by the City Council on December 9, 1986, and is in conformance with the applicable policies and standards in the City's General Plan, as outlined in Table 2 below:

Table 2:
General Plan Consistency

Policy	Conformance
2.a-G-1 Maintain a land-use program that balances Milpitas' regional and local role by providing for a highly amenitized community environment and a thriving regional industrial center.	**Consistent.** The existing development is an attractive residential project with amenities such as a pool, open space, and walking trails. The development provides housing to Milpitas residents to help ensure a thriving regional industrial center.
2.a-G-3 Provide for a variety of housing types and densities that meet the needs of individuals and families.	**Consistent.** The existing development provides higher-density residential apartments to meet the needs of individuals and families in Milpitas. The proposed re-roofing will help ensure the longevity of the project.
2.a-I-12 Use zoning for new residential developments to encourage a variety and mix in housing types and costs.	**Consistent.** The existing development offers high-density residential apartments to help ensure a variety of housing types and costs. The proposed re-roofing will help ensure the longevity of the project.

Zoning Conformance

The project conforms to the development standards required in the Multi-Family Residential (R3) and PUD #45 development standards listing in Table 3 below.

The Planned Unit Development (PUD) Zoning District allows diversification and flexibility in the relationships of various buildings, structures, land uses, open spaces, and other features associated with large mixed-use development. PUD Zoning encourages flexibility of site planning and land use to create desirable environments that otherwise may not be achieved under conventional zoning requirements for large developments. The project was reviewed for compliance and developed with applicable codes and ordinances in 1986.

Table 3:
Zoning Conformance R3

Standards	Standard	Proposed	Complies?
Density (min-max)	12-20 units per gross acre	25 units per gross acre	Yes, granted by PUD No. 45
Front Setback (min):	20'-0"	22'-5"	Yes
Side Yard Setback (min):	Two-2.5 story: One side 10', Total both sides 25'	15' 90'	Yes
	Three-3.5 story: One side 12', Total both sides 30'	15' 90'	Yes
Rear Setback (min):	Two/2.5 story: 35' Three/3.5 story: 40'	22' – 5"	Yes, granted by PUD 45
Building Height (max)	Principal building: 3.5 stories (35') Accessory building: 2.5 stories (25')	39' -11	Yes, granted by PUD 45
Parking	1.5 covered spaces for 1 bedroom units Two covered spaces for two or more bedrooms.	One covered stall per unit	Yes, reduced parking standard established per PUD No. 45
Lot Coverage (min)	a. 25% of total lot area (not including paved parking area)	44%	Yes
	b. 200sf of usable open space for each dwelling unit.	768 s.f.	Yes

Site & Architectural Design

The applicant submitted a letter of intent to the City of Milpitas Planning Department that outlines the scope of the work to be completed on the site (see Exhibit 1). The letter documents the existing conditions of the roofs and chimneys and describes the proposed changes in material from the mixed-orange clay barrel tile roofs to a new composite shingle in similar mixed-orange tone. The applicant also outlines the eight-phase construction plan that will be submitted to the building department for review prior to the issuance of any building permits. The applicant also proposes options to remove the wood-burning fireplaces' chimneys and replace with energy-efficient gas or electric alternatives.

FINDINGS FOR APPROVAL

A finding is a statement of fact relating to the information that the Planning Commission has considered in making a decision. Findings shall identify the rationale behind the decision to take a certain action.

Planned Unit Development Amendment

In order to grant a PUD permit amendment, the following standard requirements must be made pursuant to Milpitas Municipal Code Section XI-10-54.07(B)(6)(d):

1. *Development of the site under the provisions of the Planned Unit Development will result in public benefit not otherwise attainable by application of the regulations of general zoning districts.*

   The current project is an amendment to the conditions of approval for the original Planned Unit Development (PUD). The proposed amendment would allow replacement of roofing materials throughout the project, including carports, to be architecturally and materially compatible. Amending the conditions of approval will not fundamentally change the design of the original PUD or the public benefit derived from the original approval. Re-roofing the entire project with new materials will upgrade the existing buildings, enhance the neighborhood, and improve safety.

2. *The proposed Planned Unit Development is consistent with the Milpitas General Plan.*

   The amendment is consistent with the Milpitas General Plan, as demonstrated and outlined in Table 2 above.

3. *The proposed development will be in harmony with the character of the surrounding neighborhood and will have no adverse effects upon the adjacent or surrounding development, such as shadows, view obstruction, or loss of privacy that are not mitigated to acceptable levels.*

   The amendment will allow a re-roofing project, consistent with current roof development standards, to complement and enhance the surrounding neighborhood. The proposed re-roofing project will result in no adverse impacts such as shadows, loss of views, or loss of privacy upon adjacent development.

ENVIRONMENTAL REVIEW

Categorically Exempt from further environmental review pursuant to Section 15301 (Existing Facilities) of the California Environmental Quality Act (CEQA) and; as a separate and independent basis, the project is exempt from further environmental review pursuant to CEQA Guidelines Section 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning).

PUBLIC COMMENT/OUTREACH

Staff provided public notice the application in accordance with City and State public noticing requirements. A notice was published in the Milpitas Post on September 13, 2019. In addition, 220 notices were sent to owners and occupants within the PUD No. 45 of the project site. As of September 19, 2019, no public comments have been received. A public notice was also provided on the project site, on the City's Website, www.ci.milpitas.ca.gov, and posted at City Hall.

CITY COUNCIL REVIEW

An application for a Planned Unit Development Amendment Permit requires review and recommendation by the Planning Commission to City Council approval under the provisions of Milpitas Municipal Code Section XI-10-54.07.

CONCLUSION

The proposed amendment is consistent with the General Plan, Zoning Ordinance, and neighboring properties within the City of Milpitas.

RECOMMENDATION

STAFF RECOMMENDS THAT the Planning Commission:

1. Open the Public Hearing to receive comments;
2. Close the Public Hearing; and
3. Adopt Resolution 19-029 recommending City Council approval of the Planned Unit Development Amendment PA19-0001 subject to findings and Condition of Approvals.

ATTACHMENTS

A: Resolution 19-029
B: Project Phasing Plans and Existing Conditions
C: Letter Request for PUD Amendment

RESOLUTION NO. 19-029

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MILPITAS RECOMMENDING TO THE CITY COUNCIL APPROVAL OF PLANNED UNIT DEVELOPMENT AMENDMENT PERMIT NO. PA19-0001 TO AMEND A CONDITION OF APPROVAL TO ALOW A RE-ROOF OF ALL BUILDINGS, INCLUDING THE CARPORTS, TO BE ARCHITECTURALLY COMPATIBLE AND USE THE SAME ROOF MATERIALS AT 231 DIXON LANDING ROAD (APN 022-01-014)

WHEREAS, on July 29, 2019, David Litty of Enclave Enterprises, LLC, submitted an application for a Planned Unit Development amendment. The property is located within the Planned Unit Development Area, knows as PUD 45, within the zoning district of Multi-Family Residential (R3); and

WHEREAS, Planned Unit Development Amendment Permit No. PA19-0001 is required to modify the language of the Conditions of Approval to allow a re-roof of all buildings, including the carports, to be architecturally compatible and use the same roof materials (the "Project"); and

WHEREAS, the Planning Division determined that the Project is categorically exempt from further environmental review pursuant to Section 15301 (Existing Facilities) of the California Environmental Quality Act ("CEQA") and; as a separate and independent basis, the Project is exempt from further environmental review pursuant to CEQA Guidelines Section 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning); and

WHEREAS, on September 25, 2019, the Planning Commission held a duly-noticed public hearing on the subject application and all proposed project approvals at which all those in attendance were given the opportunity to speak on Project; and

WHEREAS, the Planning Commission has considered all of the written and oral testimony presented at the public hearing in making its decision; and

NOW THEREFORE, the Planning Commission of the City of Milpitas hereby finds, determines and resolves as follows:

SECTION 1. Recitals. The Planning Commission has considered the full record before it, which may include, but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals and findings set forth herein are found to be true and correct and incorporated herein by reference.

SECTION 2. Record. The location and custodian of the documents or other material which constitute the record of proceedings upon which this decision is based is within the Planning Department, City of Milpitas, 455 East Calaveras Boulevard, Milpitas, California 95035.

SECTION 3. CEQA. The Project is categorically exempt from further environmental review pursuant to Section 15301 (Existing Facilities) of CEQA and; as a separate and independent basis, the Project is exempt from further environmental review pursuant to CEQA Guidelines Section 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning).

1. *The project is consistent with the Milpitas Zoning Code and Development Standards outlined for PUD 45.*

The Project conforms to the development standards required in the Multi-Family Residential (R3) and PUD #45 development standards listing in table 1 below.

Table 1:
Zoning Conformance R3

Standards	Standard	Proposed	Complies?
Density (min-max)	12-20 units per gross acre	25 units per gross acre	Yes, granted by PUD No. 45
Front Setback (min):	20'-0"	22'-5"	Yes
Side Yard Setback (min):	Two-2.5 story: One side 10', Total both sides 25'	15' 90'	Yes
	Three-3.5 story: One side 12', Total both sides 30'	15' 90'	Yes
Rear Setback (min):	Two/2.5 story: 35' Three/3.5 story: 40'	22' – 5"	Yes, granted by PUD 45
Building Height (max)	Principal building: 3.5 stories (35') Accessory building: 2.5 stories (25')	39' -11	Yes, granted by PUD 45
Parking	1.5 covered spaces for 1 bedroom units Two covered spaces for two or more bedrooms.	One covered stall per unit	Yes, reduced parking standard established per PUD No. 45
Lot Coverage (min)	a. 25% of total lot area (not including paved parking area)	44%	Yes
	b. 200sf of usable open space for each dwelling unit.	768 s.f.	Yes

The Planned Unit Development (PUD) Zoning District allows diversification and flexibility in the relationships of various buildings, structures, land uses, open spaces, and other features associated with large mixed-use development. PUD Zoning encourages flexibility of site planning and land use to create desirable environments that otherwise may not be achieved under conventional zoning requirements for large developments. The Project was reviewed for compliance and developed with applicable codes and ordinances in 1986.

2 *The project is consistent with the Milpitas General Plan.*

The Project is in conformance with the applicable policies and standards in the City's General Plan, as outlined in table 2 below:

Table 2:
General Plan Consistency

Policy	Conformance
2.a-G-1 Maintain a land-use program that balances Milpitas' regional and local role by providing for a highly amenable community environment and a thriving regional industrial center	**Consistent.** The existing development is an attractive residential project with amenities such as a pool, open space, and walking trails. The development provides housing to Milpitas residents to help ensure a thriving regional industrial center.
2.a-G-3 Provide for a variety of housing types and densities that meet the needs of individuals and families.	**Consistent.** The existing development provides higher-density residential apartments to meet the needs of individuals and families in Milpitas. The proposed re-roofing will help ensure the longevity of the project.
2.a-I-12 Use zoning for new residential developments to encourage a variety and mix in housing types and costs.	**Consistent.** The existing development offers high-density residential apartments to help ensure a variety of housing types and costs. The proposed re-roofing will help ensure the longevity of the project.

The General Plan designation for the site is Multi-Family Residential Very High Density (MFH). The intent of this designation is to stabilize and protect the residential characteristics of the area and promote, insofar as compatible with the intensity of land use, a suitable environment for family life. The existing multi-family residential development (Planned Unit Development No. 45), was approved by the City Council on December 9, 1986.

SECTION 4. Planned Unit Development Amendment Section XI-10-54.07(B)(6)(d).

The Planning Commission makes the following findings based on the evidence in the public record in support of Planned Unit Development Amendment Permit No. PA19-0001:

1. *Development of the site under the provisions of the Planned Unit Development will result in public benefit not otherwise attainable by application of the regulations of general zoning districts.*

   The current project is an amendment to the conditions of approval for the original Planned Unit Development (PUD). The proposed amendment would allow replacement of roofing materials throughout the project, including carports, to be architecturally and materially compatible. Amending the conditions of approval will not fundamentally change the design of the original PUD or the public benefit derived from the original approval. Re-roofing the entire project with new materials will upgrade the existing buildings, enhance the neighborhood, and improve safety.

2. *The proposed Planned Unit Development is consistent with the Milpitas General Plan.*

   The amendment is consistent with the Milpitas General Plan, as demonstrated and outlined in Table 2 above.

3. *The proposed development will be in harmony with the character of the surrounding neighborhood and will have no adverse effects upon the adjacent or surrounding development, such as shadows, view obstruction, or loss of privacy that are not mitigated to acceptable levels.*

   The amendment will allow a re-roofing project, consistent with current roof development standards, to complement and enhance the surrounding neighborhood. The proposed re-roofing project will result in no adverse impacts such as shadows, loss of views, or loss of privacy upon adjacent development.

SECTION 5. Planning Commission Action. Based upon the record as a whole and the findings set forth herein, the Planning Commission of the City of Milpitas hereby recommends the City Council approve Planned Unit Development Amendment Permit No. PA19-0001, subject to the Findings and Conditions of Approval attached hereto as Exhibit 1.

PASSED AND ADOPTED at a regular meeting of the Planning Commission of the City of Milpitas on September 25, 2019.

Chair

TO WIT:

I HEREBY CERTIFY that the following resolution was duly adopted at a regular meeting of the Planning Commission of the City of Milpitas on September 25, 2019, and carried by the following roll call vote:

COMMISSIONER	AYES	NOES	ABSENT	ABSTAIN
Sudhir Mandal	X			
Demetress Morris	X			
Tim Alcorn	X			
Steve Tao	X			
Evelyn Chua	X			
Bill Chuan	X			
Ricky Ablaza	X			

EXHIBIT 1

CONDITIONS OF APPROVAL FOR SPINNAKER POINT, LLC PLANNED UNIT DEVELOPMENT PERMIT AMENDMENT NO. PA19-0001 213 DIXON LANDING ROAD (APN 022-01-014)

General Conditions

1. General Compliance. The applicant, including all successors in interest (collectively "Permittee") shall comply with each and every condition set forth in this Permit. Planned Unit Development Amendment Permit NO. PA 19-0001, ("Permit") shall have no force or effect and no building permit shall be issued unless and until all things required by the below-enumerated precedent conditions have been performed or caused to be performed and this Resolution has been recorded by the Permittee with the Santa Clara County's Recorder Office and a copy shall be provided to the Planning Department. **(P)**

2. The Permittee shall develop the approved project in conformance with the approved plans (dated September 25, 2019), sample color and materials board approved by the Planning Commission, in accordance with these Conditions of Approval. **(P)**

3. Modifications to project. Any deviation from the approved site plan, floor plans, or other approved submittal shall require that, prior to the issuance of building permits, the Permittee shall submit modified plans and any other applicable materials as required by the City for review and obtain the approval of the Planning Director or Designee. If the Planning Director or designee determines that the deviation is significant, the Permittee shall be required to apply for review and obtain approval of the Planning Commission, in accordance with the Zoning Ordinance. **(P)**

4. Effective Date. Unless there is a timely appeal filed in accordance with the Milpitas Zoning Code, the date of approval of this Permit is the date on which the decision-making body approved this Permit. **(P)**

5. Conditions of Approval. As part of the issuance of building permits, the Permittee shall include within the first four pages of the working drawings for a plan check, a list of all conditions of approval imposed by the final approval of the project. **(P)**

6. Written Response to Conditions. The Permittee shall provide a written response to the Conditions of Approval indicating how each condition has been addressed with the building permit application submittal. **(ALL)**

7. Permit Expiration. Pursuant to Section XI-10-64.06 of the Milpitas Municipal Code, this Permit shall become null and void if the activity permitted by this Permit is not commenced within two (2) years from the date of approval, or for a project submitted with a tentative map, within the time limits of the approved tentative map. Pursuant to Section XI-10-

64.06(B) of the Milpitas Municipal Code, an activity permitted by this Permit shall be deemed to have commenced when the project:

a. Completes a foundation associated with the project; or
b. Dedicates any land or easement as required from the zoning action; or
c. Complies with all legal requirements necessary to commence the use, or obtains an occupancy permit, whichever is sooner.

8. Time Extension. Pursuant to Section XI-10-64.07 of the Milpitas Municipal Code, unless otherwise provided by State law, Permittee shall have the right to request a one-time extension of the Permit if the request is made in writing to the Planning Division prior to the expiration date of the approval. **(P)**

9. Project Job Account. If at the time of application for building permit there is a project job account balance due to the City for recovery of review fees, the review of permits will not be initiated until the balance is paid in full. **(E)**

10. Compliance with Laws. The construction, use, and all related activity authorized under this Permit shall comply with all applicable local, state, and federal laws, rules, regulations, guidelines, requirements, and policies. **(CA/P)**

11. Acceptance of Permit. Should Permittee fail to file a timely appeal within twelve (12) calendar days of the date of approval of this Permit, inaction by Permittee shall be deemed to constitute each of the following:
    a. Acceptance of this Permit by Permittee; and
    b. Agreement by the Permittee to be bound by, comply with, and to do all things required of or by Permittee pursuant to all of the terms, obligations, and conditions of this Permit.

12. Indemnification. To the fullest extent permitted by law, Permittee shall indemnify, defend with counsel of the City's choosing, and hold harmless City, its City Council, its boards and commissions, officials, officers, employees, and agents (the "Indemnified Parties") from and against any and all third party claim, action, or proceeding against City and/or the Indemnified Parties to attack, review, set aside, void or annul the City's approval of PLANNED UNIT DEVELOPMENT AMENDMENT PERMIT NO. PA19-0001; including any environmental determination made therefore. This indemnification shall include, but not be limited to, damages awarded against the City, if any, costs of suit, reasonable attorneys' fees, and other reasonable expenses incurred in connection with such claim, action, causes of action, suit or proceeding. The Permittee shall pay to the City upon demand or, as applicable, on a monthly basis to counsel of City's reasonable choosing, amounts owed pursuant to the indemnification requirements prescribed in this condition, provided each such demand or monthly payment request includes reasonably detailed back-up documentation, including invoices and/or receipts, as applicable, for all amounts to be paid. Notwithstanding the foregoing, City shall have the right to redact invoices and/or receipts as necessary to preserve attorney-client privilege. City shall promptly notify the Permittee of any claim, action, or proceeding and shall engage in reasonable efforts to cooperate in the defense. If City fails to so promptly notify the Permittee, or if City fails to engage in reasonable efforts to cooperate in the defense, then the Permittee's indemnification obligations as set forth in this condition of approval shall thereafter terminate. The Permittee shall not be required to pay or perform

any settlement unless the settlement is approved by the Permittee. The above indemnification is intended to be as broad as permitted by applicable law. To the extent the above indemnification is limited by Government Code Section 66474.9, any limitations shall only apply to PLANNED UNIT DEVELOPMENT AMENDMENT PERMIT NO. PA19-0001 and the balance of the Permit shall be unaffected by said Government Code section. **(CA)**

13. Revocation, Suspension, Modification. This Permit may be suspended, revoked, or modified in accordance with Section XI-10-63.06 of the Milpitas Municipal Code. **(P)**

14. Severability. If any term, provision, or condition of this Permit is held to be illegal or unenforceable by the Court, such term, provision, or condition shall be severed and shall be inoperative, and the remainder of this Permit shall remain operative, binding, and fully enforceable.

15. Previous Approvals. Permittee shall abide by and continue to comply with all previous City approvals, permits, or requirements relating to the subject property, unless explicitly superseded or revised by this Permit.

16. Compliance with Fire Department and California Fire Code. The Project shall comply with the requirements of the Milpitas Fire Department and the California Fire Code as adopted by the City. Changes to the site plan and/or building(s) requires review and approval by the Fire Department. **(F)**

17. Compliance with Building Department. The project shall comply with the requirements of the Building Department and the International Building Code. **(B)**

Special Conditions:

1. To allow a re-roof of all the buildings, including the carports, to be architecturally and materially compatible and use the same roof materials.
2. The Planning Director or designee will determine the review process for all additions or alterations to the buildings or site design in accordance with the provisions of Section XI-10-57.03 (Site Development Permits and Minor Site Development Permits) of the Milpitas Municipal Code.

Key:

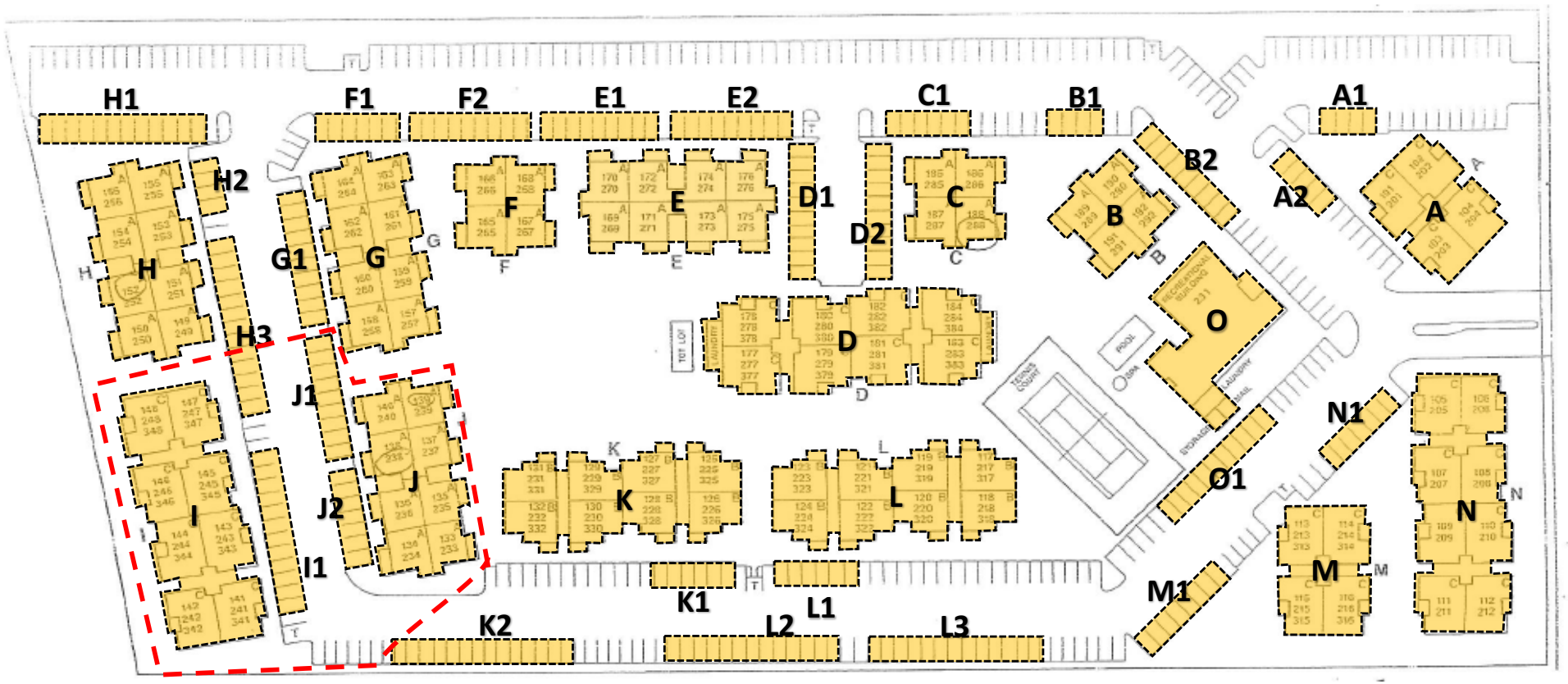
(P) = Planning
(B) = Building
(E) = Engineering
(F) = Fire Prevention
(PD) = Police Department
(CA) = City Attorney

Spinnaker Pointe Apartments

231 Dixon Landing Road Milpitas, CA 95035

Building & Carport ID for Permitting

-All residential buildings are two-story, except Bldgs D, I, K & L, which are three-story
-Bldg 'O' is the one-story main office & gathering space
-Carport(s) in vicinity of each building are assigned accordingly below and will be completed under same permits



Phase 1 - 2019

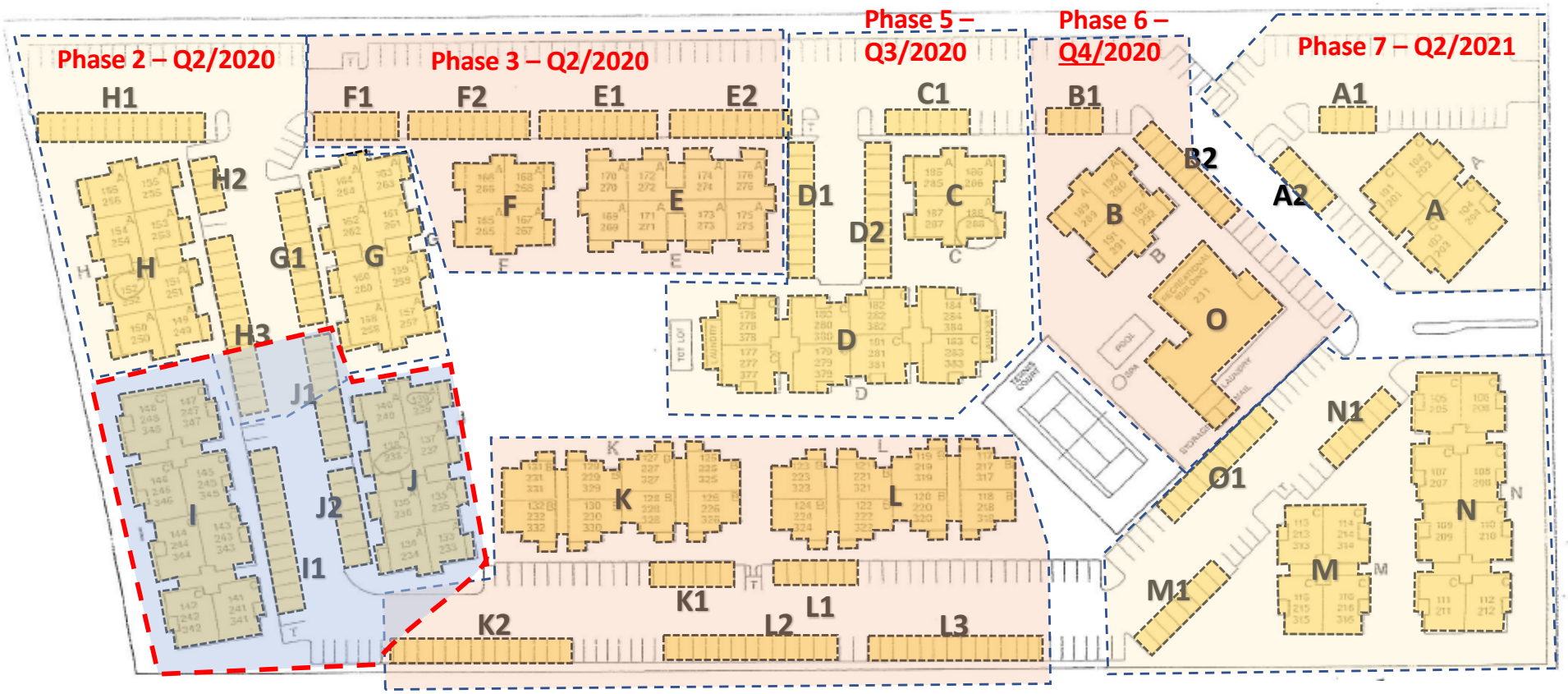
Bldgs I & J, Carports I1, J1 & J2

Spinnaker Pointe Apartments

231 Dixon Landing Road Milpitas, CA 95035

Re-Roof Project Phasing

-Ownership proposes 8 phases with essentially 2 buildings and multiple carports each as shown below
-Phase 1, proposed to be completed in 2019, includes Buildings I & J and Carports I1, J1 & J2
-Phases 2 through 8 are proposed as noted below and to be fully completed no later than July 31, 2021



Spinnaker Pointe Apartments

231 Dixon Landing Road Milpitas, CA 95035

Existing Roof Conditions

-Currently mixed-orange tones, Spanish tile
-Chimneys wood & stucco; light beige finishes
-Leaks, falling & broken tile
-Beyond useful life & spot repairs not viable

Proposed Roof & Upgrades

-Composite shingle in similar mixed-orange tones
-Chimneys to be repaired in place & match existing colors
-Wood & stucco vertical surfaces to be repaired &/or painted as existing

Solaris Max Def Resawn Shake
CRRC Product ID 0668-0124

Solaris Max Def Heather Blend
CRRC Product ID 0668-0123

Spinnaker Pointe Apartments

231 Dixon Landing Road Milpitas, CA 95035

Existing Chimneys
Option A: repair in place & match existing colors
Option B: remove chimneys completely and either fill-in the wood burning fireplaces or replace them with energy-efficient gas or electric alternates

Spinnaker Pointe Apartments

231 Dixon Landing Road Milpitas, CA 95035

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Conduct a Public Hearing and Introduce Ordinance No. 38.837 Amending Milpitas Municipal Code Title XI, Chapter 10, Sections 2, 4, 5, 7, and 56 Relating to Assembly and other Non-industrial Uses in the M2 Heavy Industrial Zoning District**
Category:	Public Hearings-Community Development
Meeting Date:	10/15/2019
Staff Contact:	Rozalynne Thompson, Senior Planner, 408-586-3278
Recommendations:	1) Conduct a public hearing and move to close the hearing following comments. 2) City Attorney shall read aloud title of Ordinance No. 38.837. 3) Move to waive the first reading beyond the title and introduce Ordinance No. 38.837 Amending Milpitas Municipal Code Section 2 ("Definitions"), Subsection 4.02 ("Residential Use Regulations), Subsection 5.02 ("Commercial Use Regulations), Subsection 7.02 ("Industrial Use Regulations"), Subsection 7.04 ("Industrial Zone Special Development and Performance Standards"), and Subsection 56.04 ("Nonconforming Use of Land").

Background:

In 2009, the City Council amended the Zoning Code to prohibit "places of assembly" in all industrial zoning districts. The Council approved these amendments in response to a study conducted by Conley Consulting Group, as part of the implementation of the City's Economic Strategic Action Plan adopted in 2005, demonstrating the adverse fiscal and economic impacts of the conversion of industrial land to non-industrial uses. As noted in the study, non-industrial "places of assembly" need to be restricted in industrial areas to preserve the limited industrial areas of Milpitas and to ensure the compatibility of uses in these areas.

In April 2015, the City received an application for a Conditional Use Permit to locate the Al-Hilaal Mosque and Community Center in an existing building located at 372-374 Turquoise Street in the M2 Heavy Industrial Zone. A facility for religious worship is defined as a "place of assembly" under the City's Zoning Code. Because the Zoning Code prohibited assembly uses in the M2 Heavy Industrial Zone, the applicant concurrently requested a zoning text amendment to allow assembly uses with approval of a Conditional Use Permit in industrial zones. Staff recommended denial of both the project and the zoning text amendment because the proposed land use and associated zoning changes were inconsistent with the Milpitas General Plan. On July 8, 2015, the Planning Commission recommended approval of the zoning text amendment to allow assembly uses in the M2 Heavy Industrial Zone with approval of a Conditional Use Permit, and staff subsequently returned with a CEQA study and draft Resolution supporting approval of the Conditional Use Permit for the mosque.

On January 11, 2017, the Planning Commission recommended approval of the proposed Al-Hilaal Mosque and Community Center in light of strong community support for the mosque and concerns about the difficulty in finding a suitable property for the mosque elsewhere in Milpitas. The Planning Commission recommended that the City Council approve: (1) a General Plan Amendment to remove a policy prohibiting "social organizations" within industrial areas; (2) a Zoning Code Text Amendment to conditionally permit "places of assembly" uses in all industrial (M1, M2, and MP) zoning districts, and; (3) a Conditional Use Permit for the Al-Hilaal Mosque at 372-374 Turquoise Street. The City Council subsequently approved the General Plan Amendment, Zoning Text Amendment, and Conditional Use Permit on February 7, 2017.

Analysis:

As the City's Zoning Code has continued to evolve over the past two years, City decision-makers and staff have recognized that allowing assembly and other non-industrial uses (entertainment, retail, commercial services, etc.) in the M2 Heavy Industrial Zone is not a wise long-term planning and economic development policy approach. Allowing non-industrial uses to locate in heavy industrial areas creates significant land use conflicts and public safety concerns and undermines the integrity and viability of these areas for the intended purpose of supporting heavy industrial uses and economic activity. Thus, to preserve areas zoned for heavy industrial use in Milpitas, address public safety concerns, and ensure that these areas can continue to support manufacturing and heavy industry in the future, staff recommends that the Council restore prior restrictions on assembly and other non-industrial uses in the M2 Heavy Industrial Zone. These uses would still be allowed in the M1 Light Industrial and MP Industrial Park Zones.

On August 20, 2019, the Council considered a Zoning Ordinance Amendment to restrict assembly and other non-industrial uses in the M2 Heavy Industrial Zone. After considering the proposed amendment the Council directed staff to bring back, at a future date, a revised amendment with added language to allow the expansion of existing assembly uses in the M2 Heavy Industrial Zone for a limited time.

In response to Council direction, staff has prepared a revised Zoning Ordinance Amendment that would restrict assembly and other non-industrial uses in the M2 Heavy Industrial Zone but allow limited expansion (up to 25 percent of total floor area) of *existing assembly* uses approved with a Conditional Use Permit since February 7, 2017. On that date, the Council adopted Ordinance No. 38.827 to amend the Zoning Code to conditionally allow assembly uses in the City's industrial zoning districts for the first time. The proposed amendment would allow limited expansion of assembly uses in the M2 Heavy Industrial Zone with approval of a new Conditional Use Permit Amendment and Site Development Permit by the Planning Commission. This special allowance for limited expansion of existing assembly uses would sunset on December 31, 2020.

Proposed Zoning Code Amendment:

Staff proposes the following changes to Table XI-10-7.02-1, *Industrial Zone Uses,* in the City's Municipal Code:

Changes from Permitted ("P") or Conditionally Permitted ("CP") to Not Permitted ("NP"):

Adult businesses, commercial services, retail stores–general merchandise, billiards, commercial athletic facilities, kennels, medical and dental offices and clinics, veterinary hospitals, mini-storage complexes, hotels/motels, administrative/professional/research offices, financial institutions, vocational schools, places of assembly, and restaurants

Changes from Permitted ("P") to Conditionally Permitted ("CP"):

Business support services, medical support laboratories, and warehousing and wholesale

Changes from Not Permitted ("NP") to Conditionally Permitted ("CP"):

Service stations with car wash

Although not currently allowed in the M1 Light Industrial and M2 Heavy Industrial Zoning Districts, gas stations would be allowed with approval of a Conditional Use Permit under the proposed Zoning Code amendment. This change is consistent with the current requirements for this use in the Industrial Park (MP) Zone.

In addition, because the Zoning Code does not currently include a definition for "assembly-type uses," a definition for "Assembly" has been added to Subsection XI-10-2.03, *Definitions*. Moreover, the uses "Social hall, lodge, fraternal organization, club and religious assembly (non-profit)" in Table XI-10-4.02-1 "Residential Zone Uses" and "Club or social organization, religious assembly" in Table XI-10-5.02-1 "Commercial Zone Uses" have been replaced with "Places of Assembly."

Further, Subsection XI-10-56.03(C) ("Nonconforming Buildings and Uses") has been added to the Zoning Ordinance to allow limited expansion (up to 25 percent of floor area) of existing assembly uses in the M2 Heavy Industrial Zone. This type of limited expansion would be subject to the Site Development Permit and Conditional Use Permit processes outlined in Section 57 "Applications."

Policy Alternative:

Alternative: Adopt a stricter Zoning Code Amendment that would restrict assembly and other non-industrial uses in the M2 Heavy Industrial Zone with no special allowance for expansion.

Pros: Restricting the expansion of assembly and other non-industrial uses in heavy industrial areas will reduce public safety concerns and will limit land use conflicts that undermine the integrity and viability of these areas for the intended purpose of supporting heavy industrial uses and economic activity.

Cons: Existing assembly uses located in the M2 Heavy Industrial Zone would be strictly regulated as legal non-conforming uses and would not be able to expand.

Reason not recommended: A tight restriction on assembly and non-industrial uses within the City's industrial zoning districts will protect the viability of industrial lands and help maintain a thriving center for industry in the city and region. Ensuring the continuity and integrity of industrial land contributes to a balanced and diverse land use program and economic base for Milpitas.

Allow any expansion of assembly and other non-industrial land uses within the City's industrial zoning districts exposes such uses to excessive due noise, hazardous materials, and truck traffic from surrounding industry. These establishments already face high costs and time-consuming efforts related to measuring and mitigating risk factors related to adjacent industrial uses. Moreover, potential new industrial uses may be deterred from locating in Milpitas if they are not protected by the City's zoning regulations from the inherent risk of being located in proximity to non-industrial uses. This inhibits the City's ability to attract manufacturing employers and support expansion of existing businesses.

Environmental:
Based on its review of the entire record, including the staff report, public comments and testimony presented to the Planning Commission and City Council, and the facts outlined below, the City Council hereby finds and determines that this ordinance is categorically exempt from environmental review under the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption) and, as a separate and independent basis, Section 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning).

Recommendations:
1) Conduct a public hearing and move to close the hearing following comments.
2) City Attorney shall read aloud title of Ordinance No. 38.837.
3) Move to waive the first reading beyond the title and introduce Ordinance No. 38.837 Amending Milpitas Municipal Code Section 2 ("Definitions"), Subsection 4.02 ("Residential Use Regulations"), Subsection 5.02 ("Commercial Use Regulations"), Subsection 7.02 ("Industrial Use Regulations"), Subsection 7.04 ("Industrial Zone Special Development and Performance Standards"), and Subsection 56.04 ("Non-conforming Use of Land").

Attachments:
A. Draft Ordinance No. 38.837 for introduction
B. Alternative Draft Ordinance No. 38.837 for introduction (no expansion)
C. Planning Commission Resolution No. 19-021
D. Letter from Milpitas Charity Bingo dated August 12, 2019

PLEASE NOTE:

This copy of Ordinance No. 38.837 is a “redlined” version for your convenience. Text additions are designated by an underline and text deletions are designated with a strikethrough.

REGULAR

NUMBER: 38.837

TITLE: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING SECTIONS OF CHAPTER 10 OF TITLE XI OF THE MILPITAS MUNICIPAL CODE RELATING TO ASSEMBLY AND OTHER NON-INDUSTRIAL USES IN THE M2 HEAVY INDUSTRIAL ZONING DISTRICT AND MAKING FINDINGS OF CEQA EXEMPTION

HISTORY: This Ordinance was introduced (first reading) by the City Council at its meeting of _____, upon motion by_____ and was adopted (second reading) by the City Council at its meeting of _____, upon motion by _____. The Ordinance was duly passed and ordered published in accordance with law by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

_____
Mary Lavelle, City Clerk

APPROVED:

_____
Rich Tran, Mayor

APPROVED AS TO FORM:

_____
Christopher J. Diaz, City Attorney

RECITALS AND FINDINGS:

WHEREAS, the City of Milpitas, California (the "City") is a municipal corporation, duly organized under the constitution and laws of the State of California; and

WHEREAS, California Government Code Section 65800 et seq. authorizes the adoption and administration of zoning laws, ordinances, rules and regulations by cities as a means of implementing the General Plan; and

WHEREAS, maintaining a sufficient supply of land zoned exclusively for industrial uses and similar compatible uses is important for the health and diversity of the City's economy and job market; and

WHEREAS, industrial lands have a net positive impact on the City's budget, generating more dollars in tax revenue than they cost in service expenditures, thereby helping to offset the cost of providing City services to lands with other uses such as residential and public; and

WHEREAS, the zoning regulations for industrial zones in Milpitas currently conditionally permit several nonindustrial uses that may be incompatible with adjacent heavy industrial activities, and the approval of conditional use permits for several nonindustrial uses in industrial zones in recent years has begun to adversely impact the integrity of industrial areas of the City; and

WHEREAS, the City Council and City Manager have determined that the preservation of industrial lands is an important policy priority for Milpitas; and

WHEREAS, restricting or prohibiting nonindustrial land uses in industrial zoning districts is an essential component in maintaining the supply of industrial land as well as the viability of such land for heavy industrial activities; and

WHEREAS, the City has prepared a Zoning Amendment ("Amendment") to the City's Municipal Code, including refinements to Section 2 ("Definitions"), Subsection 4.02 ("Residential Use Regulations"), Subsection 5.02 ("Commercial Use Regulations"), Subsection 7.02 ("Industrial Use Regulations"), and Subsection 56.04 ("Nonconforming Use of Land") of the Municipal Code; and

WHEREAS, on June 26, 2019 and July 31, 2019, the Planning Commission for the City of Milpitas held a lawfully noticed public hearing to solicit public comment and consider the proposed Amendment, take public testimony, and make a recommendation to the City Council on the project; and

WHEREAS, this ordinance is exempt from the California Environmental Quality Act, Public Resources Code Section 21000, *et seq*., each as a separate and independent basis, pursuant to CEQA Guidelines Section 15183 (projects consistent with the General Plan); Section 15301 (existing facilities) and Section 15061(b)(3) (no possibility of significant environmental effect)

NOW, THEREFORE, the City Council of the City of Milpitas does ordain as follows:

SECTION 1. RECORD AND BASIS FOR ACTION

The City Council has duly considered the full record before it, which may include but is not limited to such things as the City staff report, testimony by staff and the public, and other materials and evidence submitted or provided to the City Council. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

SECTION 2. CALIFORNIA ENVIRONMENTAL QUALITY ACT

Based on its review of the entire record, including the staff report, public comments and testimony presented to the Planning Commission and City Council, and the facts outlined below, the City Council hereby finds and determines that this ordinance is categorically exempt from the California Environmental Quality Act ("CEQA") under CEQA Guidelines, § 15061(b)(3), also known as the "common sense exemption", which exempts from CEQA any project where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. A "significa

on the environment" means a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project. This Ordinance would impose more restrictive land use regulations in the city's industrial areas than those currently in effect for the purpose of protecting environmental quality, public health, and public safety. Therefore, it can be seen with certainty that there is no possibility that this Ordinance would have a significant effect on the environment; accordingly, this Ordinance is exempt from CEQA review.

Moreover, the City Council hereby finds that the introduction and adoption of this Ordinance is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning). Section 15183 of the CEQA Guidelines provides that projects that are consistent with a Community Plan, General Plan or Zoning for which an EIR has been certified "shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site." The Land Use Element includes several policies and guidelines related to preserving industrial lands, ensuring a balanced and diverse economic base, and prioritizing the City's fiscal well-being when making land use decisions. The Amendment restricting uses in the industrial zones help accomplish all these goals. Therefore, the proposed Amendment is consistent with the General Plan. Therefore, the proposed Amendment is consistent with the General Plan and is exempt from CEQA pursuant to Section 15183 of the CEQA Guidelines.

Accordingly, this Ordinance is exempt from CEQA review pursuant to Sections 15061(b)(3), 15301, and 15183 of the CEQA Guidelines, each as a separate and independent basis.

SECTION 3. GENERAL PLAN CONSISTENCY

The proposed zoning amendment supports several of the guiding principles and policies of the General Plan. The Land Use Element includes several policies and guidelines related to preserving industrial lands, ensuring a balanced and diverse economic base, and prioritizing the City's fiscal well-being when making land use decisions. The Amendment restricting uses in the industrial zones help accomplish all these goals. Therefore, the proposed Amendment is consistent with the General Plan.

SECTION 4. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XI, CHAPTER 10, SECTION 2, SUBSECTION 2.03

Title XI, Chapter 10, Section 2 "Definitions," Subsection XI-10-2.03 "Definitions" of the Milpitas Municipal Code is hereby amended to add the following definitions to read as follows:

"Assembly" means the provision of activities for assembled groups of participants at institutions or facilities including but not limited to private and nonprofit clubs; social or fraternal organizations; and churches, temples, synagogues and other places of worship. Assembly uses in the context of groups of people is distinct from and unrelated to the definition of the industrial use "Assembly from pre-processed materials."

"Assembly from pre-processed materials" means assembling, packaging, or distributing from previously prepared materials, such as cloth, plastic, paper, leather, precious or semi-precious metals or stones, electric or electronic instruments and devices such as television, radios, and pharmaceutical products. Assembly in the context of industrial manufacturing is distinct from and unrelated to the definition of "Assembly" involving groups of people.

"Places of Assembly." See "Assembly"

SECTION 5. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XI, CHAPTER 10, SECTION 4, SUBSECTION 4.02, TABLE XI-10-4.02-1

Title XI, Chapter 10, Section 4 "Residential Zones and Standards," Subsection XI-10-4.02 "Residential Use Regulations," Table XI-10-4.02-1 "Residential Zone Uses" of the Milpitas Municipal Code is hereby amended to read as follows:

Table XI-10-4.02-1
Residential Zone Uses

Use	R1	R2	R3	R4	R5
1. Commercial					
Commercial services [1,2]	NP	NP	C	C	C
2. Professional Offices and related uses					
Offices [1,2]	NP	NP	C	C	C
3. Public/Quasi-Public and Institutional Uses					
Child care center	C	C	C	C	P
Nursing home [3]	NP	C	C	C	C
Park, playground or community center (non-profit)	C	C	C	C	C
Parking lots	C	C	C	C	C
School (not trade or vocational)	C	C	C	C	C
~~Social hall, lodge, fraternal organization, club and religious assembly (non-profit)~~ Places of Assembly	C	C	C	C	C
4. Residential Uses					
Condominiums and condo conversions	NP	SFR: C Duplex: C	C	C	C
Duplex (Two dwellings)	NP	P	NP	NP	NP
Group dwelling	NP	NP	NP	C	C
Guest house	C	NP	NP	NP	NP
Manufactured home [4]	P	P	NP	NP	NP
Multi-family dwellings (Three or more units)	NP	NP	P	P	P
Planned unit development [5]	P	P	P	P	P
Second residential dwelling unit [6]	P	SFR: P Duplex: NP	NP	NP	NP
Single-family dwelling	P	P	NP	NP	NP
Single-room occupancy residences [7]	NP	NP	C	C	C
Transitional and supportive housing	P [8]	P [8]	P [9]	P [9]	P [9]
5. Restaurants					
Restaurants [1,2]	NP	NP	C	P/C	P/C
6. Unclassified Uses					
Agriculture [10]	P	P	P	NP	NP
Boarding house (three or more persons)	NP	C	C	C	C
Golf course [11]	C	C	C	NP	NP
Live work units [12]	NP	NP	C	C	C

Model home complex [13]	P	P	P	P	P

[1] Refer to Subsection XI-10-4.03(A), Residential Zone Special Uses, of this Chapter, for standards.
[2] Refer to Subsection XI-10-4.03(B), Residential Zone Special Uses, of this Chapter, for standards.
[3] Licensed nursing home serving more than six persons, except when used primarily for contagious sickness, mental or drug alcohol addict cases.
[4] Refer to Subsection XI-10-13.07, Manufactured Homes, of this Chapter, for standards.
[5] Refer to Subsection XI-10-54.07, Planned Unit Developments, of this Title, for standards.
[6] In conjunction with an existing or proposed legal single-family dwelling or duplex. Refer to Subsection XI-10-13.08, Accessory Dwelling Units, of this Chapter, for standards.
[7] Refer to XI-10-13.13, Special Uses, Single Room Occupancy Residences, of this Chapter
[8] Permitted only in single family dwellings
[9] Permitted only in multi-family dwellings
[10] Except for the raising of animals or fowl for commercial purposes, or the sale of any products at retail on the premises.
[11] Except for driving tee or range, miniature course and similar uses operated for commercial purposes.
[12] Allowed commercial uses to be specified through the Conditional Use Permit process.
[13] Refer to Subsection XI-10-13.11(E), Model Home Complexes and Sales Offices, of this Chapter for temporary tract offices.

SECTION 6. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XI, CHAPTER 10, SECTION 5, SUBSECTION 5.02, TABLE XI-10-5.02-1

Title XI, Chapter 10, Section 5 "Commercial Zones and Standards," Subsection XI-10-5.02 "Commercial Use Regulations," Table XI-10-5.02-1 "Commercial Zone Uses" of the Milpitas Municipal Code is hereby amended to read as follows:

Table XI-10-5.02-1
Commercial Zone Uses

Use	CO	C1	C2	HS	TC
1. Commercial Uses					
Alcoholic beverage sales	C [6]	C	C	NP	C
Art/photography studio or gallery	NP	P	P	P	P
Bookstore	NP	P	P	P	P
Commercial services [1]	P	P	P	NP	P
Funeral home or mortician	NP	NP	C	C	NP
Furniture sales	NP	P	P	P	P
Grocery store (supermarkets)					
Within 1,000 ft. of residential zone	NP	C	C	C	C
Not within 1,000 ft. of residential zone	NP	P	P	P	P
Head/smoke/tobacco shop	NP	C	C	NP	C
Home improvement (hardware, blinds, interior decorating, etc.)	NP	P	P	C	P

Not fully enclosed operation	NP	C	C	C	C
Household appliance store [7]	NP	NP	P	P	NP
Small appliance repair	NP	NP	MCS	P	NP
Large appliance repair	NP	NP	NP	P	NP
Janitorial services	NP	NP	P	P	NP
Newsstand					
Indoor	P	P	P	NP	P
Outdoor	C	C	C	NP	C
Nursery (flower or plant)					
Indoor	NP	NP	P [2]	P	P
Outdoor	NP	NP	C	P	NP
Office supply sales (stationery, equipment)	P	P	P	P	P
Paint and wallpaper stores	NP	NP	P	P	P
Pawnshops	NP	NP	C	NP	NP
Pet stores	NP	NP	P	P	P
Printing (newspaper, publishing)	NP	NP	P	P	P
Rentals (medical supplies, costumes, party equipment, office equipment)	NP	NP	P	P	P
Retail stores, general merchandise	NP	P	P	NP	P
Tanning salon	NP	NP	P	NP	P
Thrift store [3]	NP	C	P	P	P
2. Entertainment and Recreation					
Adult business [4]	NP	NP	NP	P	NP
Bowling alley	NP	NP	P	P	P
Commercial athletic facilities					
Indoor	NP	C	P	P	P
Outdoor	NP	NP	NP	C	NP

Motion picture theater (See 7 below)					
Recreation or entertainment facility	NP	C	C	C	C
Shooting range, indoor	NP	NP	NP	C	NP
3. Health and Veterinarian Uses					
Animal grooming (no boarding)	NP	P	P	P	P
Hospital	C	NP	C	C	C
Kennel	NP	NP	C	NP	NP
Massage establishment	NP	NP	C	C	C
Medical and dental office	P	P	P	NP	P
Medical and dental clinic	P	C	C	NP	P
Medical support laboratories	P	C	C	C	C
Optician and optometrist shop	P	P	P	NP	P
Pharmacy or drug store	NP	P	P	P	P
Sauna and steam bath	NP	NP	NP	P	NP
Veterinary clinic	NP	NP	P	P	P
4. Industrial Uses [5]					
Assembly from pre-processed materials	NP	NP	C	NP	NP
Commercial fueling facility	NP	NP	NP	C	NP
Commercial laboratory	NP	NP	C	P	NP
Contractor's yards and offices	NP	NP	C	C	NP
Disinfection and extermination business	NP	NP	C	P	NP
Dry cleaning plant	NP	NP	NP	P	NP
Food storage locker	NP	NP	NP	P	NP
Landscape contractor	NP	NP	C	P	NP
Lumberyards	NP	NP	C	C	NP
Mini-storage complex	NP	NP	C	C	NP

Plumbing, metalworking, glassworking or woodworking	NP	NP	C	C	NP
Research & development	NP	NP	C	NP	NP
Sign sales and fabrication (Electric and neon sign, sign painting)	NP	NP	C	P	NP
Warehousing and wholesale	NP	NP	C	NP	NP
5. Lodging					
Hotel and motel	NP	NP	C	C	C
6. Professional Offices, Financial Institutions and Related Uses					
Automatic teller machines (freestanding) [6]	NP	P	P	P	P
Financial institutions (banks, savings and loans, etc.)	P	P	P	P	P
General offices (administrative and business services, real estate, travel agencies, etc.)	P	P	P	P	P
7. Public, Quasi-Public and Assembly Uses					
Auction hall	NP	NP	C	C	C
Child care					
Child care center	C	C	C	C	C
Day care school	C	C	C	C	C
Large family child care home	NP	NP	NP	NP	C
Small family child care home	NP	NP	NP	NP	C
~~Club or social organization, religious assembly~~ Places of Assembly	C	C	C	C	C
Cultural center	NP	NP	C	C	C
Educational institutions					
Schools, private (elementary, middle, high)	NP	NP	C	NP	C
Trade and vocational school	C	NP	P	P	C
Farmer's market (not including flea market)	NP	C	C	C	C
Instruction					
Group [8]	MCS	MCS	MCS	MCS	MCS
Private	P	P	P	P	P

Motion picture theater					
Indoor	NP	C	C	C	C
Outdoor	NP	NP	NP	C	NP
Parking facility, storage garage	NP	P	P	C	C
Public utilities	C	C	C	C	C
Transportation facility (taxi, limousine, etc.)	NP	NP	C	C	C
8. Restaurants or Food Service					
Banquet hall	NP	NP	C	C	C
Bar or nightclub	NP	NP	C	C	C
Catering establishment	NP	NP	P	P	P
Restaurants	C [7]	P	P	P	P
With live entertainment/dancing	NP	NP	C	C	C
With drive-in or drive-through	NP	C	C	C	C
With ancillary on-premise beer & wine with no separate bar	NP	MC	PMC	MC	MC
9. Residential Uses					
Caretaker (in conjunction with contractor's yard or mini-storage complex)	NP	NP	C	C	NP
Emergency shelters [9]	NP	NP	NP	P/C	NP
Single-room occupancy residences [10]	NP	NP	NP	C	NP
10. Vehicle Related Uses					
Auto repair (tire, oil change, smog check, etc.)	NP	NP	C	C	NP
Auto sales and rental, outdoor (new and used cars, RV and truck)	NP	NP	C	C	NP
Auto broker (wholesale, no vehicles on site)	MCS	MCS	MCS	MCS	MCS
Car wash	NP	NP	C	C	NP
Service stations (with or without repair or retail) [11]	C	C	C	C	C
Drive through uses (restaurants, pharmacies, etc.)	NP	C	C	C	C
11. Unclassified Uses					

Accessory structures [12]	P	P	P	P	P
Model home complex [13]	NP	NP	NP	NP	P
Mortuary or crematory	NP	NP	NP	C	NP
Radio or television station	NP	NP	C	P	NP
Temporary seasonal sales [14]	NP	P	P	P	P

[1] Refer to the definition for "Commercial Services" in Section 2, Definitions, of this Chapter.
[2] Provided that all incidental equipment and supplies, including fertilizer and empty cans, are kept within a building.
[3] Refer to XI-10-5.04, Commercial Zone Special Development Standards, of this Chapter.
[4] In accordance with the Title III, Chapter 4, Adult Business Ordinance, and Subsection 13.04, Adult Businesses, of this Chapter.
[5] For conditionally permitted uses, refer to Subsection 57.04(C) (9), Certain Industrial Uses within Commercial Districts, of this Chapter.
[6] Refer to Subsection 57.03, Site Development Permits and Minor Site Development Permits, of this Chapter.
[7] When intended to serve the occupants and patrons of the permitted use (office, etc.) and conducted and entered from within the building and provided there is no exterior display of advertising.
[8] Refer to Subsection 5.02-1, Commercial Zone Special Uses, of this Section.
[9] Refer to XI-10-13.14, Special Uses, Emergency Shelters, of this Chapter.
[10] Refer to XI-10-13.13, Special Uses, Single Room Occupancy Residences, of this Chapter.
[11] Refer to Subsection XI-10-6.02-2, Special Uses, of this Chapter, for standards. Service stations shall follow the "General development policy: Gasoline service stations, and automotive service centers" adopted by the City Council on December 19, 1995.
[12] Not including warehouses on the same site as the permitted use.
[13] No tract sign shall be permitted within 600 feet of a Santa Clara County Expressway.
[14] Refer to Section 13.11, Temporary Uses and Structures, of this Chapter.

SECTION 7. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XI, CHAPTER 10, SECTION 7, SUBSECTION 7.02, A(2)

The following entry in Title XI, Chapter 10, Section 7 "Industrial Zones and Standards," Subsection XI-10-7.02, A (2) "Industrial Use Regulations" of the Milpitas Municipal Code is hereby amended to read as follows:

A. Permitted and Conditionally Permitted Uses.

2. Accessory Uses. The following accessory uses are allowed when incidental to the primary use:

a. In M1 and MP zones, incidental services, such as restaurants and recreation facilities for employee use only and when conducted in and entered from within the building or campus.

SECTION 8. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XI, CHAPTER 10, SECTION 7, SUBSECTION 7.02, TABLE XI-10-7.02-1

Title XI, Chapter 10, Section 7 "Industrial Zones and Standards," Subsection XI-10-7.02 "Industrial Use Regulations," Table XI-10-7.02-1 of the Milpitas Municipal Code is hereby amended to read as follows:

Table XI-10-7.02-1
Industrial Zone Uses

Use	M1	M2	MP
1. Commercial Uses			
Adult Businesses [1]	P	NP	NP
Business support services	P	NP	P
Commercial services	P	NP	P
Janitorial services	P	NP	P

Office supplies	C	~~C~~NP	C
Printing (newspaper, blueprint, publishing)	P	NP	C
Retail stores, general merchandise [2]	C	NP~~C~~	C
2. Entertainment and Recreation Uses			
Billiards	C	NP~~C~~	C
Commercial athletic facilities	C	NP~~C~~	C
3. Health and Veterinarian Uses			
Hospitals	NP	NP	C
Kennel	P	NP	NP
Medical support laboratories	P	NP	P
Medical and dental offices and clinics [2]	P	NP	P
Veterinarian hospital	P	NP	P
4. Industrial Uses			
Assembly from pre-processed materials [3]	P	P	P
Auto assembly facility	NP	P	NP
Bottling facility	P	P	NP
Building material sales (equipment rental) [4]	NP	C	NP
Commercial fueling facility	C	C	NP
Commercial laboratory	P	P	P
Contractor's yard and offices [4]	NP	C	NP
Distribution facility	P	P	P
Freight and trucking yard [4]	NP	P	NP
Mini-storage complex	C	C	NP
Plumbing, metalworking, glassworking or woodworking	P	P	NP
Plant or facility (research & development, assembly, manufacturing, packaging, processing, repairing, etc. or materials, merchandise or products)	P	P	P
Pottery or tile manufacturing	P	P	NP

Recycling processing facility	C	C	NP
Warehousing and wholesale	P	P	P
5. Lodging Uses			
Hotels/motels	C	NP~~C~~	C
6. Professional Office Uses			
Administrative, professional or research [2]	P	NP~~P~~	P
Financial institutions (banks, savings and loans, etc.)	C	NP~~C~~	P
7. Public, Quasi-Public and Assembly Uses			
Auditorium [5]	NP	NP	C
Conference center [5]	NP	NP	C
Vocational school	C	NP~~C~~	C
Farmer's market (not including flea market) [6]	NP	NP	C
Public utilities [7]	P	P	P
Transportation facility (taxi, parcel service, armored car, etc.) [4]	NP	P	NP
Temporary Public Safety Uses [8]	C	C	C
Places of assembly [12]	C	NP~~C~~	C
8. Residential Uses			
Caretaker's residence	C	C	NP
9. Restaurants or Food Service Uses			
Catering	P	NP	P
Restaurants			
With on-site service of alcohol	C	NP~~C~~	C
Without on-site service of alcohol	C	NP~~C~~	C
With live entertainment/dancing	NP	NP	NP
Drive-in or drive-thru	C	NP~~C~~	C
10. Vehicle Related Uses			

Auto junk yard [4]	NP	C	NP
Auto repair (tire, oil change, smog check, etc.) [9]	C	P	C [10]
Service stations (with or without repair or retail) [9]	C	C	C
With car wash	NP	C~~NP~~	C
Vehicle sales and rental (auto, RV and truck-new and used in operable condition) [11]	C	C	C [10]
Auto broker (wholesale, no vehicles on site) [12]	MCS	MCS	MCS

[1] In accordance with the Title III, Chapter 4, Adult Business Ordinance and Subsection XI-10-13.04, Adult Businesses, of this Chapter.
[2] When found necessary to serve and appropriate to the industrial area.
[3] Assembling, packaging, or distribution from previously prepared materials, such as cloth, plastic, paper, leather, precious or semi-precious metals or stones, electric or electronic instruments and devices such as television, radios, and pharmaceutical products.
[4] When conducted wholly within a completely enclosed building or within an area enclosed on all sides with a solid wall or fence (e.g. chain link with slats) not less than eight feet in height.
[5] Shall be ancillary to the primary use or associated with business or industrial uses.
[6] Refer to Subsection XI-10-13.10, Farmers Markets, of this Chapter.
[7] Includes service facilities, electric transmission and distribution substations and public utility service centers.
[8] See Subsection XI-10-13.11(G), Temporary Public Safety Uses.
[9] Entrances to the services bays shall not be open to the street, but shall be so designed to face the rear or interior side property line.
[10] Within MP zones, rental and repair may be considered only when ancillary to new auto dealerships.
[11] Within MP zones, boat and camper sales are prohibited. Dealerships shall be on property at least three acres or greater in area.
[12] See Subsection XI-10-7.04(A)(1), Industrial Zone Special Development and Performance Standards.

SECTION 9. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XI, CHAPTER 10, SECTION 7, SUBSECTION 7.04

Title XI, Chapter 10, Section 7 "Industrial Zones and Standards," Subsection XI-10-7.04, B(3) "Industrial Zone Special Development and Performance Standards" of the Milpitas Municipal Code is hereby amended to read as follows:

B. Special Development Standards in All Industrial Zones.

3. Places of Assembly. Places of Assembly are prohibited in the M2 Heavy Industrial Zone. When any place of assembly use is established in an M1 or MP zone after the effective date of this Ordinance, such use shall be subject to the following requirements:

a. Applicant shall submit a review of potential hazardous site conditions and potential exposure of site users to these conditions. At a minimum, a Phase I Environmental Site Assessment (ESA) shall be performed for each proposed assembly use within the City's Light Industrial (M1), ~~Heavy Industrial (M2),~~ and Industrial Park (MP) zoning districts. Each individual project shall comply with the recommendations of the Phase I Environmental Site Assessment (which may include conducting Phase II sampling and implementing the recommendations of the Phase II ESA that may include cleanup of hazardous materials) and demonstrate that exposure of site users to hazardous materials conditions would be below established thresholds prior to approval of the Conditional Use Permit. In addition, an Accidental Release Assessment (ARA) shall be performed for each proposed assembly use within the City's Light Industrial (M1) ~~, Heavy Industrial (M2),~~ and Industrial Park (MP) zoning districts to determine if unacceptable safety risks may result from the proposed change in use. The ARA shall review and evaluate any and all Risk Management Plans prepared for facilities in the vicinity under the California Accidental Release Prevention (CalARP) program. The environmental professional preparing the ARA shall determine, based on Alternative Release Scenarios, whether the proposed new assembly use would result in unacceptable safety risks due to proximity of uses handling or emitting acutely hazardous materials. If unacceptable risks are identified, the proposed use shall not be allowed.

b. Applicant shall submit a further noise study. The noise study shall demonstrate that ambient noise conditions within the vicinity of the proposed assembly use do not exceed the City's "normally acceptable" Noise Compatibility Standard of 70 dBA Ldn. In the event that existing conditions exceed

the "normally acceptable" standard the proposed assembly use may be required to install noise insulating materials to achieve the interior noise standard. Also as a condition of approval, proposed assembly uses shall be required to sign a disclosure of acknowledgment that they agree to operate within an existing industrial area and may be subject to noise levels that exceed the City of Milpitas's Noise Compatibility Standards for noise-sensitive uses.

c. No assembly use shall install or otherwise use exterior public address systems or other noise generating equipment that exceeds the 70 dBA noise standard.

d. No new structure shall be construed within the M1~~, M2,~~ or MP zoning district for use as a place of assembly and no more than 50% of the square footage of any existing structure within the M1~~, M2,~~ or MP zoning district shall be converted to use as a place of assembly.

e. No exterior modifications to any existing structure within the M1~~, M2,~~ or MP zoning district shall be permitted if such modifications would materially alter the structure's appearance or future use as an industrial building.

SECTION 10. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XI, CHAPTER 10, SECTION 56

Title XI, Chapter 10, Section 56 "Nonconforming Buildings and Uses" Subsection XI-10-56.03 "Nonconforming Use of Buildings and Structures" of the Milpitas Municipal Code is hereby amended and Subsection XI-10-56.03, (C) is hereby added to read as follows:

C. Expansion of Assembly Uses in the Heavy Industrial (M2) Zoning District.

1. Assembly uses approved after February 7, 2017, that are rendered legally non-conforming may expand in floor area up to 25 percent of existing floor area until December 31, 2021. Such expansions shall require approval of a Site Development Permit and Conditional Use Permit by the Planning Commission in accordance with the provisions of Section 57 "Applications."

SECTION 11. SEVERABILITY

The provisions of this Ordinance are separable, and the invalidity of any phrase, clause, provision, or part has no effect on the validity of the remainder.

SECTION 12. EFFECTIVE DATE AND POSTING

In accordance with Section 36937 of the Government Code of the State of California, this Ordinance takes effect 30 days from the date of its passage. The City Council hereby directs the City Clerk to cause this Ordinance or a summary thereof to be published in accordance with Section 36933 of the Government Code of the State of California.

PLEASE NOTE:

This copy of Ordinance No. 38.837, **Alternative Ordinance**, is a "redlined" version for your convenience. Text additions are designated by an underline and text deletions are designated with a strikethrough.

REGULAR

NUMBER: 38.837

TITLE: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING SECTIONS OF CHAPTER 10 OF TITLE XI OF THE MILPITAS MUNICIPAL CODE RELATING TO ASSEMBLY AND OTHER NON-INDUSTRIAL USES IN THE M2 HEAVY INDUSTRIAL ZONING DISTRICT AND MAKING FINDINGS OF CEQA EXEMPTION

HISTORY: This Ordinance was introduced (first reading) by the City Council at its meeting of _____, upon motion by_____ and was adopted (second reading) by the City Council at its meeting of _____, upon motion by _____. The Ordinance was duly passed and ordered published in accordance with law by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

_____
Mary Lavelle, City Clerk

APPROVED:

_____
Rich Tran, Mayor

APPROVED AS TO FORM:

_____
Christopher J. Diaz, City Attorney

RECITALS AND FINDINGS:

WHEREAS, the City of Milpitas, California (the "City") is a municipal corporation, duly organized under the constitution and laws of the State of California; and

WHEREAS, California Government Code Section 65800 et seq. authorizes the adoption and administration of zoning laws, ordinances, rules and regulations by cities as a means of implementing the General Plan; and

WHEREAS, maintaining a sufficient supply of land zoned exclusively for industrial uses and similar compatible uses is important for the health and diversity of the City's economy and job market; and

WHEREAS, industrial lands have a net positive impact on the City's budget, generating more dollars in tax revenue than they cost in service expenditures, thereby helping to offset the cost of providing City services to lands with other uses such as residential and public; and

WHEREAS, the zoning regulations for industrial zones in Milpitas currently conditionally permit several nonindustrial uses that may be incompatible with adjacent heavy industrial activities, and the approval of conditional use permits for several nonindustrial uses in industrial zones in recent years has begun to adversely impact the integrity of industrial areas of the City; and

WHEREAS, the City Council and City Manager have determined that the preservation of industrial lands is an important policy priority for Milpitas; and

WHEREAS, restricting or prohibiting nonindustrial land uses in industrial zoning districts is an essential component in maintaining the supply of industrial land as well as the viability of such land for heavy industrial activities; and

WHEREAS, the City has prepared a Zoning Amendment ("Amendment") to the City's Municipal Code, including refinements to Section 2 ("Definitions"), Subsection 4.02 ("Residential Use Regulations"), Subsection 5.02 ("Commercial Use Regulations"), Subsection 7.02 ("Industrial Use Regulations"), and Subsection 56.04 ("Nonconforming Use of Land") of the Municipal Code; and

WHEREAS, on June 26, 2019 and July 31, 2019, the Planning Commission for the City of Milpitas held a lawfully noticed public hearing to solicit public comment and consider the proposed Amendment, take public testimony, and make a recommendation to the City Council on the project; and

WHEREAS, this ordinance is exempt from the California Environmental Quality Act, Public Resources Code Section 21000, *et seq*., each as a separate and independent basis, pursuant to CEQA Guidelines Section 15183 (projects consistent with the General Plan); Section 15301 (existing facilities) and Section 15061(b)(3) (no possibility of significant environmental effect)

NOW, THEREFORE, the City Council of the City of Milpitas does ordain as follows:

SECTION 1. RECORD AND BASIS FOR ACTION

The City Council has duly considered the full record before it, which may include but is not limited to such things as the City staff report, testimony by staff and the public, and other materials and evidence submitted or provided to the City Council. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

SECTION 2. CALIFORNIA ENVIRONMENTAL QUALITY ACT

Based on its review of the entire record, including the staff report, public comments and testimony presented to the Planning Commission and City Council, and the facts outlined below, the City Council hereby finds and determines that this ordinance is categorically exempt from the California Environmental Quality Act ("CEQA") under CEQA Guidelines, § 15061(b)(3), also known as the "common sense exemption", which exempts from CEQA any project where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. A "significant effect on the environment" means a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project. This Ordinance would impose more restrictive land use regulations in the city's industrial areas than those currently in effect for the purpose of protecting environmental quality, public health, and public safety. Therefore, it can be seen with certainty that there is no possibility that this Ordinance would have a significant effect on the environment; accordingly, this Ordinance is exempt from CEQA review.

Moreover, the City Council hereby finds that the introduction and adoption of this Ordinance is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning). Section 15183 of the CEQA Guidelines provides that projects that are consistent with a Community Plan, General Plan or Zoning for which an EIR has been certified "shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site." The Land Use Element includes several policies and guidelines related to preserving industrial lands, ensuring a balanced and diverse economic base, and prioritizing the City's fiscal well-being when making land use decisions. The Amendment restricting uses in the industrial zones help accomplish all these goals. Therefore, the proposed Amendment is consistent with the General Plan. Therefore, the proposed Amendment is consistent with the General Plan and is exempt from CEQA pursuant to Section 15183 of the CEQA Guidelines.

Accordingly, this Ordinance is exempt from CEQA review pursuant to Sections 15061(b)(3), 15301, and 15183 of the CEQA Guidelines, each as a separate and independent basis.

SECTION 3. GENERAL PLAN CONSISTENCY

The proposed zoning amendment supports several of the guiding principles and policies of the General Plan. The Land Use Element includes several policies and guidelines related to preserving industrial lands, ensuring a balanced and diverse economic base, and prioritizing the City's fiscal well-being when making land use decisions. The Amendment restricting uses in the industrial zones help accomplish all these goals. Therefore, the proposed Amendment is consistent with the General Plan.

SECTION 4. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XI, CHAPTER 10, SECTION 2, SUBSECTION 2.03

Title XI, Chapter 10, Section 2 "Definitions," Subsection XI-10-2.03 "Definitions" of the Milpitas Municipal Code is hereby amended to add the following definitions to read as follows:

Assembly" means the provision of activities for assembled groups of participants at institutions or facilities including but not limited to private and nonprofit clubs; social or fraternal organizations; and churches, temples, synagogues and other places of worship. Assembly uses in the context of groups of people is distinct from and unrelated to the definition of the industrial use "Assembly from pre-processed materials."

–"Assembly from pre-processed materials" means assembling, packaging, or distributing from previously prepared materials, such as cloth, plastic, paper, leather, precious or semi-precious metals or stones, electric or electronic instruments and devices such as television, radios, and pharmaceutical products. Assembly in the

context of industrial manufacturing is distinct from and unrelated to the definition of "Assembly" involving groups of people.

"Places of Assembly." See "Assembly"

SECTION 5. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XI, CHAPTER 10, SECTION 4, SUBSECTION 4.02, TABLE XI-10-4.02-1

Title XI, Chapter 10, Section 4 "Residential Zones and Standards," Subsection XI-10-4.02 "Residential Use Regulations," Table XI-10-4.02-1 "Residential Zone Uses" of the Milpitas Municipal Code is hereby amended to read as follows:

Table XI-10-4.02-1
Residential Zone Uses

Use	R1	R2	R3	R4	R5
1. Commercial					
Commercial services [1,2]	NP	NP	C	C	C
2. Professional Offices and related uses					
Offices [1,2]	NP	NP	C	C	C
3. Public/Quasi-Public and Institutional Uses					
Child care center	C	C	C	C	P
Nursing home [3]	NP	C	C	C	C
Park, playground or community center (non-profit)	C	C	C	C	C
Parking lots	C	C	C	C	C
School (not trade or vocational)	C	C	C	C	C
~~Social hall, lodge, fraternal organization, club and religious assembly (non-profit)~~ Places of Assembly	C	C	C	C	C
4. Residential Uses					
Condominiums and condo conversions	NP	SFR: C Duplex: C	C	C	C
Duplex (Two dwellings)	NP	P	NP	NP	NP
Group dwelling	NP	NP	NP	C	C
Guest house	C	NP	NP	NP	NP
Manufactured home [4]	P	P	NP	NP	NP
Multi-family dwellings (Three or more units)	NP	NP	P	P	P
Planned unit development [5]	P	P	P	P	P

Second residential dwelling unit [6]	P	SFR: P Duplex: NP	NP	NP	NP
Single-family dwelling	P	P	NP	NP	NP
Single-room occupancy residences [7]	NP	NP	C	C	C
Transitional and supportive housing	P [8]	P [8]	P [9]	P [9]	P [9]
5. Restaurants					
Restaurants [1,2]	NP	NP	C	P/C	P/C
6. Unclassified Uses					
Agriculture [10]	P	P	P	NP	NP
Boarding house (three or more persons)	NP	C	C	C	C
Golf course [11]	C	C	C	NP	NP
Live work units [12]	NP	NP	C	C	C
Model home complex [13]	P	P	P	P	P

[1] Refer to Subsection XI-10-4.03(A), Residential Zone Special Uses, of this Chapter, for standards.
[2] Refer to Subsection XI-10-4.03(B), Residential Zone Special Uses, of this Chapter, for standards.
[3] Licensed nursing home serving more than six persons, except when used primarily for contagious sickness, mental or drug alcohol addict cases.
[4] Refer to Subsection XI-10-13.07, Manufactured Homes, of this Chapter, for standards.
[5] Refer to Subsection XI-10-54.07, Planned Unit Developments, of this Title, for standards.
[6] In conjunction with an existing or proposed legal single-family dwelling or duplex. Refer to Subsection XI-10-13.08, Accessory Dwelling Units, of this Chapter, for standards.
[7] Refer to XI-10-13.13, Special Uses, Single Room Occupancy Residences, of this Chapter
[8] Permitted only in single family dwellings
[9] Permitted only in multi-family dwellings
[10] Except for the raising of animals or fowl for commercial purposes, or the sale of any products at retail on the premises.
[11] Except for driving tee or range, miniature course and similar uses operated for commercial purposes.
[12] Allowed commercial uses to be specified through the Conditional Use Permit process.
[13] Refer to Subsection XI-10-13.11(E), Model Home Complexes and Sales Offices, of this Chapter for temporary tract offices.

SECTION 6. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XI, CHAPTER 10, SECTION 5, SUBSECTION 5.02, TABLE XI-10-5.02-1

Title XI, Chapter 10, Section 5 "Commercial Zones and Standards," Subsection XI-10-5.02 "Commercial Use Regulations," Table XI-10-5.02-1 "Commercial Zone Uses" of the Milpitas Municipal Code is hereby amended to read as follows:

Table XI-10-5.02-1
Commercial Zone Uses

Use	CO	C1	C2	HS	TC
1. Commercial Uses					
Alcoholic beverage sales	C [6]	C	C	NP	C
Art/photography studio or gallery	NP	P	P	P	P

Bookstore	NP	P	P	P	P
Commercial services [1]	P	P	P	NP	P
Funeral home or mortician	NP	NP	C	C	NP
Furniture sales	NP	P	P	P	P
Grocery store (supermarkets)					
Within 1,000 ft. of residential zone	NP	C	C	C	C
Not within 1,000 ft. of residential zone	NP	P	P	P	P
Head/smoke/tobacco shop	NP	C	C	NP	C
Home improvement (hardware, blinds, interior decorating, etc.)	NP	P	P	C	P
Not fully enclosed operation	NP	C	C	C	C
Household appliance store [7]	NP	NP	P	P	NP
Small appliance repair	NP	NP	MCS	P	NP
Large appliance repair	NP	NP	NP	P	NP
Janitorial services	NP	NP	P	P	NP
Newsstand					
Indoor	P	P	P	NP	P
Outdoor	C	C	C	NP	C
Nursery (flower or plant)					
Indoor	NP	NP	P [2]	P	P
Outdoor	NP	NP	C	P	NP
Office supply sales (stationery, equipment)	P	P	P	P	P
Paint and wallpaper stores	NP	NP	P	P	P
Pawnshops	NP	NP	C	NP	NP
Pet stores	NP	NP	P	P	P

Printing (newspaper, publishing)	NP	NP	P	P	P
Rentals (medical supplies, costumes, party equipment, office equipment)	NP	NP	P	P	P
Retail stores, general merchandise	NP	P	P	NP	P
Tanning salon	NP	NP	P	NP	P
Thrift store [3]	NP	C	P	P	P
2. Entertainment and Recreation					
Adult business [4]	NP	NP	NP	P	NP
Bowling alley	NP	NP	P	P	P
Commercial athletic facilities					
Indoor	NP	C	P	P	P
Outdoor	NP	NP	NP	C	NP
Motion picture theater (See 7 below)					
Recreation or entertainment facility	NP	C	C	C	C
Shooting range, indoor	NP	NP	NP	C	NP
3. Health and Veterinarian Uses					
Animal grooming (no boarding)	NP	P	P	P	P
Hospital	C	NP	C	C	C
Kennel	NP	NP	C	NP	NP
Massage establishment	NP	NP	C	C	C
Medical and dental office	P	P	P	NP	P
Medical and dental clinic	P	C	C	NP	P
Medical support laboratories	P	C	C	C	C
Optician and optometrist shop	P	P	P	NP	P
Pharmacy or drug store	NP	P	P	P	P

Sauna and steam bath	NP	NP	NP	P	NP
Veterinary clinic	NP	NP	P	P	P
4. Industrial Uses [5]					
Assembly from pre-processed materials	NP	NP	C	NP	NP
Commercial fueling facility	NP	NP	NP	C	NP
Commercial laboratory	NP	NP	C	P	NP
Contractor's yards and offices	NP	NP	C	C	NP
Disinfection and extermination business	NP	NP	C	P	NP
Dry cleaning plant	NP	NP	NP	P	NP
Food storage locker	NP	NP	NP	P	NP
Landscape contractor	NP	NP	C	P	NP
Lumberyards	NP	NP	C	C	NP
Mini-storage complex	NP	NP	C	C	NP
Plumbing, metalworking, glassworking or woodworking	NP	NP	C	C	NP
Research & development	NP	NP	C	NP	NP
Sign sales and fabrication (Electric and neon sign, sign painting)	NP	NP	C	P	NP
Warehousing and wholesale	NP	NP	C	NP	NP
5. Lodging					
Hotel and motel	NP	NP	C	C	C
6. Professional Offices, Financial Institutions and Related Uses					
Automatic teller machines (freestanding) [6]	NP	P	P	P	P
Financial institutions (banks, savings and loans, etc.)	P	P	P	P	P
General offices (administrative and business services, real estate, travel agencies, etc.)	P	P	P	P	P

7. Public, Quasi-Public and Assembly Uses					
Auction hall	NP	NP	C	C	C
Child care					
Child care center	C	C	C	C	C
Day care school	C	C	C	C	C
Large family child care home	NP	NP	NP	NP	C
Small family child care home	NP	NP	NP	NP	C
~~Club or social organization, religious assembly~~ Places of Assembly	C	C	C	C	C
Cultural center	NP	NP	C	C	C
Educational institutions					
Schools, private (elementary, middle, high)	NP	NP	C	NP	C
Trade and vocational school	C	NP	P	P	C
Farmer's market (not including flea market)	NP	C	C	C	C
Instruction					
Group [8]	MCS	MCS	MCS	MCS	MCS
Private	P	P	P	P	P
Motion picture theater					
Indoor	NP	C	C	C	C
Outdoor	NP	NP	NP	C	NP
Parking facility, storage garage	NP	P	P	C	C
Public utilities	C	C	C	C	C
Transportation facility (taxi, limousine, etc.)	NP	NP	C	C	C
8. Restaurants or Food Service					
Banquet hall	NP	NP	C	C	C

Bar or nightclub	NP	NP	C	C	C
Catering establishment	NP	NP	P	P	P
Restaurants	C [7]	P	P	P	P
With live entertainment/dancing	NP	NP	C	C	C
With drive-in or drive-through	NP	C	C	C	C
With ancillary on-premise beer & wine with no separate bar	NP	MC	PMC	MC	MC
9. Residential Uses					
Caretaker (in conjunction with contractor's yard or mini-storage complex)	NP	NP	C	C	NP
Emergency shelters [9]	NP	NP	NP	P/C	NP
Single-room occupancy residences [10]	NP	NP	NP	C	NP
10. Vehicle Related Uses					
Auto repair (tire, oil change, smog check, etc.)	NP	NP	C	C	NP
Auto sales and rental, outdoor (new and used cars, RV and truck)	NP	NP	C	C	NP
Auto broker (wholesale, no vehicles on site)	MCS	MCS	MCS	MCS	MCS
Car wash	NP	NP	C	C	NP
Service stations (with or without repair or retail) [11]	C	C	C	C	C
Drive through uses (restaurants, pharmacies, etc.)	NP	C	C	C	C
11. Unclassified Uses					
Accessory structures [12]	P	P	P	P	P
Model home complex [13]	NP	NP	NP	NP	P
Mortuary or crematory	NP	NP	NP	C	NP
Radio or television station	NP	NP	C	P	NP
Temporary seasonal sales [14]	NP	P	P	P	P

[1] Refer to the definition for "Commercial Services" in Section 2, Definitions, of this Chapter.
[2] Provided that all incidental equipment and supplies, including fertilizer and empty cans, are kept within a building.
[3] Refer to XI-10-5.04, Commercial Zone Special Development Standards, of this Chapter.

[4] In accordance with the Title III, Chapter 4, Adult Business Ordinance, and Subsection 13.04, Adult Businesses, of this Chapter.
[5] For conditionally permitted uses, refer to Subsection 57.04(C) (9), Certain Industrial Uses within Commercial Districts, of this Chapter.
[6] Refer to Subsection 57.03, Site Development Permits and Minor Site Development Permits, of this Chapter.
[7] When intended to serve the occupants and patrons of the permitted use (office, etc.) and conducted and entered from within the building and provided there is no exterior display of advertising.
[8] Refer to Subsection 5.02-1, Commercial Zone Special Uses, of this Section.
[9] Refer to XI-10-13.14, Special Uses, Emergency Shelters, of this Chapter.
[10] Refer to XI-10-13.13, Special Uses, Single Room Occupancy Residences, of this Chapter.
[11] Refer to Subsection XI-10-6.02-2, Special Uses, of this Chapter, for standards. Service stations shall follow the "General development policy: Gasoline service stations, and automotive service centers" adopted by the City Council on December 19, 1995.
[12] Not including warehouses on the same site as the permitted use.
[13] No tract sign shall be permitted within 600 feet of a Santa Clara County Expressway.
[14] Refer to Section 13.11, Temporary Uses and Structures, of this Chapter.

SECTION 7. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XI, CHAPTER 10, SECTION 7, SUBSECTION 7.02, A(2)

The following entry in Title XI, Chapter 10, Section 7 "Industrial Zones and Standards," Subsection XI-10-7.02, A (2) "Industrial Use Regulations" of the Milpitas Municipal Code is hereby amended to read as follows:

A. Permitted and Conditionally Permitted Uses.

2. Accessory Uses. The following accessory uses are allowed when incidental to the primary use:

a. In M1 and MP zones, incidental services, such as restaurants and recreation facilities for employee use only and when conducted in and entered from within the building or campus.

SECTION 8. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XI, CHAPTER 10, SECTION 7, SUBSECTION 7.02, TABLE XI-10-7.02-1

Title XI, Chapter 10, Section 7 "Industrial Zones and Standards," Subsection XI-10-7.02 "Industrial Use Regulations," Table XI-10-7.02-1 of the Milpitas Municipal Code is hereby amended to read as follows:

Table XI-10-7.02-1
Industrial Zone Uses

Use	M1	M2	MP
1. Commercial Uses			
Adult Businesses [1]	P	NP	NP
Business support services	P	NP	P
Commercial services	P	NP	P
Janitorial services	P	NP	P
Office supplies	C	~~C~~NP	C
Printing (newspaper, blueprint, publishing)	P	NP	C
Retail stores, general merchandise [2]	C	NP~~C~~	C

2. Entertainment and Recreation Uses			
Billiards	C	NP~~C~~	C
Commercial athletic facilities	C	NP~~C~~	C
3. Health and Veterinarian Uses			
Hospitals	NP	NP	C
Kennel	P	NP	NP
Medical support laboratories	P	NP	P
Medical and dental offices and clinics [2]	P	NP	P
Veterinarian hospital	P	NP	P
4. Industrial Uses			
Assembly from pre-processed materials [3]	P	P	P
Auto assembly facility	NP	P	NP
Bottling facility	P	P	NP
Building material sales (equipment rental) [4]	NP	C	NP
Commercial fueling facility	C	C	NP
Commercial laboratory	P	P	P
Contractor's yard and offices [4]	NP	C	NP
Distribution facility	P	P	P
Freight and trucking yard [4]	NP	P	NP
Mini-storage complex	C	C	NP
Plumbing, metalworking, glassworking or woodworking	P	P	NP
Plant or facility (research & development, assembly, manufacturing, packaging, processing, repairing, etc. or materials, merchandise or products)	P	P	P
Pottery or tile manufacturing	P	P	NP

Recycling processing facility	C	C	NP
Warehousing and wholesale	P	P	P
5. Lodging Uses			
Hotels/motels	C	NP~~C~~	C
6. Professional Office Uses			
Administrative, professional or research [2]	P	NP~~P~~	P
Financial institutions (banks, savings and loans, etc.)	C	NP~~C~~	P
7. Public, Quasi-Public and Assembly Uses			
Auditorium [5]	NP	NP	C
Conference center [5]	NP	NP	C
Vocational school	C	NP~~C~~	C
Farmer's market (not including flea market) [6]	NP	NP	C
Public utilities [7]	P	P	P
Transportation facility (taxi, parcel service, armored car, etc.) [4]	NP	P	NP
Temporary Public Safety Uses [8]	C	C	C
Places of assembly [12]	C	NP~~C~~	C
8. Residential Uses			
Caretaker's residence	C	C	NP
9. Restaurants or Food Service Uses			
Catering	P	NP	P
Restaurants			
With on-site service of alcohol	C	NP~~C~~	C
Without on-site service of alcohol	C	NP~~C~~	C
With live entertainment/dancing	NP	NP	NP

Drive-in or drive-thru	C	NP~~C~~	C
10. Vehicle Related Uses			
Auto junk yard [4]	NP	C	NP
Auto repair (tire, oil change, smog check, etc.) [9]	C	P	C [10]
Service stations (with or without repair or retail) [9]	C	C	C
With car wash	NP	C~~NP~~	C
Vehicle sales and rental (auto, RV and truck-new and used in operable condition) [11]	C	C	C [10]
Auto broker (wholesale, no vehicles on site) [12]	MCS	MCS	MCS

[1] In accordance with the Title III, Chapter 4, Adult Business Ordinance and Subsection XI-10-13.04, Adult Businesses, of this Chapter.
[2] When found necessary to serve and appropriate to the industrial area.
[3] Assembling, packaging, or distribution from previously prepared materials, such as cloth, plastic, paper, leather, precious or semi-precious metals or stones, electric or electronic instruments and devices such as television, radios, and pharmaceutical products.
[4] When conducted wholly within a completely enclosed building or within an area enclosed on all sides with a solid wall or fence (e.g. chain link with slats) not less than eight feet in height.
[5] Shall be ancillary to the primary use or associated with business or industrial uses.
[6] Refer to Subsection XI-10-13.10, Farmers Markets, of this Chapter.
[7] Includes service facilities, electric transmission and distribution substations and public utility service centers.
[8] See Subsection XI-10-13.11(G), Temporary Public Safety Uses.
[9] Entrances to the services bays shall not be open to the street, but shall be so designed to face the rear or interior side property line.
[10] Within MP zones, rental and repair may be considered only when ancillary to new auto dealerships.
[11] Within MP zones, boat and camper sales are prohibited. Dealerships shall be on property at least three acres or greater in area.
[12] See Subsection XI-10-7.04(A)(1), Industrial Zone Special Development and Performance Standards.

SECTION 9. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XI, CHAPTER 10, SECTION 7, SUBSECTION 7.04

Title XI, Chapter 10, Section 7 "Industrial Zones and Standards," Subsection XI-10-7.04, B(3) "Industrial Zone Special Development and Performance Standards" of the Milpitas Municipal Code is hereby amended to read as follows:

B. Special Development Standards in All Industrial Zones.

3. Places of Assembly. Places of Assembly are prohibited in the M2 Heavy Industrial Zone. When any place of assembly use is established in an M1 or MP zone after the effective date of this Ordinance, such use shall be subject to the following requirements:

a. Applicant shall submit a review of potential hazardous site conditions and potential exposure of site users to these conditions. At a minimum, a Phase I Environmental Site Assessment (ESA) shall be performed for each proposed assembly use within the City's Light Industrial (M1), ~~Heavy Industrial (M2),~~ and Industrial Park (MP) zoning districts. Each individual project shall comply with the recommendations of the Phase I Environmental Site Assessment (which may include conducting Phase II sampling and implementing the recommendations of the Phase II ESA that may include cleanup of hazardous materials) and demonstrate that exposure of site users to hazardous materials conditions would be below established thresholds prior to approval of the Conditional Use Permit. In addition, an Accidental Release Assessment (ARA) shall be performed for each proposed assembly use within the City's Light Industrial (M1) ~~, Heavy~~

~~Industrial (M2),~~ and Industrial Park (MP) zoning districts to determine if unacceptable safety risks may result from the proposed change in use. The ARA shall review and evaluate any and all Risk Management Plans prepared for facilities in the vicinity under the California Accidental Release Prevention (CalARP) program. The environmental professional preparing the ARA shall determine, based on Alternative Release Scenarios, whether the proposed new assembly use would result in unacceptable safety risks due to proximity of uses handling or emitting acutely hazardous materials. If unacceptable risks are identified, the proposed use shall not be allowed.

b. Applicant shall submit a further noise study. The noise study shall demonstrate that ambient noise conditions within the vicinity of the proposed assembly use do not exceed the City's "normally acceptable" Noise Compatibility Standard of 70 dBA Ldn. In the event that existing conditions exceed the "normally acceptable" standard the proposed assembly use may be required to install noise insulating materials to achieve the interior noise standard. Also as a condition of approval, proposed assembly uses shall be required to sign a disclosure of acknowledgment that they agree to operate within an existing industrial area and may be subject to noise levels that exceed the City of Milpitas's Noise Compatibility Standards for noise-sensitive uses.

c. No assembly use shall install or otherwise use exterior public address systems or other noise generating equipment that exceeds the 70 dBA noise standard.

d. No new structure shall be constructed within the M1~~, M2,~~ or MP zoning district for use as a place of assembly and no more than 50% of the square footage of any existing structure within the M1~~, M2,~~ or MP zoning district shall be converted to use as a place of assembly.

e. No exterior modifications to any existing structure within the M1~~, M2,~~ or MP zoning district shall be permitted if such modifications would materially alter the structure's appearance or future use as an industrial building.

SECTION 10. SEVERABILITY

The provisions of this Ordinance are separable, and the invalidity of any phrase, clause, provision, or part has no effect on the validity of the remainder.

SECTION 11. EFFECTIVE DATE AND POSTING

In accordance with Section 36937 of the Government Code of the State of California, this Ordinance takes effect 30 days from the date of its passage. The City Council hereby directs the City Clerk to cause this Ordinance or a summary thereof to be published in accordance with Section 36933 of the Government Code of the State of California.

RESOLUTION NO. 19-021

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MILPITAS RECOMMENDING THAT THE CITY COUNCIL ADOPT A CITY-INITIATED ZONING TEXT AMENDMENT TO AMEND SECTIONS OF CHAPTER 10 OF TITLE V OF THE MILPITAS MUNICIPAL CODE RESTRICTING NONINDUSTRIAL LAND USES IN INDUSTRIAL ZONING DISTRICTS, ADDING NEW REGULATIONS FOR MOBILE FUELING SERVICES, AND CONDITIONALLY PERMITTING TEMPORARY PUBLIC SAFETY FACILITIES IN INDUSTRIAL ZONING DISTRICTS; AND MAKING CEQA FINDING OF EXEMPTION FROM ENVIRONMENTAL REVIEW PURSUANT TO CEQA GUIDELINES SECTION 15061(B)(3)

WHEREAS, the City of Milpitas, California (the "City") is a municipal corporation, duly organized under the constitution and laws of the State of California; and

WHEREAS, California Government Code Section 65800 et seq. authorizes the adoption and administration of zoning laws, ordinances, rules and regulations by cities as a means of implementing the General Plan; and

WHEREAS, maintaining a sufficient supply of land zoned exclusively for industrial uses and similar compatible uses is important for the health and diversity of the City's economy and job market; and

WHEREAS, industrial lands have a net positive impact on the City's budget, generating more dollars in tax revenue than they cost in service expenditures, thereby helping to offset the cost of providing City services to lands with other uses such as residential and public; and

WHEREAS, the zoning regulations for industrial zones in Milpitas currently conditionally permit several nonindustrial uses that may be incompatible with adjacent heavy industrial activities, and the approval of conditional use permits for several nonindustrial uses in industrial zones in recent years has begun to adversely impact the integrity of industrial areas of the city; and

WHEREAS, the City Council and City Manager have determined that the preservation of industrial lands is an important policy priority for Milpitas; and

WHEREAS, restricting or prohibiting nonindustrial land uses in industrial zoning districts is an essential component in maintaining the supply of industrial land as well as the viability of such land for heavy industrial activities; and

WHEREAS, there has been a recent increase in mobile fueling service vendors operating in Milpitas, and the City has recognized a need to regulate the location and operating characteristics of these businesses; and

WHEREAS, the City has a need to establish a temporary fire station during the construction of a new permanent station, and has identified a suitable available property at 1126 Yosemite Drive, located in the Heavy Industrial (M2) zoning district; and

WHEREAS, the regulations for the M2 zoning district do not currently allow public service or public safety uses either on a short-term or long-term basis, and changes to the M2 zoning regulations are necessary in order to allow the operation of a temporary fire station, a critical public safety facility; and

WHEREAS, the City has prepared a Zoning Amendment ("Amendment") to the City's Municipal Code, including refinements to Section 2 ("Definitions"), Subsection 4.02 ("Residential Use Regulations"), Subsection 5.02 ("Commercial Use Regulations"), Subsection 7.02 ("Industrial Use Regulations"), Subsection 7.04 ("Industrial Zone Special Development and Performance Standards"), Subsection 10.02 ("Institutional Use Regulations"), and Subsection 13.11 ("Temporary Uses and Structures") of the Municipal Code; and

WHEREAS, the Planning Commission makes and accepts as its own the findings set forth in this resolution; and

WHEREAS, the Planning Commission is an advisory body to the City Council; and

WHEREAS, the Planning Commission hereby finds and determines that the project is exempt from further CEQA review pursuant to CEQA Guidelines section 15061(b)(3) (common sense exemption)); and

WHEREAS, on June 26, 2019, the Planning Commission held a duly noticed public hearing on the subject application, at which all those in attendance were given the opportunity to speak on the Zoning Text Amendment; and

WHEREAS, the Planning Commission has considered all of the written and oral testimony presented at the public hearing in making its decision; and

NOW THEREFORE, the Planning Commission of the City of Milpitas hereby finds, determines and resolves as follows:

SECTION 1. Recitals.

The Planning Commission has duly considered the full record before it, which may include but is not limited to such things as the City staff report, testimony by staff and the public, and other materials and evidence submitted or provided to the Planning Commission. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

SECTION 2. CEQA Finding

The Planning Commission recommends that the City Council find, under CEQA

Guidelines, Section 15061(b)(3), that this Ordinance is exempt from further environmental review because it is the adoption of an ordinance amending zoning regulations, but would not permit any particular project. Therefore, it can be seen with certainty that there is no possibility that the Ordinance in question may have a significant effect on the environment; accordingly, the Ordinance is not subject to review under CEQA.

SECTION 3. Findings for Zoning Amendment (Milpitas Municipal Code, Subsection XI-10-57-02(G)(3)) - *The Planning Commission makes the following findings based on the evidence in the public record in support of Zoning Text Amendment No. ZA19-0005:*

1. *The proposed amendment is consistent with the General Plan.*

   The proposed zoning amendments support several of the guiding principles and policies of the General Plan. The Land Use Element includes several policies and guidelines related to preserving industrial lands, ensuring a balanced and diverse economic base, and prioritizing the City's fiscal well-being when making land use decisions. The zoning text amendments restricting uses in the industrial zones help accomplish all these goals. In addition, the zoning amendments regulating mobile fueling services are aligned with the goals and objectives related to orderly and planned management of uses in the Land Use Element, as well as those related to effective fire protection services in the Seismic and Safety Element. The amendments to conditionally permit temporary public safety uses in industrial zones support the Seismic and Safety Element goal of promoting high-quality, efficient fire protection services because they will allow operation of a temporary fire station in a suitable location during the construction of a permanent fire station in another location.

2. *The proposed amendment will not adversely affect the public health, safety and welfare.*

   The fundamental purpose of the proposed zoning amendments is to promote public health, safety and welfare. The changes to allowed uses in the industrial zones are intended to keep assembly, entertainment, retail, commercial services, and other nonindustrial uses separate from industrial areas. This will help prevent employees, customers, or patrons of businesses and community organizations from being exposed to potentially adverse impacts from heavy industry, such as hazardous materials, smoke or fumes, and emissions from heavy truck traffic. Similarly, the proposed new zoning regulations for mobile fueling will ensure that these operations are carried out safely and in appropriate locations (including away from residential areas).

SECTION 4: The Planning Commission of the City of Milpitas hereby adopts Resolution No. 19-021 recommending that the City Council adopt Zoning Text Amendment ZA19-0005 based on the above Findings.

PASSED AND ADOPTED at a regular meeting of the Planning Commission of the City of Milpitas on June 26, 2019.

Sudhir Mandal
Chair

TO WIT:

I HEREBY CERTIFY that the following resolution was duly adopted at a regular meeting of the Planning Commission of the City of Milpitas on June 26, 2019 and carried by the following roll call vote:

COMMISSIONER	AYES	NOES	ABSENT	ABSTAIN
Ricky Ablaza	X			
Tim Alcorn	X			
Sudhir Mandal	X			
Demetress Morris	X			
Bill Chuan			X	
Steve Tao	X			
Evelyn Chua	X			

City Clerk's Office
AUG 16 2019
RECEIVED

Steve McHarris
City Manager
City of Milpitas
455 E. Calaveras Blvd.
Milpitas, Ca. 95035

August 12, 2019

Dear Mr. McHarris,

I am writing you today on behalf of Milpitas Charity Bingo (MCB), a California not-for-profit charity. MCB has received permission from the City of Milpitas to conduct charity Bingo games in Milpitas at 461 S. Milpitas Blvd. MCB has obtained a Conditional Use Permit and a Bingo license from the City and will commence playing charity Bingo games in September.

MCB is now aware that the City is proposing prohibiting assembly uses such as ours in industrial zones. We do not oppose this ordinance change, but we believe that those of us who will become pre-existing non-conforming uses should be accommodated if they wish to expand their use, within reason.

We would request that the City Council adopt the Planning Commission recommendations regarding this ordinance change. Those recommendations include allowing pre-existing non-conforming uses such as MCB to expand up to 20% above their approved square footage, but with significant restrictions. Those include a sunset clause that would not allow expansions more than 2 years after this ordinance's adoption, expansions being limited to those who received their Conditional Use Permit (CUP) after January 1, 2017, a requirement that proposed additions be approved as part of an amendment to the original approved CUP, and other requirements relating to risk assessments and Fire Department regulations.

Thank you in advance for your consideration. I will be in attendance at the City Council meeting when this item is discussed. Please feel free to contact me if you have any questions.

Robert Livengood
Milpitas Charity Bingo
408-655-0392
Bob.livengood22@gmail.com

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Conduct a Public Hearing, consider adopting an Urgency Ordinance, or consider introducing amended Ordinance No. 302 relating to a rent review program and tenant protections (Staff Contact: Sharon Goei, 408-586-3260)**
Category:	Public Hearings-Community Development
Meeting Date:	10/15/2019
Staff Contact:	Sharon Goei, 408-586-3260; Robert Musallam, 408-586-3275
Recommendations:	1. Open the public hearing; hear testimony, then move to close the public hearing. 2. Adopt an Urgency Ordinance enacted pursuant to California Government Code Section 36937 to add Chapters 2 and 3 to Title XII of the Milpitas Municipal Code relating to the adoption of a rent review program and tenant protections; or 3. Following the City Attorney's reading of the title, move to waive the first reading beyond the title and introduce amended Ordinance No. 302 to add Chapters 2 and 3 to Title XII of the Milpitas Municipal Code relating to the adoption of a rent review program and tenant protections.

Background:

On February 20, 2018, the City Council approved the formation of the Tenant Protection Task Force. The Task Force was established in September 2018, consisting of tenant and landlord representatives, to develop recommendations that would address tenant challenges experienced in Sunnyhills and similar communities. Representatives of the tenant community serving on the Task Force included Project Sentinel, Law Foundation of Silicon Valley, the President of the Sunnyhills Apartment Tenants Association, and Silicon Valley Independent Living Center. Representatives of the landlord community serving on the Task Force included California Apartment Association, an apartment property manager, a landlord representative, and Santa Clara Association of Realtors.

The Task Force meetings spanned from September 2018 through February 2019, and the results of the Task Force were presented to the City Council on April 2, 2019.

On May 7, 2019, the City Council met to consider Council/Mayor requests for an urgency ordinance for rent control and an urgency ordinance for just cause eviction. While Council did not approve moving forward on the urgency ordinances, it did approve the establishment of a new City Council Housing Subcommittee to continue to address the needs of the community based on the community feedback the Council received. Councilmembers Montano and Nuñez were appointed to serve on this newly formed subcommittee.

On May 21, 2019, the City Council Housing Subcommittee held its first meeting. The Subcommittee acknowledged the May 7 Council decision to not pursue rent control and just cause ordinances, and sought alternatives to provide tenant assistance by brainstorming ideas, which included the implementation of a rent review ordinance to be modeled similarly to the Rent Review Ordinance adopted by the City of Fremont. From May through September 2019, the Subcommittee held eleven Subcommittee meetings that included discussion and direction to City staff related to the Rent Review Ordinance. While no other specific Ordinances were considered as a model, the Subcommittee took into account pending state legislation, such as pending AB 1482 - a statewide rent control bill - which would be relevant to the proposed Rent Review Ordinance.

During Subcommittee meetings, the following community input was heard. Some members of the public voiced the need for rent control, while the Subcommittee acknowledged the May 7 Council decision to not pursue such. Some expressed a desire to see a threshold below 5% to trigger rent review. Concerns were raised regarding tenants' fear of landlord retaliation if a landlord is forced to go through rent review. At the recommendation of the Subcommittee, a landlord retaliation policy is included in the proposed Ordinance under Chapter 3, Tenant Protections.

On September 11, 2019, Assembly Bill 1482 passed the Legislature and the Governor was expected to sign the bill. The bill is set to limit rent increases across the state to 5 percent plus cost of living inflation, or 10 percent, whichever is lower. The bill would also prohibit an owner from terminating a tenancy without just cause. After AB 1482 is signed by the Governor and becomes effective, the rent increase restrictions will apply to all rent increases occurring on or after March 15, 2019, but the prohibitions on eviction without just cause will not go into effect until January 1, 2020.

On September 17, 2019, following the City Attorney's reading of the title, the City Council waived the first reading beyond the title and introduced Ordinance No. 302 to add Chapters 2 and 3 to Title XII of the Milpitas Municipal Code relating to the adoption of a rent review program and tenant protections. Staff was directed to schedule a special study session of the Housing Subcommittee and City Council to discuss topics that may include AB 1482, the Rent Review Ordinance, and any ordinance related to just cause eviction protection.

On September 24, 2019, the study session was held, and members of the Housing Subcommittee and City Council provided input on the Rent Review Ordinance as well as a related just cause eviction ordinance. The discussion for the rent review threshold involved either 5% or 7%, and there was discussion to lower the threshold for rent review from 7% to 5%. Additionally, the discussion involved whether to mirror AB 1482 and to exempt residents living in single family homes, subsidized homes, and units built in the last 15 years from the Ordinance. The general preference was to have the Rent Review Ordinance mirroring AB 1482 in the range of applicable units. There was discussion to possibly include subsidized housing in the Ordinance. Direction was provided to staff to prepare the revised draft ordinance for the October 15, 2019 Council meeting that would include these two amendments.

On October 8, 2019, the Housing Subcommittee met to debrief from the September 24 discussion regarding the Rent Review Ordinance revisions and an ordinance for just cause eviction protection.

On the same day, Governor Newsom signed AB 1482 into law.

Staff recommendations reflect the direction of the City Council Housing Subcommittee. Current progress and work accomplished by the Housing Subcommittee for the Milpitas community can be found at Housing Subcommittee website *Latest News and Updates.*

Ordinance Effective Date

For the rent review program, both an Urgency Ordinance and a regular Ordinance (amended Ordinance No. 302), have been prepared for the City Council's consideration. The differences between the ordinances are the effective date and urgency findings. The codified portion of the ordinances is the same.

An urgency ordinance must be passed by a four-fifths vote of the City Council and takes effect immediately. Findings for the urgency need to be made for the immediate preservation of the public peace, health, or safety, and such findings are incorporated in the ordinance. If at least four Councilmembers vote to pass the Urgency Ordinance on October 15, 2019, it would take effect immediately.

For regular Ordinance No. 302, it would take effect 30 days after its final passage. Council action would require a Council majority, which is at least three Councilmembers. If following the City Attorney's reading of the title, at least three Councilmembers voted to move to waive the first reading beyond the title and introduce amended Ordinance No. 302, the Ordinance would return for adoption at a second reading. This must take place at a regular Council meeting, making the November 5, 2019 Council meeting the soonest date for the second reading to adopt Ordinance No. 302. As a result, December 5, 2019 would be the soonest effective date for Ordinance No. 302.

Analysis:
The first two sections below, the Fremont Rent Review Ordinance and the Proposed Milpitas Rent Review Ordinance, have been carried over from the September 17, 2019 agenda report to serve as reference.

Fremont Rent Review Ordinance
In October 2017, City of Fremont established the Rent Review Ordinance, which took effect on January 1, 2018. Fremont added one new full-time staff member to manage the time-intensive administrative load of enforcing the ordinance. Additionally, the City Council adopted an ordinance creating the rent review board whose members are appointed by the City Council. The board is comprised of five members and one alternate and is made up of two landlord representatives who own rental property in Fremont, two tenant representatives who reside in Fremont, one neutral third party who is neither a landlord or tenant but does live in Fremont, and one alternate who is neither a landlord or tenant but does live in Fremont.

Per the ordinance, a landlord is encouraged to provide at least a 90-day notice of any rent increase in order to allow for the rent review procedures to occur. Any notices seeking an increase exceeding 5% shall also include a statement identifying the reason for the rent increase. Any notices in violation of these ordinance requirements are considered void. The ordinance applies to all residential rental units in the city, including single family homes, condos, and townhomes, but originally did not apply to properties where the tenant is receiving a rent subsidy (e.g., Section 8 voucher).

The rent review steps are as follows: (1) within 15 days of the date of the increase notice, a landlord or tenant may request a rent review; (2) the City then verifies that the rent increase is valid; (3) the City schedules a consultation phone call and/or in person non-binding mediation; (4) if no resolution is determined in step three, and the increase is over 5%, a rent review board hearing may be requested.

The Fremont City Council receives an annual report on the Rent Review Ordinance. The 2018 report indicates that the City received a total of 71 requests for services, however, 24 were for issues that were exempt from the ordinance. Of the 47 remaining cases, 21 were resolved prior to the consultation phone call, 18 were resolved after the consultation phone call, and the final 7 were resolved with in-person mediation. Only one case was scheduled for the rent review board but was not heard because both parties reached an agreement just prior.

The tenants were mixed in their review of the program. When asked how the rent review program can be improved, two of the top responses were to (1) make the decision binding and (2) require a more descriptive reason for the rent increase above 5%. As noted in the report, 71% of the rent increase notices received by the City cited the desire to bring the units up to market rent as the reason the landlord was asking for an increase above 5%.

Per Fremont's annual report, 45% of cases were resolved with a lowered rent increase. The average rent increase after the rent review was 8.7%, down from 11.5%. However, it should be noted that in the 24 cases cited earlier that did not apply to the ordinance, the average rent increase was 19.6%. If one were to isolate the 12 cases that were exempt due to the tenant living in subsidized or Below Market Rate housing, the average increase was 28.9%. While the increase would not fall completely on the tenant, since the Housing Authority would contribute subsidy up to a certain point, tenants are still at risk of displacement if the increase surpassed what the subsidizing body can afford to pay.

In April 2019, Fremont adopted amendments to the Rent Review Ordinance, which went into effect on May 16, 2019. Among the amendments are provisions prohibiting source of income discrimination. An amendment that became effective July 1, 2019 is that rental units subsidized by a government agency are no longer exempt from the ordinance.

Proposed Milpitas Rent Review Ordinance
While the Housing Subcommittee requested that the ordinance be modeled after the Fremont Rent Revie
Ordinance, the proposed Milpitas Rent Review Ordinance would deviate in the following ways:

1. The Housing Subcommittee and Council have provided input that the Milpitas Rent Review Ordinance rent threshold be set at 5% or 7%. The study session had Council discussion to lower the threshold for rent review to 5% and the proposed ordinance reflects such. This means that in order to trigger a rent review, a proposed rent increase would need to exceed 5% in any 12-month period.

2. Project Sentinel would implement the Rent Review Ordinance and program for Milpitas. The City of Fremont utilized Project Sentinel to manage their program from 2012 to 2017 and hired an additional staff person in 2018 to manage the program. For the City of Milpitas, Project Sentinel proposes to manage the Rent Review program for $50,000 per year. As there is an existing $50,000 contract, the total contractual services would be $100,000 for FY 2019-20.

   The breakdown of FY 2019-20 contractual services with Project Sentinel is as follows:

   - $10,000 for serving as the City's fair housing provider that provides fair housing case work and tenant-landlord counseling and dispute resolution services, including four (4) educational outreach that are funded through the Community Development Block Grant (CDBG) fund.
   - $40,000 to provide tenants with two quarterly landlord/tenant educational workshops, monthly drop-in clinic services at the City Hall, and a pilot data collection program so the City can begin to identify areas within the City requiring more time and resources. This will be funded through the Housing Authority Fund as approved during the FY 2019-20 budget process.
   - $50,000 to manage the proposed Milpitas Rent Review Ordinance, which will be funded through the Affordable Housing Fund.

   In order to initiate program implementation, continue to collect data, prepare an annual report, and maintain continuity of services, the contractual term with Project Sentinel to manage the Rent Review Program is proposed to span approximately two years at $50,000 per year, commencing November 1, 2019 and ending December 31, 2021, for a total sum of $100,000.

3. The ordinance will include language on prohibition of source of income discrimination. California law prohibits discrimination based on source of income. However, Housing Choice Voucher income is not considered tenant income under California law. Therefore, currently a landlord can legally refuse to accept a Housing Choice Voucher applicant. The proposed ordinance would prevent a landlord from denying a Housing Choice Voucher applicant solely based on the fact that they are a Housing Choice Voucher holder.

4. The ordinance will include language to prevent landlord retaliation. A landlord will be in violation of Chapter 3 of the ordinance if s/he retaliates against the tenant because the tenant requested a rent review. Any person who violates any provision of this Chapter or who aids in the violation of any provision of this Chapter may be liable for damages of up to three times the amount of one month's rent that the landlord charges for the unit in question.

5. The City of Fremont assesses owners of residential rental units administration fees that reflect a full cost recovery for the administration of the rent review program. The annual per unit rent review program fee was set at $14 in May 2019. In contrast, the City of Milpitas is proposing to provide the rent review program at no cost. However, the proposed ordinance includes a clause allowing the City to consider establishing a cost recovery fee at a later date with Council's approval.

6. Landlords will be required to include informational materials about the Milpitas Rent Review process to each tenant with every new lease agreement and with every rent increase request.

Similar to the Fremont Rent Review Ordinance, the Milpitas City Council will need to establish a Milpitas Rent Review Board consisting of two (2) landlord representatives, (2) tenant representatives, (1) resident of the City who is neither a landlord or a tenant, and one (1) alternate. The Rent Review Board will hear cases that could not be resolved by tenant-landlord mediation. With the Subcommittee's direction, the ordinance will inclu
language that expresses that the members of the rent review board must have a demonstrated interest i

issues considered by the board, and will be selected based on prior experience which would qualify them for such an appointment. The Subcommittee would provide the Mayor with recommendations for appointments to the Rent Review Board.

Assembly Bill 1482

AB 1482 implements two concurrent protections on applicable units: (1) a cap on rent increases and (2) just cause eviction protection. A discussion on each follows.

Rent Cap

AB 1482 introduces a cap on rent increases that would allow a landlord to raise the rents by 5% per year plus the percentage change in the cost of living, or 10%, whichever is lower. To provide historical context, staff researched the annual percentage change for the Bay Area Consumer Price Index (CPI) for the last five years. In 2018, 2017, 2016, 2015, and 2014, the CPI increase was approximately 3.9%, 3.2%, 3.0%, 2.6%, and 2.8%, respectively. The latest forecast for 2019 is a CPI increase of approximately 3.9%, which under AB 1482 would have allowed a maximum rent increase of 8.9%.

Just Cause Eviction Protection

AB 1482 includes just cause eviction protection for tenants. Just cause eviction protection would require a landlord to have a valid reason for terminating a tenancy. Some examples of just cause include non-payment of rent, violation of a lease term, and nuisance. AB 1482 does not apply to tenants who have been residing in the unit for under 12 months. However, on average, tenants are more likely to sign a one-year lease agreement versus a month-to-month agreement. Additionally, those tenants who sign a one-year lease are guaranteed protection under that lease agreement unless they substantially violate the terms of the lease. Under current California law, in leases from month to month, a landlord must provide a tenant with 30 days' notice prior to a rent increase of 10% or less, and 60 days' notice prior to a rent increase greater than 10%. Under AB 1482, the exclusion of tenants who have lived in units for under 12 months may not have much impact on unjust evictions.

Range of Applicable Units

AB 1482 applies to all housing units except single family homes (except those owned by real estate investment trusts or corporations), owner occupied duplexes, subsidized housing units or units receiving other sources of state/federal assistance, and units built in the last 15 years. Therefore, owners of these unit types would be permitted to raise the rent without being subject to the statewide cap.

Rent Review Program and Applicable Units

On September 17, 2019, staff presented the first version of the Rent Review Ordinance. The ordinance was written to apply to more unit types than AB 1482 and would allow all single family homes, subsidized housing units, and units built in the last 15 years to be subject to rent review. On September 24, 2019 during a study session, the Housing Subcommittee and City Council asked staff to provide further data on subsidized housing units, single family homes owned by corporations or real estate investment trusts (REITs), and to discuss the potential impact of including or excluding certain unit types from the ordinance.

Single Family Homes

Currently, the City estimates there are approximately 2,000 non-owner occupied single family homes in the City. Of those, approximately 86% are owned by individuals, while 14% are owned by real estate investment trusts and corporations. Under AB 1482, the 14% not owned by individuals is subject to a cap on rent increase and just cause evictions. With the Rent Review Ordinance, the City Council may choose to mirror AB 1482 by including rent review for single family homes owned by a corporation or REIT only.

Subsidized Units

There are approximately 1,400 subsidized units in Milpitas. Approximately 494 of those are units for Section 8 voucher holders. Tenants in these units could receive increases that could negatively impact them if the landlord requests a rent increase that goes above what the Housing Authority is authorized to pay. The remaining 900+ units are below market rate rental units that the City has authority over via regulatory agreements. These units receive direction from City staff on the maximum allowable rental rates based on household size and income. Thus, this subset of subsidized units is less likely to be subject to large,

unexpected increases. With the Rent Review Ordinance, the City Council may choose to mirror AB 1482 by not including subsidized units for rent review.

As discussed above, per Fremont's annual report, the 12 rent review cases that were exempt due to the tenant living in subsidized or Below Market Rate housing experienced an average increase of 28.9%. As a result, Fremont amended its Rent Review Ordinance effective July 1, 2019 to no longer exempt rental units subsidized by a government agency.

Units Built in the Last 15 Years
The City has built approximately 2,000 new housing units in the past 15 years, most of which have been built in the last four years. These units would tend to be class A apartment buildings with higher-priced units. Should the Council choose to exclude these units from the rent review ordinance, the impact to lower income residents would likely be minimal.

Policy Alternatives:
Alternative 1: Do not adopt a Rent Review Ordinance.

Pros: The City would save funds, plus staff time and resources. The landlord community would not be impacted by the rules of the ordinance.
Cons: The tenant community will not have a rent review program that adds tenant protections for Milpitas residents.
Reason for Not Recommending: The Housing Subcommittee has developed the rent review ordinance with respect to both landlord and tenant concerns. Council input has also been obtained. The ordinance will create a more fiscally equitable solution for both landlord and tenants and provide tenants the additional protections they need.

Alternative 2: Introduce the Rent Review Ordinance, and do not adopt as an urgency ordinance.

Pros: Tenants would have a recourse to seek rent review through the City for rent increases that exceed the defined threshold.
Cons: The effective date of the ordinance would be delayed until 30 days after adoption. The earliest effective date would be December 5, 2019. Rent increases may be levied before the effective date that exceed the threshold without potential rent review.

Fiscal Impact:
The fiscal impact for adopting a rent review program was addressed in the September 17, 2019 agenda report. The fiscal impact to the City would be $50,000 per year for Project Sentinel to manage the rent review program. On September 17, 2019, Council approved a budget amendment to appropriate $50,000 from the Affordable Housing Fund to the FY 2019-20 Housing Operating Budget for Project Sentinel to manage the rent review program.

California Environmental Quality Act:
The action being considered has no potential for causing a significant effect on the environment and is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3).

Recommendations:
1. Open the public hearing; hear testimony, then move to close the public hearing.
2. Adopt an Urgency Ordinance enacted pursuant to California Government Code Section 36937 to add Chapters 2 and 3 to Title XII of the Milpitas Municipal Code relating to the adoption of a rent review program and tenant protections;
   or
3. Following the City Attorney's reading of the title, move to waive the first reading beyond the title and introduce amended Ordinance No. 302 to add Chapters 2 and 3 to Title XII of the Milpitas Municipal Code relating to the adoption of a rent review program and tenant protections.

Attachments:

a. Urgency Ordinance
b. Regular Ordinance No. 302 (amended)

URGENCY

NUMBER: ___

TITLE: **AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILPITAS ENACTED PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 36937 ADDING CHAPTERS 2 AND 3 TO TITLE XII OF THE MILPITAS MUNICIPAL CODE RELATING TO THE ADOPTION OF A RENT REVIEW PROGRAM AND TENANT PROTECTIONS**

HISTORY: This Ordinance was introduced and adopted by the City Council at its meeting of _____, upon motion by _____. The Ordinance was duly passed and ordered published in accordance with law by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

_____
Mary Lavelle, City Clerk

APPROVED:

_____
Rich Tran, Mayor

APPROVED AS TO FORM:

_____
Christopher J. Diaz, City Attorney

RECITALS AND FINDINGS:

WHEREAS, on February 20, 2018, the City Council approved the formation of the Tenant Protection Task Force, and in September 2018, the Task Force was established, consisting of tenant and landlord representatives to develop recommendations to address challenges experienced by renters in the City of Milpitas; and

WHEREAS, the Tenant Protection Task Force met from September 2018 through February 2019, and the results of the Tenant Protection Task Force were presented to the City Council on April 2, 2019; and

WHEREAS, following the presentation, on May 7, 2019, the City Council approved a new City Council Housing Subcommittee; and

WHEREAS, the Housing Subcommittee directed City staff to prepare a rent review ordinance, that would provide a process for non-binding mediation between landlords and tenants regarding proposed rent increases, and a process for a hearing regarding any rent increases; and

WHEREAS, the City Council finds that the high cost of rental housing in Milpitas has created economic hardship for many tenants. Protecting tenants from unreasonable rent increases can encourage community stability, avoid displacement, and protect the health, safety, and welfare of the residents of Milpitas. This ordinance is intended to permit landlords a fair and reasonable return on their property, while at the same time protecting tenants from arbitrary, capricious, or unreasonable rent increases. The City Council encourages property owners to limit rent increases to fair and reasonable amounts, provide well maintained living units, and cooperate with tenants toward resolving rent-related disputes; and

WHEREAS, failure to address such potential rent increases can create housing instability and anxiety amongst tenants which threatens the public peace, health, and safety. Loss of one's home due to unmanageable rent increases can lead to prolonged homelessness; increased residential mobility; loss of community, strain on household finances due to the necessity of paying rental application fees and security deposits; stress and anxiety experienced by those displaced; increased commute times and traffic impacts if displaced workers cannot find affordable housing within the city in which they work; and interruption of the education of children in the home; and

WHEREAS, there is an immediate need to implement a rent review program in order to address increasing housing instability amongst residents of the City of Milpitas, and provide tenants in the City a means to address rent increases without concern for retribution from landlords, while at the same time allowing landlords a fair and reasonable return on their property.

NOW, THEREFORE, the City Council of the City of Milpitas does ordain as follows:

SECTION 1. INCORPORATION OF RECITALS

The City Council hereby finds that all of the foregoing recitals and the staff report presented herewith are true and correct and are hereby incorporated and adopted as findings of the City Council as if fully set forth herein.

SECTION 2. FINDINGS

The City Council hereby finds, determines and declares that this Urgency Ordinance adopted pursuant to California Government Code Section 36937 is necessary because:

A. Housing, particularly affordable housing, is difficult to procure in the San Francisco Bay Area, including in Milpitas. Significant rent increases destabilize the housing market and can result in the loss of affordable housing.

B. For the immediate preservation of the public peace, health and safety, the City Council finds that it is necessary to adopt an ordinance establishing a rent review program, for all of the reasons set forth in the recitals above, which are hereby incorporated by reference.

C. Without the imposition of this Urgency Ordinance, tenants in the City of Milpitas do not have an established mechanism to address significant rent increases without fear of retribution, creating increased anxiety and housing instability amongst tenants in the City of Milpitas.

D. There is a current and immediate threat to the public peace, health, and safety of the City and its community due to the increased housing anxiety and instability arising from the lack of a rent review program, thereby necessitating the immediate enactment of this Urgency Ordinance in order to ensure that tenants have a viable means to address significant rent increases.

SECTION 3. URGENT NEED

Based on the foregoing recitals and findings, all of which are deemed true and correct, this ordinance is urgently needed for the immediate preservation of the public peace, health, and safety. This Urgency Ordinance shall take effect immediately upon adoption in accordance with the provisions set forth in Government Code Section 36937.

SECTION 4. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XII

Chapter 2 is hereby added to Title XII of the Milpitas Municipal Code to read as follows:

Title XII – HOUSING

Chapter 2 - RENT REVIEW ORDINANCE

Section 1 - Citation.

This Chapter shall be known as the "Rent Review Ordinance."

Section 2 - Definitions.

XII-2-2.00

As used in this Chapter, each of the following terms shall be defined as follows:

XII-2-2.01

"Base rent" means the rental amount required to be paid by the tenant to the landlord in the month immediately preceding the effective date of a rent increase.

XII-2-2.02

"Consultation" means either (1) a confidential telephone call or other informal contact by the designated service provider or director with a landlord/responsible party and tenant for the purpose of resolving a proposed rent increase issue, or (2) mediation in which the landlord/responsible party and tenant meet with a neutral mediator for the purpose of resolving a proposed rent increase issue.

XII-2-2.03

"Designated service provider" or "service provider" means a party or organization contracted by the city to provide needed services to implement the procedures contained in this Chapter.

XII-2-2.04

"Director" means the City's Director of Building and Housing, who is the person designated by the City Manager to direct and manage the rent review program. Any duty required of the director may be delegated to a third party by the

director and any service required to be performed by the director may be provided by a designated service provider as authorized by the director.

XII-2-2.05

"Landlord" means any person, partnership, corporation, or other business entity offering for rent or lease any residential property in the city. "Landlord" shall include the agent or representative of the landlord.

XII-2-2.06

"Participate in good faith" means the mutual obligation of the landlord and tenant to meet on each occasion when notified in consultation, mediation or rent review board proceedings, provide relevant information, exchange proposals, reasonably consider proposals by opposite parties and engage in meaningful discussion on the subject of proposed rent increases and issues related to the rent increase. Good faith participation includes the duty of the landlord to refrain from any unlawful detainer proceeding due solely to a withholding of rent while the parties are engaged in proceedings under this Chapter.

XII-2-2.07

"Party" or "parties" means a person or persons who participate in the rent review procedures of this Chapter or their agent or representative.

XII-2-2.08

"Program" or Rent Review Program" is the program and procedures for review of rent increases in the City of Milpitas as established by this Chapter.

XII-2-2.09

"Rent" means a fixed periodic compensation paid by a tenant at fixed intervals to a landlord for the possession and use of property.

XII-2-2.10

"Rent increase" means any upward adjustment of the base rent amount specified by the original contract.

XII-2-2.11

"Rent Review Board" means the board established as described in Section XII-2-5.00 of this Chapter.
XII-2-2.12

"Residential property" means any housing unit offered for rent or lease in the City consisting of one or more units whether attached or detached, single- or multiple-family, and mobile homes. Mobile homes are subject to this Chapter only to the extent of the mobile housing unit itself, not the underlying real property pad.

XII-2-2.13

"Responsible party" means the person with the final legal authority to adjust rent increases without limitations and resolve tenant issues on behalf of the residential landlord. "Responsible party" shall include the agent or representative of the responsible party.

XII-2-2.14

"Responsible party declaration" contains the signature of the legal owner of the residential property certifying that the person authorized to represent him/her during consultation, mediation or rent review board proceedings has the authority to adjust rent increases and resolve tenant issues on behalf of the residential landlord.

XII-2-2.15

"Retaliatory conduct" means those acts prohibited by Cal. Civ. Code § 1942.5 and Section 3 of Chapter 3 of Title XII of the Milpitas Municipal Code.

XII-2-2.16

"Shared housing unit" means a habitable space that a homeowner rents to one or more individuals that is located in the home where the homeowner is currently residing as his or her primary residence.

XII-2-2.17

"Tenant" means any person having the legal responsibility for the payment of rent for residential property in the City. "Tenant" shall include the agent or representative of the tenant.

Section 3 – Notice of rent increase requirements.

XII-2-3.00

Every landlord of residential property shall provide a rent increase notice that follows the procedure in Cal. Civ. Code § 827(b) regardless of the length of the tenancy and any other State law requirements before demanding or accepting any increase in rent. All landlords are strongly encouraged to provide at least 90 calendar days' notice of any rent increase in order to allow for orderly operation of the rent review procedures of this Chapter. Rent increase notices seeking an increase of rent exceeding five percent shall also include a statement setting forth the reason for the rent increase.

XII-2-3.01

All rent increase notices shall be in writing, shall show the name, address and phone number of the responsible party and shall be personally delivered to the tenant or mailed first-class to the tenant at the address of the tenant's rental unit by first-class mail, postage prepaid. Service by mail shall be presumed complete within five calendar days of mailing. This presumption may be rebutted by the tenant.

XII-2-3.02

Any rent increase notice issued in violation of this Chapter shall be void.

Section 4 - Notice of availability of rent review required.

XII-2-4.00

In addition to any rent increase notice required by State law, landlord shall also provide tenants written notice of the availability of rent review as provided in this Chapter and provide information regarding how a tenant can obtain a copy of this Chapter. This obligation shall apply at the time that landlord and tenant enter into a new lease agreement, and shall further apply at the time of any rent increase in any amount and to all affected tenants.

1. At the time of execution of a new lease agreement, this notice shall be provided to the tenant by personal delivery, first-class mail or email, and landlord shall secure written acknowledgment from the tenant that such notice was received.

2. At the time of a rent increase, this notice may be provided by personal delivery, first-class mail, text or email. No rent increase shall be valid for any purpose whatsoever without full compliance with this section.

XII-2-4.01

The notice of availability of rent review shall be provided in English and the most commonly used languages within the City as determined by the director based upon the American Community Survey, the most recent census or other reputable source data and shall read as follows:

NOTICE:

Under California Civil Code Section 827(b), a Landlord must provide a Tenant with 30 days' notice prior to a rent increase of 10 percent (10%) or less and 60 days' notice of a rent increase greater than 10 percent (10%). In addition, Chapter 2 of Title XII of the Milpitas Municipal Code requires that a Landlord must at the same time provide and serve this written notice of the City's Rent Review Program. This program provides a procedure for Landlords and Tenants to meet to discuss issues related to rent increases. Information about this program and a copy of Chapter 2 of Title XII are available on the City's website at www.ci.milpitas.ca.gov, at City Hall located at 455 E. Calaveras Blvd. in Milpitas, California, the Milpitas Public Library located at 160 N. Main St. in Milpitas, California, and other locations designated by the City's Director of Building Safety and Housing. Copies are also available in English and the most commonly used languages within the City as determined by the Director of Building Safety and Housing.

You are encouraged to contact the owner or manager of your rental unit whose name is _____ (landlord to insert the name of the Responsible Party) at _____ (landlord to insert email address and telephone number) to discuss this rent increase for your rental unit.

In addition, if you have received notice of a rent increase of more than five percent (5%) in the last 12 months, you are also entitled to review by the City's Rent Review Board. To initiate the rent review process, you must request rent review by contacting the Department of Building Safety and Housing (landlords will be advised of the name and contact information for the service provider designated by the director that is to be inserted in this notice) within 15 days of the date of the notice of rent increase. Your Landlord will be notified of your request and you will be contacted by a housing professional to discuss the rent increase. Please note that petitioning for rent review does not guarantee a reduction in the rent increase.

At the hearing, the Rent Review Board will make a decision concerning the rent increase. You and your Landlord may agree to accept the Board's decision. The Rent Review Board's decision as to the rent increase is non-binding on you and your Landlord.

Under California Civil Code Section 1942.5 and Chapter 2 of Title XII of the City's Municipal Code, it is illegal for a Landlord to retaliate against a Tenant for lawfully exercising his or her legal rights.

XII-2-4.02

The City shall make copies of this notice available to landlords in English and the most commonly used languages within the City as determined by the director.

XII-2-4.03

Any rent increase in violation of this Chapter shall operate as a complete defense to an unlawful detainer action based on failure to pay any illegal rent increase. Any tenant required to pay an illegal rent increase may recover all illegal rent increase amounts, actually paid by the tenant, in a civil action.

XII-2-4.04

Rent increases shall be limited to one increase in any consecutive 12-month period. If the parties agree to more than one rent increase in a 12-month period, it must be documented in a separate written agreement (not the rental agreement) and identify the agreed upon rental increases and the effective dates for each increase.

Section 5 – Rent Review Board.

XII-2-5.00

The Rent Review Board is hereby created consisting of five regular members and one alternate. Two members shall be landlord representatives who own rental units in the City of Milpitas, two members shall be tenant representatives who are residents of the City of Milpitas, and one member and one alternate shall be a neutral third party who is a resident of the City of Milpitas and is neither a landlord nor a tenant. The alternate will only serve in the absence of the regular neutral member. The Rent Review Board members shall have a demonstrated interest in the issues considered by the Rent Review Board and will be selected based on their relevant experience.

XII-2-5.01

The Rent Review Board will evaluate the reasonableness of proposed rent increases at the request of either a landlord or tenant pursuant to the rent review program set forth in Section 6 of this Chapter.

XII-2-5.02

For the first members appointed to the Rent Review Board following the adoption of this Chapter into the Municipal Code, the terms of one tenant representative and one landlord representative shall be two years so that the appointment of members can be staggered. The member serving a two-year term will be eligible to be re-appointed to serve two full terms. The selection of the representatives who will be limited to two-year terms will be determined by lot. The terms of all other members shall be four years. There is no term limit for the alternate member.

XII-2-5.03

No meeting of the Board shall occur unless there are three members present with one person from each of the required representation categories in attendance.

Section 6 – Rent review program.

XII-2-6.00

The provisions of this Chapter shall apply to all residential rental units in the City, except for the following categories of units, which shall be exempt from this Chapter:

1. Housing restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code or comparable federal statutes.

2. Dormitories constructed and maintained in connection with any higher education institution within the state for use and occupancy by students in attendance at the institution.

3. Housing that has been issued a certificate of occupancy within the previous 15 years.

4. Residential real property that is alienable separate from the title to any other dwelling unit, provided that both of the following apply:

(a) The owner is not any of the following:

(i) A real estate investment trust, as defined in Section 856 of the Internal Revenue Code.

(ii) A corporation.

(iii) A limited liability company in which at least one member is a corporation.

(b) (i) The tenants have been provided written notice that the residential real property is exempt from this section using the following statement:

"This property is not subject to the rent review program enacted by Title XII, Chapter 2 of the City of Milpitas Municipal Code. This property meets the requirements of Section XII-2-6.00(4) of the City of Milpitas Municipal Code and the owner is not any of the following: (1) a real estate investment trust, as defined by Section 856 of the Internal Revenue Code; (2) a corporation; or (3) a limited liability company in which at least one member is a corporation."

(ii) For a tenancy existing before July 1, 2020, the notice required under clause (i) may, but is not required to, be provided in the rental agreement.

(iii) For a tenancy commenced or renewed on or after July 1, 2020, the notice required under clause (i) must be provided in the rental agreement.

5. A duplex in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy.

XII-2-6.01

The Rent Review Board hearing process may be initiated by either an affected landlord or an affected tenant requesting assistance with a rent increase exceeding five percent in any 12-month period by contacting the designated service provider within 15 calendar days of the date of the notice of rent increase and providing a copy of the notice of rent increase to the designated service provider.

XII-2-6.02

The rent review procedures shall consist of consultation with the designated service provider which could result in an informal mediation with a third party followed by non-binding review by the rent review board of rent increases that exceed five percent in any 12-month period.

XII-2-6.03

The designated service provider shall process requests for assistance as follows:

1. General Information Requests. When a party requests general information about the Rent Review Program, the designated service provider shall provide the rent review information brochure to all parties in person or by mail or email, as may be appropriate, within one business day.

2. Tenant Initiation of Rent Review. A party requesting initiation of the rent review process shall be encouraged by the designated service provider to contact the opposite party to attempt resolution of the rent increase dispute. When such a request is made, the requester and all other parties shall be provided the rent review information brochure in person or by mail or email, as may be appropriate, and the designated service provider shall notify the opposite party by phone or email, as may be appropriate, within three business days that a request for assistance has been made.

3. Designated Service Provider Initiation of Rent Review. When a requesting party does not wish to contact the opposite party, the designated service provider shall record the request for assistance, initiate the consultation process, and give written notice to the affected parties within three business days.

XII-2-6.04

The director is authorized, to the extent consistent with all the time limits and procedures in this Chapter, to consolidate separate requests for consultation and rent review involving the same rent dispute issue. Consolidation shall not affect an individual's desire to be separately represented or to bring a separate legal action.

XII-2-6.05

In the event the parties do not reach written agreement resolving a rent increase issue, the director is authorized and shall have the duty to determine when proceedings under this Chapter have been completed and to notify the parties of the termination of proceedings under this Chapter.

Section 7 - Consultation/mediation procedures.

XII-2-7.00

The affected landlord/responsible party or tenant shall respond either orally or in writing to the designated service provider within two business days following phone contact. If the landlord designates a responsible party, the landlord shall also provide a responsible party declaration to the designated service provider within the same timeframe or within a time established by the designated service provider. Failure of either the landlord or the responsible party to respond to the designated service provider within two business days, or additional time if provided by the designated service provider, shall void the rent increase notice for all purposes.

XII-2-7.01

The designated service provider shall attempt informal consultation in an attempt to reach an amicable resolution of the rent increase dispute for a period not exceeding 10 business days. Alternatively, the matter may be submitted to a neutral mediator at the discretion of the designated service provider. Any agreement reached during mediation shall have the same force and effect as a consultation agreement as set forth in subsection XII-2-6.03, below.

XII-2-7.02

The responsible party and the tenant shall have the mutual obligation to participate in the consultation or mediation process in good faith.

XII-2-7.03

Any agreement reached by the parties in consultation or mediation shall:

1. Be made in writing and signed by the parties to the agreement;

2. State the specific terms of the agreement including the duration and conditions of the agreement;

3. Be binding on the parties identified in the agreement;

4. Provide that the parties agree to binding arbitration by a City-appointed arbitrator to resolve any future dispute as to the interpretation or application of the agreement; and

5. Provide that any agent or representative signing a consultation or mediation agreement on behalf of other persons shall be responsible for promptly providing a copy of the agreement to the parties he or she represents.

XII-2-7.04

A party to a consultation or mediation agreement may not initiate a rent review procedure concerning any rent increase covering the same time period included in the consultation or mediation agreement.

XII-2-7.05

One or more tenants affected by a common rent increase may simultaneously participate in the same consultation or mediation proceeding with consent of the landlord. No tenant shall be bound by any consultation or mediation agreement they or their agent and/or representative did not agree to.

XII-2-7.06

Failure of a responsible party to appear and participate in good faith in the consultation or mediation process shall void the notice of rent increase for all purposes. Failure of any affected tenant to appear and participate in good faith shall terminate all services under this Chapter for the affected tenant for the duration of the subject rent increase and shall make the rent increase effective the date stated in the notice of rent increase.

Section 8 - Rent Review Board procedures.

XII-2-8.00

Following completion of the consultation or mediation procedures, either party may submit a written request for review by the Rent Review Board within five business days of completion of consultation or mediation if the rent increase notice seeks an increase of rent of more than five percent in the last 12-month period.

XII-2-8.01

One or more tenants affected by a common rent increase may simultaneously participate in the same rent review proceeding with the consent of the landlord.

XII-2-8.02

A hearing before the rent review board shall be held no more than 45 calendar days from the date of receipt of the request for hearing. The director shall provide notice to the parties when a hearing is scheduled. Participants in the hearing shall be the parties to the consultation or mediation and other persons deemed necessary by the director or rent review board.

XII-2-8.03

The purpose of the hearing shall be to allow the Rent Review Board to examine witnesses, review the documents in the record and make formal findings of fact and a decision regarding the rent increase. In the discretion of the Rent Review Board, any hearing that is convened may be continued for the convenience of a party. The Rent Review Board may proceed with a hearing in the absence of the landlord/responsible party.

XII-2-8.04

The landlord/responsible party shall present evidence to explain the rationale or reason for a rent increase in excess of five percent of the base rent.

XII-2-8.05

The Rent Review Board shall evaluate the reasonableness of the rent increase, taking into consideration the factors listed below. These factors are illustrative and not exclusive. The rent review board is free to consider any factors relevant to the issue of the reasonableness of the rent increase as between the parties.

1. Past history of rent increases for the same rental unit, including timing and amount;

2. Impact of the rent increase on the affected household;

3. Past history of landlord costs for capital improvements, maintenance and operation, debt service, rehabilitation and provision of housing services;

4. Existing market value of rents within the same rental complex or for similarly situated units;

5. Return on investment to the landlord;

6. The San Francisco-Oakland-San Jose All Urban Consumer Price Index; and

7. Service reductions for the rental unit or rental complex during the tenant's occupancy of the unit.

XII-2-8.06

The Rent Review Board shall issue a written decision and shall mail the findings and recommendation to the parties within five business days following completion. If the parties mutually agree to a resolution at any time prior to the conclusion of the hearing, their agreement may be memorialized in a binding written agreement at the hearing.

XII-2-8.07

Failure of a responsible party to appear and participate in good faith in the rent review process shall void the notice of rent increase for all purposes and the landlord shall be prohibited from serving a new notice of rent increase for a period of 90 calendar days. Failure of any tenant to appear and participate in good faith in the rent review process shall terminate all services under this Chapter for the affected tenant for the duration of the subject rent increase and shall make the rent increase effective on the date stated in the notice of rent increase.

Section 9 – Review of the Rent Review Board decision

XII-2-9.00

If the parties agree with the Rent Review Board's decision, the landlord and all tenants who have financial responsibility for the rent shall formalize and sign an agreement, in a form to be provided by the City, to that effect. Neither the City, the designated service provider nor the Rent Review Board shall be a signatory to such an agreement and neither the City, the designated service provider nor the Rent Review Board shall assume any obligation or responsibility to enforce the terms of the agreement, except as provided in this Chapter.

XII-2-9.01

The Rent Review Board's decision is non-binding on the parties and the rent increase shall be effective as provided in the notice of rent increase but subject to subsection XII-2-6.06 (a landlord's failure to appear renders the increase void), unless the parties enter into an agreement pursuant to subsection XII-2-9.00 of this Chapter.

Section 10 – Rent increase deposit obligation.

XII-2-10.00

Every tenant shall pay the existing base rent as it becomes due.

XII-2-10.01

In the event the rent review process exceeds the rent increase notice period, each affected tenant shall deposit with the landlord 50 percent of the rent increase amount, as it becomes due, in the customary form practiced by the landlord and tenant or in any agreed form. The landlord shall retain this deposit in the landlord's operating account. "Fifty percent

of the rent increase amount" shall mean 50 percent of the amount which exceeds the existing base rent. The landlord shall provide the tenant with a receipt acknowledging the delivery of the deposit and agreeing to relinquish the deposit if required by this Chapter.

XII-2-10.02

In the event the parties reach an agreement pursuant to this Chapter reducing the amount of the proposed rent increase:

1. The landlord shall immediately credit to the tenant the difference between the agreed rent increase and the deposit if the deposit exceeds the amount of the agreed rent increase.

2. The tenant shall immediately pay to the landlord the balance of the rent increase amount if the agreed rent increase exceeds the deposit amount.

3. All payments shall be in the customary form practiced by the landlord and tenant or in any agreed form.

XII-2-10.03

If the parties fail to reach any agreement, the landlord shall retain the full amount of the deposit and the tenant shall pay the full balance of the rent increase amount immediately following notice by the director.

XII-2-10.04

If the director finds that a landlord did not participate in the rent review process in good faith, the full amount of the rent increase deposit shall be released to the tenant within 30 days following the final good faith determination.

XII-2-10.05

If the director finds that a tenant did not participate in the rent review process in good faith, the full amount of the rent increase deposit shall be retained by the landlord and the remaining balance of the rent increase amount shall be paid by the tenant to the landlord within 30 days following the final good faith determination and notification by the director. In addition, any pending proceedings before the rent review board shall be dismissed and the tenant will be barred from subsequently challenging that rent increase before the Rent Review Board.

XII-2-10.06

A tenant failing to make a rent increase amount deposit when due shall be deemed in breach of the obligation of good faith participation and the rent increase will be considered valid.

XII-2-10.07

In the event the landlord fails to retain any deposit in the operating account, the rent increase shall be void for all purposes and the landlord shall be liable to the tenant in a civil action for the amount of the deposit.

Section 11 - Good faith participation review.

XII-2-11.00

Any party to a rent review proceeding under this Chapter may request the director to investigate a claim of failure to participate in good faith by another party to the proceeding. The director shall be responsible for investigation of allegations of a lack of good faith participation by any party. The director may not delegate this duty to a person other than a City employee.

XII-2-11.01

Any determination that a party has failed to participate in good faith in a proceeding under this Chapter shall only be made after a five-business-day notice of hearing to all affected parties, a fair hearing by a hearing officer appointed by the City Manager and the rendition of factual findings supported by the record. Following the fair hearing, the director shall give prompt notice of the good faith determination by first-class mail, postage prepaid, to the affected parties.

Section 12 - Annual review.

XII-2-12.00

The director shall annually prepare a report to the City Council assessing the effectiveness of the rent review program established in this Chapter and recommending changes to the program as may be appropriate.

Section 13 – Enforcement.

XII-2-13.00

Civil enforcement action: A civil action to enforce the provisions of this Chapter may be filed by any aggrieved person, by the City Attorney or by any person or entity that will fairly and adequately represent the interests of that person or a protected class.

XII-2-13.01

Civil injunctive relief: Any person who commits, or proposes to commit, an act in violation of this Chapter may be enjoined therefrom by any court of competent jurisdiction.

XII-2-13.02

Civil liability: Any person who violates any provision of this Chapter or who aids in the violation of any provision of this Chapter may be liable for damages of up to three times the amount of one month's rent that the landlord charges for the unit in question. All damages shall be awarded to the person whose rights were violated. The court may also award punitive damages in an amount of not less than $200.00 and not more than $400.00 per violation, as well as attorneys' fees and costs. In any action brought by the City Attorney, all attorneys' fees and costs, shall be awarded to the City to reimburse its legal expenses and deposited in the City Treasury.

XII-2-13.03

Separate civil liability for each violation: Any person who violates any provision of this Chapter or who aids in the violation of any provision of this Chapter shall be liable for a separate civil violation for each provision of this Chapter that he or she violates, and for each instance in which he or she violates a provision of this Chapter.

XII-2-13.04

Criminal enforcement and liability: Any person who violates any provision of this Chapter or who aids in the violation of any provision of this Chapter shall be guilty of a misdemeanor, and upon conviction thereof, shall be punishable by a fine of not more than $1,000.00, or by imprisonment in the county jail for a period not exceeding six months, or both.

XII-2-13.05

Administrative citation: In addition to any other remedy available at law, the City may enforce any violation of this Chapter by administrative citation pursuant to Title I, Chapter 21 of the Milpitas Municipal Code.

XII-2-13.06

Statute of limitations; remedies cumulative: Any actions filed pursuant to this Chapter must be filed within two years of the alleged violation. The remedies and penalties provided for by this Chapter shall be cumulative and not exclusive and shall be in addition to such other remedies or penalties as are provided by law.

Section 14 – Administration fee.

XII-2-14.00

The City Council may by resolution adopt an administration fee to recover the costs incurred in the administration of the provisions of this Chapter, which fee shall be paid by residential rental unit owners to the City. The fee shall be determined by the City from all the costs incurred in the administration of this Chapter, in the prior calendar or fiscal year, based on (1) the general costs of administration, including the costs of defending this Chapter and (2) the direct costs incurred in the rent review process, including the costs of hearing. The general costs shall be apportioned equally to all residential rental units in the City as allowed pursuant to state law.

SECTION 5. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XII

Chapter 3 is hereby added to Title XII of the Milpitas Municipal Code to read as follows:

Title XII – HOUSING

Chapter 3 – TENANT PROTECTIONS

Section 1 – Purpose and intent

In enacting this Chapter, the City Council intends to help alleviate the housing crisis in Milpitas and throughout Santa Clara County by ensuring that all persons with the ability to pay for housing are considered for housing, regardless of whether they receive a housing subsidy or housing assistance of any kind, and by ensuring that tenants in Milpitas are not subject to retaliation from landlords as a result of asserting their rights under the Milpitas Municipal Code or federal and State law.

Section 2 - Income discrimination prohibited.

XII-3-2.00

For purposes of this section, "source of income" means all lawful sources of income, including but not limited to any rental assistance program, homeless assistance program, security deposit assistance program or housing subsidy program, including, but not limited to, Housing Choice Voucher Program (Section 8) assistance. "Source of income" includes any requirement of any such program or source of income or rental assistance.

XII-3-2.01

It is unlawful for any person to do any of the following as wholly or partially based on source of income:

1. To interrupt, terminate, or fail or refuse to initiate or conduct any transaction in real property, including, but not limited to, the rental thereof; to require different terms for such transaction; or falsely to represent that an interest in real property is not available for transaction;

2. To include in the terms or conditions of a transaction in real property any clause, condition or restriction;

3. To refuse or restrict facilities, services, repairs or improvements for any current or prospective tenant or lessee;

4. To make, print, publish, advertise or disseminate in any way, or cause to be made, printed or published, advertised or disseminated in any way, any notice, statement or advertisement with respect to a transaction in real

property, or with respect to financing related to any such transaction, which unlawfully indicates preference, limitation or discrimination based on source of income. For purposes of this subsection, “source of income” means all lawful sources of income or rental assistance program, homeless assistance program, security deposit assistance program or housing subsidy program. “Source of income” includes any requirement of any such program or source of income or rental assistance. "Person" means any individual, firm, corporation, or other organization or group of persons however organized.

XII-3-2.02

It is unlawful for any person to use a financial or income standard for the rental of housing that does either of the following:

1. Fails to account for any rental payments or portions of rental payments that will be made by other individuals or organizations on the same basis as rental payments to be made directly by the tenant or prospective tenant;

2. Fails to account for the aggregate income of persons residing together or proposing to reside together or an aggregate income of tenants or prospective tenants and their cosigners or proposed cosigners or proposed cosigners on the same basis as the aggregate income of married persons residing together or proposing to reside together.

Section 3 - Landlord retaliation prohibited.

XII-3-3.00

No landlord may take any action increasing any rental amount, reducing any service, causing the tenant to involuntarily quit the premises (constructive eviction) or discriminating against any tenant or household members of a tenant because of the tenant’s use of any remedy provided by federal, State or local law, including but not limited to Chapter 2 of Title XII of the Milpitas Municipal Code.

XII-3-3.01

Adverse retaliatory actions suffered by a tenant within 180 days of the tenant’s exercise of any right or process under Chapter 2 of Title XII of the Milpitas Municipal Code shall be presumed to be retaliatory conduct under this Chapter. This presumption may be rebutted by the landlord, in which case the landlord shall carry the burden of persuasion to prove the adverse action was not in retaliation for the exercise of any right or process under Chapter 2.

XII-3-3.02

Any rent increase in violation of this section shall be void and shall be rolled back to the prior rental amount. The landlord shall not be allowed to notice a new rent increase for a period of six months following the retaliatory conduct.

XII-3-3.03

Retaliatory conduct by a landlord in violation of this section shall be a defense to an unlawful detainer or eviction action.

Section 4 – Enforcement.

XII-3-4.00

Civil enforcement action: A civil action to enforce the provisions of this Chapter may be filed by any aggrieved person, by the City Attorney or by any person or entity that will fairly and adequately represent the interests of that person or a protected class.

XII-3-4.01

Civil injunctive relief: Any person who commits, or proposes to commit, an act in violation of this Chapter may be enjoined therefrom by any court of competent jurisdiction.

XII-3-4.02

Civil liability: Any person who violates any provision of this Chapter or who aids in the violation of any provision of this Chapter may be liable for damages of up to three times the amount of one month's rent that the landlord charges for the unit in question. All damages shall be awarded to the person whose rights were violated. The court may also award punitive damages in an amount of not less than $200.00 and not more than $400.00 per violation, as well as attorneys' fees and costs. In any action brought by the City Attorney, all attorneys' fees and costs, shall be awarded to the City to reimburse its legal expenses and deposited in the City Treasury.

XII-3-4.03

Separate civil liability for each violation: Any person who violates any provision of this Chapter or who aids in the violation of any provision of this Chapter shall be liable for a separate civil violation for each provision of this Chapter that he or she violates, and for each instance in which he or she violates a provision of this Chapter.

XII-3-4.04

Criminal enforcement and liability: Any person who violates any provision of this Chapter or who aids in the violation of any provision of this Chapter shall be guilty of a misdemeanor, and upon conviction thereof, shall be punishable by a fine of not more than $1,000.00, or by imprisonment in the county jail for a period not exceeding six months, or both.

XII-3-4.05

Administrative citation: In addition to any other remedy available at law, the City may enforce any violation of this Chapter by administrative citation pursuant to Title I, Chapter 21 of the Milpitas Municipal Code.

XII-3-4.06

Statute of limitations; remedies cumulative: Any actions filed pursuant to this Chapter must be filed within two years of the alleged violation. The remedies and penalties provided for by this Chapter shall be cumulative and not exclusive and shall be in addition to such other remedies or penalties as are provided by law.

SECTION 6. AUTHORITY

This Urgency Ordinance is enacted pursuant to the authority conferred upon the City Council of the City of Milpitas by Government Code 36937, and therefore shall be in full force and effect immediately upon its adoption by a four-fifths (4/5) vote of the City Council.

SECTION 7. SEVERABILITY

The provisions of this Ordinance are separable, and the invalidity of any phrase, clause, provision or part shall not affect the validity of the remainder.

SECTION 8. CERTIFICATION

The City Clerk shall certify as to the adoption of this Urgency Ordinance and shall cause it to be published within fifteen (15) days of the adoption and shall post a certified copy of this Urgency Ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with California Government Code Section 36933.

REGULAR

NUMBER: ___

TITLE: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILPITAS ADDING CHAPTERS 2 AND 3 TO TITLE XII OF THE MILPITAS MUNICIPAL CODE RELATING TO THE ADOPTION OF A RENT REVIEW PROGRAM AND TENANT PROTECTIONS**

HISTORY: This Ordinance was introduced (first reading) by the City Council at its meeting of _____, upon motion by _____ and was adopted (second reading) by the City Council at its meeting of _____ upon motion by _____. The Ordinance was duly passed and ordered published in accordance with law by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

_____
Mary Lavelle, City Clerk

APPROVED:

_____
Rich Tran, Mayor

APPROVED AS TO FORM:

_____
Christopher J. Diaz, City Attorney

RECITALS AND FINDINGS:

WHEREAS, on February 20, 2018, the City Council approved the formation of the Tenant Protection Task Force, and in September 2018, the Task Force was established, consisting of tenant and landlord representatives to develop recommendations to address challenges experienced by renters in the City of Milpitas; and

WHEREAS, the Tenant Protection Task Force met from September 2018 through February 2019, and the results of the Tenant Protection Task Force were presented to the City Council on April 2, 2019; and

WHEREAS, following the presentation, on May 7, 2019, the City Council approved a new City Council Housing Subcommittee; and

WHEREAS, the Housing Subcommittee directed City staff to prepare a rent review ordinance, that would provide a process for non-binding mediation between landlords and tenants regarding proposed rent increases, and a process for a hearing regarding any rent increases; and

WHEREAS, the City Council finds that the high cost of rental housing in Milpitas has created economic hardship for many tenants. Protecting tenants from unreasonable rent increases can encourage community stability, avoid displacement, and protect the health, safety, and welfare of the residents of Milpitas. This Ordinance is intended to permit landlords a fair and reasonable return on their property, while at the same time protecting tenants from arbitrary, capricious, or unreasonable rent increases. The City Council encourages property owners to limit rent increases to fair and reasonable amounts, provide well maintained living units, and cooperate with tenants toward resolving rent-related disputes.

NOW, THEREFORE, the City Council of the City of Milpitas does ordain as follows:

SECTION 1. RECORD AND BASIS FOR ACTION

The City Council has duly considered the full record before it, which may include but is not limited to such things as the City staff report, testimony by staff and the public, and other materials and evidence submitted or provided to the City Council. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

SECTION 2. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XII

Chapter 2 is hereby added to Title XII of the Milpitas Municipal Code to read as follows:

Title XII – HOUSING

Chapter 2 - RENT REVIEW ORDINANCE

Section 1 - Citation.

This Chapter shall be known as the "Rent Review Ordinance."

Section 2 - Definitions.

XII-1-2.00

As used in this Chapter, each of the following terms shall be defined as follows:

XII-2-2.01

"Base rent" means the rental amount required to be paid by the tenant to the landlord in the month immediately preceding the effective date of a rent increase.

XII-2-2.02

"Consultation" means either (1) a confidential telephone call or other informal contact by the designated service provider or director with a landlord/responsible party and tenant for the purpose of resolving a proposed rent increase issue, or (2) mediation in which the landlord/responsible party and tenant meet with a neutral mediator for the purpose of resolving a proposed rent increase issue.

XII-2-2.03

"Designated service provider" or "service provider" means a party or organization contracted by the City to provide needed services to implement the procedures contained in this Chapter.

XII-2-2.04

"Director" means the City's Director of Building and Housing, who is the person designated by the City Manager to direct and manage the rent review program. Any duty required of the director may be delegated to a third party by the director and any service required to be performed by the director may be provided by a designated service provider as authorized by the director.

XII-2-2.05

"Landlord" means any person, partnership, corporation, or other business entity offering for rent or lease any residential property in the City. "Landlord" shall include the agent or representative of the landlord.

XII-2-2.06

"Participate in good faith" means the mutual obligation of the landlord and tenant to meet on each occasion when notified in consultation, mediation or Rent Review Board proceedings, provide relevant information, exchange proposals, reasonably consider proposals by opposite parties and engage in meaningful discussion on the subject of proposed rent increases and issues related to the rent increase. Good faith participation includes the duty of the landlord to refrain from any unlawful detainer proceeding due solely to a withholding of rent while the parties are engaged in proceedings under this Chapter.

XII-2-2.07

"Party" or "parties" means a person or persons who participate in the rent review procedures of this Chapter or their agent or representative.

XII-2-2.08

"Program" or Rent Review Program" is the program and procedures for review of rent increases in the City of Milpitas as established by this Chapter.

XII-2-2.09

"Rent" means a fixed periodic compensation paid by a tenant at fixed intervals to a landlord for the possession and use of property.

XII-2-2.10

"Rent increase" means any upward adjustment of the base rent amount specified by the original contract.

XII-2-2.11

"Rent Review Board" means the board established as described in Section XII-2-5.00 of this Chapter.
XII-2-2.12

"Residential property" means any housing unit offered for rent or lease in the City consisting of one or more units, whether attached or detached, single- or multiple-family, and mobile homes. Mobile homes are subject to this Chapter only to the extent of the mobile housing unit itself, not the underlying real property pad.

XII-2-2.13

"Responsible party" means the person with the final legal authority to adjust rent increases without limitations and resolve tenant issues on behalf of the residential landlord. "Responsible party" shall include the agent or representative of the responsible party.

XII-2-2.14

"Responsible party declaration" contains the signature of the legal owner of the residential property certifying that the person authorized to represent him/her during consultation, mediation or Rent Review Board proceedings has the authority to adjust rent increases and resolve tenant issues on behalf of the residential landlord.

XII-2-2.15

"Retaliatory conduct" means those acts prohibited by Cal. Civ. Code § 1942.5 and Section 3 of Chapter 3 of Title XII of the Milpitas Municipal Code.

XII-2-2.16

"Shared housing unit" means a habitable space that a homeowner rents to one or more individuals that is located in the home where the homeowner is currently residing as his or her primary residence.

XII-2-2.17

"Tenant" means any person having the legal responsibility for the payment of rent for residential property in the City. "Tenant" shall include the agent or representative of the tenant.

Section 3 – Notice of rent increase requirements.

XII-2-3.00

Every landlord of residential property shall provide a rent increase notice that follows the procedure in Cal. Civ. Code § 827(b) regardless of the length of the tenancy and any other State law requirements before demanding or accepting any increase in rent. All landlords are strongly encouraged to provide at least 90 calendar days' notice of any rent increase in order to allow for orderly operation of the rent review procedures of this Chapter. Rent increase notices seeking an increase of rent exceeding five percent shall also include a statement setting forth the reason for the rent increase.

XII-2-3.01

All rent increase notices shall be in writing, shall show the name, address and phone number of the responsible party and shall be personally delivered to the tenant or mailed first-class to the tenant at the address of the tenant's rental unit by first-class mail, postage prepaid. Service by mail shall be presumed complete within five calendar days of mailing. This presumption may be rebutted by the tenant.

XII-2-3.02

Any rent increase notice issued in violation of this Chapter shall be void.

Section 4 - Notice of availability of rent review required.

XII-2-4.00

In addition to any rent increase notice required by State law, landlord shall also provide tenants written notice of the availability of rent review as provided in this Chapter and provide information regarding how a tenant can obtain a copy of this Chapter. This obligation shall apply at the time that landlord and tenant enter into a new lease agreement, and shall further apply at the time of any rent increase in any amount and to all affected tenants.

1. At the time of execution of a new lease agreement, this notice shall be provided to the tenant by personal delivery, first-class mail or email, and landlord shall secure written acknowledgment from the tenant that such notice was received.

2. At the time of a rent increase, this notice may be provided by personal delivery, first-class mail, text or email. No rent increase shall be valid for any purpose whatsoever without full compliance with this section.

XII-2-4.01

The notice of availability of rent review shall be provided in English and the most commonly used languages within the City as determined by the director based upon the American Community Survey, the most recent census or other reputable source data and shall read as follows:

NOTICE:

Under California Civil Code Section 827(b), a Landlord must provide a Tenant with 30 days' notice prior to a rent increase of 10 percent (10%) or less and 60 days' notice of a rent increase greater than 10 percent (10%). In addition, Chapter 2 of Title XII of the Milpitas Municipal Code requires that a Landlord must at the same time provide and serve this written notice of the City's Rent Review Program. This program provides a procedure for Landlords and Tenants to meet to discuss issues related to rent increases. Information about this program and a copy of Chapter 2 of Title XII are available on the City's website at www.ci.milpitas.ca.gov, at City Hall located at 455 E. Calaveras Blvd. in Milpitas, California, the Milpitas Public Library located at 160 N. Main St. in Milpitas, California, and other locations designated by the City's Director of Building Safety and Housing. Copies are also available in English and the most commonly used languages within the City as determined by the Director of Building Safety and Housing.

You are encouraged to contact the owner or manager of your rental unit whose name is _____ (landlord to insert the name of the Responsible Party) at _____(landlord to insert email address and telephone number) to discuss this rent increase for your rental unit.

In addition, if you have received notice of a rent increase of more than five percent (5%) in the last 12 months, you are also entitled to review by the City's Rent Review Board. To initiate the rent review process, you must request rent review by contacting the Department of Building Safety and Housing (landlords will be advised of the name and contact information for the service provider designated by the director that is to be inserted in this notice) within 15 days of the date of the notice of rent increase. Your Landlord will be notified of your request and you will be contacted by a housing professional to discuss the rent increase. Please note that petitioning for rent review does not guarantee a reduction in the rent increase.

At the hearing, the Rent Review Board will make a decision concerning the rent increase. You and your Landlord may agree to accept the Board's decision. The Rent Review Board's decision as to the rent increase is non-binding on you and your Landlord.

Under California Civil Code Section 1942.5 and Chapter 2 of Title XII of the City's Municipal Code, it is illegal for a Landlord to retaliate against a Tenant for lawfully exercising his or her legal rights.

XII-2-4.02

The City shall make copies of this notice available to landlords in English and the most commonly used languages within the City as determined by the director.

XII-2-4.03

Any rent increase in violation of this Chapter shall operate as a complete defense to an unlawful detainer action based on failure to pay any illegal rent increase. Any tenant required to pay an illegal rent increase may recover all illegal rent increase amounts, actually paid by the tenant, in a civil action.

XII-2-4.04

Rent increases shall be limited to one increase in any consecutive 12-month period. If the parties agree to more than one rent increase in a 12-month period, it must be documented in a separate written agreement (not the rental agreement) and identify the agreed upon rental increases and the effective dates for each increase.

Section 5 – Rent Review Board.

XII-2-5.00

The Rent Review Board is hereby created consisting of five regular members and one alternate. Two members shall be landlord representatives who own rental units in the City of Milpitas, two members shall be tenant representatives who are residents of the City of Milpitas, and one member and one alternate shall be a neutral third party who is a resident of the City of Milpitas and is neither a landlord nor a tenant. The alternate will only serve in the absence of the regular neutral member. The Rent Review Board members shall have a demonstrated interest in the issues considered by the Rent Review Board and will be selected based on their relevant experience.

XII-2-5.01

The Rent Review Board will evaluate the reasonableness of proposed rent increases at the request of either a landlord or tenant pursuant to the rent review program set forth in Section 6 of this Chapter.

XII-2-5.02

For the first members appointed to the Rent Review Board following the adoption of this Chapter into the Municipal Code, the terms of one tenant representative and one landlord representative shall be two years so that the appointment of members can be staggered. The member serving a two-year term will be eligible to be re-appointed to serve two full terms. The selection of the representatives who will be limited to two-year terms will be determined by lot. The terms of all other members shall be four years. There is no term limit for the alternate member.

XII-2-5.03

No meeting of the Board shall occur unless there are three members present with one person from each of the required representation categories in attendance.

Section 6 – Rent review program.

XII-2-6.00

The provisions of this Chapter shall apply to all residential rental units in the City, except for the following categories of units, which shall be exempt from this Chapter:

1. Housing restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code, or subject to an agreement that provides housing subsidies for affordable

housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code or comparable federal statutes.

2. Dormitories constructed and maintained in connection with any higher education institution within the State for use and occupancy by students in attendance at the institution.

3. Housing that has been issued a certificate of occupancy within the previous 15 years.

4. Residential real property that is alienable separate from the title to any other dwelling unit, provided that both of the following apply:

(a) The owner is not any of the following:

(i) A real estate investment trust, as defined in Section 856 of the Internal Revenue Code.

(ii) A corporation.

(iii) A limited liability company in which at least one member is a corporation.

(b) (i) The tenants have been provided written notice that the residential real property is exempt from this section using the following statement:

"This property is not subject to the rent review program enacted by Title XII, Chapter 2 of the City of Milpitas Municipal Code. This property meets the requirements of Section XII-2-6.00(4) of the City of Milpitas Municipal Code and the owner is not any of the following: (1) a real estate investment trust, as defined by Section 856 of the Internal Revenue Code; (2) a corporation; or (3) a limited liability company in which at least one member is a corporation."

(ii) For a tenancy existing before July 1, 2020, the notice required under clause (i) may, but is not required to, be provided in the rental agreement.

(iii) For a tenancy commenced or renewed on or after July 1, 2020, the notice required under clause (i) must be provided in the rental agreement.

5. A duplex in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy.

XII-2-6.01

The Rent Review Board hearing process may be initiated by either an affected landlord or an affected tenant requesting assistance with a rent increase exceeding five percent in any 12-month period by contacting the designated service provider within 15 calendar days of the date of the notice of rent increase and providing a copy of the notice of rent increase to the designated service provider.

XII-2-6.02

The rent review procedures shall consist of consultation with the designated service provider which could result in an informal mediation with a third party followed by non-binding review by the Rent Review Board of rent increases that exceed five percent in any 12-month period.

XII-2-6.03

The designated service provider shall process requests for assistance as follows:

1. General Information Requests. When a party requests general information about the Rent Review Program, the designated service provider shall provide the rent review information brochure to all parties in person or by mail or email, as may be appropriate, within one business day.

2. Tenant Initiation of Rent Review. A party requesting initiation of the rent review process shall be encouraged by the designated service provider to contact the opposite party to attempt resolution of the rent increase dispute. When such a request is made, the requester and all other parties shall be provided the rent review information brochure in person or by mail or email, as may be appropriate, and the designated service provider shall notify the opposite party by phone or email, as may be appropriate, within three business days that a request for assistance has been made.

3. Designated Service Provider Initiation of Rent Review. When a requesting party does not wish to contact the opposite party, the designated service provider shall record the request for assistance, initiate the consultation process, and give written notice to the affected parties within three business days.

XII-2-6.04

The director is authorized, to the extent consistent with all the time limits and procedures in this Chapter, to consolidate separate requests for consultation and rent review involving the same rent dispute issue. Consolidation shall not affect an individual's desire to be separately represented or to bring a separate legal action.

XII-2-6.05

In the event the parties do not reach written agreement resolving a rent increase issue, the director is authorized and shall have the duty to determine when proceedings under this Chapter have been completed and to notify the parties of the termination of proceedings under this Chapter.

Section 7 - Consultation/mediation procedures.

XII-2-7.00

The affected landlord/responsible party or tenant shall respond either orally or in writing to the designated service provider within two business days following phone contact. If the landlord designates a responsible party, the landlord shall also provide a responsible party declaration to the designated service provider within the same timeframe or within a time established by the designated service provider. Failure of either the landlord or the responsible party to respond to the designated service provider within two business days, or additional time if provided by the designated service provider, shall void the rent increase notice for all purposes.

XII-2-7.01

The designated service provider shall attempt informal consultation in an attempt to reach an amicable resolution of the rent increase dispute for a period not exceeding 10 business days. Alternatively, the matter may be submitted to a neutral mediator at the discretion of the designated service provider. Any agreement reached during mediation shall have the same force and effect as a consultation agreement as set forth in subsection XII-2-6.03, below.

XII-2-7.02

The responsible party and the tenant shall have the mutual obligation to participate in the consultation or mediation process in good faith.

XII-2-7.03

Any agreement reached by the parties in consultation or mediation shall:

1. Be made in writing and signed by the parties to the agreement;

2. State the specific terms of the agreement including the duration and conditions of the agreement;

3. Be binding on the parties identified in the agreement;

4. Provide that the parties agree to binding arbitration by a City-appointed arbitrator to resolve any future dispute as to the interpretation or application of the agreement; and

5. Provide that any agent or representative signing a consultation or mediation agreement on behalf of other persons shall be responsible for promptly providing a copy of the agreement to the parties he or she represents.

XII-2-7.04

A party to a consultation or mediation agreement may not initiate a rent review procedure concerning any rent increase covering the same time period included in the consultation or mediation agreement.

XII-2-7.05

One or more tenants affected by a common rent increase may simultaneously participate in the same consultation or mediation proceeding with consent of the landlord. No tenant shall be bound by any consultation or mediation agreement they or their agent and/or representative did not agree to.

XII-2-7.06

Failure of a responsible party to appear and participate in good faith in the consultation or mediation process shall void the notice of rent increase for all purposes. Failure of any affected tenant to appear and participate in good faith shall terminate all services under this Chapter for the affected tenant for the duration of the subject rent increase and shall make the rent increase effective the date stated in the notice of rent increase.

Section 8 - Rent Review Board procedures.

XII-2-8.00

Following completion of the consultation or mediation procedures, either party may submit a written request for review by the Rent Review Board within five business days of completion of consultation or mediation if the rent increase notice seeks an increase of rent of more than five percent in the last 12-month period.

XII-2-8.01

One or more tenants affected by a common rent increase may simultaneously participate in the same rent review proceeding with the consent of the landlord.

XII-2-8.02

A hearing before the Rent Review Board shall be held no more than 45 calendar days from the date of receipt of the request for hearing. The director shall provide notice to the parties when a hearing is scheduled. Participants in the hearing shall be the parties to the consultation or mediation and other persons deemed necessary by the director or Rent Review Board.

XII-2-8.03

The purpose of the hearing shall be to allow the Rent Review Board to examine witnesses, review the documents in the record and make formal findings of fact and a decision regarding the rent increase. In the discretion of the Rent Review Board, any hearing that is convened may be continued for the convenience of a party. The Rent Review Board may proceed with a hearing in the absence of the landlord/responsible party.

XII-2-8.04

The landlord/responsible party shall present evidence to explain the rationale or reason for a rent increase in excess of five percent of the base rent.

XII-2-8.05

The Rent Review Board shall evaluate the reasonableness of the rent increase, taking into consideration the factors listed below. These factors are illustrative and not exclusive. The Rent Review Board is free to consider any factors relevant to the issue of the reasonableness of the rent increase as between the parties.

1. Past history of rent increases for the same rental unit, including timing and amount;

2. Impact of the rent increase on the affected household;

3. Past history of landlord costs for capital improvements, maintenance and operation, debt service, rehabilitation and provision of housing services;

4. Existing market value of rents within the same rental complex or for similarly situated units;

5. Return on investment to the landlord;

6. The San Francisco-Oakland-San Jose All Urban Consumer Price Index; and

7. Service reductions for the rental unit or rental complex during the tenant's occupancy of the unit.

XII-2-8.06

The Rent Review Board shall issue a written decision and shall mail the findings and recommendation to the parties within five business days following completion. If the parties mutually agree to a resolution at any time prior to the conclusion of the hearing, their agreement may be memorialized in a binding written agreement at the hearing.

XII-2-8.07

Failure of a responsible party to appear and participate in good faith in the rent review process shall void the notice of rent increase for all purposes and the landlord shall be prohibited from serving a new notice of rent increase for a period of 90 calendar days. Failure of any tenant to appear and participate in good faith in the rent review process shall terminate all services under this Chapter for the affected tenant for the duration of the subject rent increase and shall make the rent increase effective on the date stated in the notice of rent increase.

Section 9 – Review of the Rent Review Board decision

XII-2-9.00

If the parties agree with the Rent Review Board's decision, the landlord and all tenants who have financial responsibility for the rent shall formalize and sign an agreement, in a form to be provided by the City, to that effect. Neither the City, the designated service provider nor the Rent Review Board shall be a signatory to such an agreement and neither the City, the designated service provider nor the Rent Review Board shall assume any obligation or responsibility to enforce the terms of the agreement, except as provided in this Chapter.

XII-2-9.01

The Rent Review Board's decision is non-binding on the parties and the rent increase shall be effective as provided in the notice of rent increase but subject to subsection XII-2-6.06 (a landlord's failure to appear renders the increase void), unless the parties enter into an agreement pursuant to subsection XII-2-9.00 of this Chapter.

Section 10 – Rent increase deposit obligation.

XII-2-10.00

Every tenant shall pay the existing base rent as it becomes due.

XII-2-10.01

In the event the rent review process exceeds the rent increase notice period, each affected tenant shall deposit with the landlord 50 percent of the rent increase amount, as it becomes due, in the customary form practiced by the landlord and tenant or in any agreed form. The landlord shall retain this deposit in the landlord's operating account. "Fifty percent of the rent increase amount" shall mean 50 percent of the amount which exceeds the existing base rent. The landlord shall provide the tenant with a receipt acknowledging the delivery of the deposit and agreeing to relinquish the deposit if required by this Chapter.

XII-2-10.02

In the event the parties reach an agreement pursuant to this Chapter reducing the amount of the proposed rent increase:

1. The landlord shall immediately credit to the tenant the difference between the agreed rent increase and the deposit if the deposit exceeds the amount of the agreed rent increase.

2. The tenant shall immediately pay to the landlord the balance of the rent increase amount if the agreed rent increase exceeds the deposit amount.

3. All payments shall be in the customary form practiced by the landlord and tenant or in any agreed form.

XII-2-10.03

If the parties fail to reach any agreement, the landlord shall retain the full amount of the deposit and the tenant shall pay the full balance of the rent increase amount immediately following notice by the director.

XII-2-10.04

If the director finds that a landlord did not participate in the rent review process in good faith, the full amount of the rent increase deposit shall be released to the tenant within 30 days following the final good faith determination.

XII-2-10.05

If the director finds that a tenant did not participate in the rent review process in good faith, the full amount of the rent increase deposit shall be retained by the landlord and the remaining balance of the rent increase amount shall be paid by the tenant to the landlord within 30 days following the final good faith determination and notification by the director. In addition, any pending proceedings before the Rent Review Board shall be dismissed and the tenant will be barred from subsequently challenging that rent increase before the Rent Review Board.

XII-2-10.06

A tenant failing to make a rent increase amount deposit when due shall be deemed in breach of the obligation of good faith participation and the rent increase will be considered valid.

XII-2-10.07

In the event the landlord fails to retain any deposit in the operating account, the rent increase shall be void for all purposes and the landlord shall be liable to the tenant in a civil action for the amount of the deposit.

Section 11 - Good faith participation review.

XII-2-11.00

Any party to a rent review proceeding under this Chapter may request the director to investigate a claim of failure to participate in good faith by another party to the proceeding. The director shall be responsible for investigation of allegations of a lack of good faith participation by any party. The director may not delegate this duty to a person other than a City employee.

XII-2-11.01

Any determination that a party has failed to participate in good faith in a proceeding under this Chapter shall only be made after a five-business-day notice of hearing to all affected parties, a fair hearing by a hearing officer appointed by the City Manager and the rendition of factual findings supported by the record. Following the fair hearing, the director shall give prompt notice of the good faith determination by first-class mail, postage prepaid, to the affected parties.

Section 12 - Annual review.

XII-2-12.00

The director shall annually prepare a report to the City Council assessing the effectiveness of the rent review program established in this Chapter and recommending changes to the program as may be appropriate.

Section 13 – Enforcement.

XII-2-13.00

Civil enforcement action: A civil action to enforce the provisions of this Chapter may be filed by any aggrieved person, by the City Attorney or by any person or entity that will fairly and adequately represent the interests of that person or a protected class.

XII-2-13.01

Civil injunctive relief: Any person who commits, or proposes to commit, an act in violation of this Chapter may be enjoined therefrom by any court of competent jurisdiction.

XII-2-13.02

Civil liability: Any person who violates any provision of this Chapter or who aids in the violation of any provision of this Chapter may be liable for damages of up to three times the amount of one month's rent that the landlord charges for the unit in question. All damages shall be awarded to the person whose rights were violated. The court may also award punitive damages in an amount of not less than $200.00 and not more than $400.00 per violation, as well as attorneys' fees and costs. In any action brought by the City Attorney, all attorneys' fees and costs, shall be awarded to the City to reimburse its legal expenses and deposited in the City Treasury.

XII-2-13.03

Separate civil liability for each violation: Any person who violates any provision of this Chapter or who aids in the violation of any provision of this Chapter shall be liable for a separate civil violation for each provision of this Chapter that he or she violates, and for each instance in which he or she violates a provision of this Chapter.

XII-2-13.04

Criminal enforcement and liability: Any person who violates any provision of this Chapter or who aids in the violation of any provision of this Chapter shall be guilty of a misdemeanor, and upon conviction thereof, shall be punishable by a fine of not more than $1,000.00, or by imprisonment in the county jail for a period not exceeding six months, or both.

XII-2-13.05

Administrative citation: In addition to any other remedy available at law, the City may enforce any violation of this Chapter by administrative citation pursuant to Title I, Chapter 21 of the Milpitas Municipal Code.

XII-2-13.06

Statute of limitations; remedies cumulative: Any actions filed pursuant to this Chapter must be filed within two years of the alleged violation. The remedies and penalties provided for by this Chapter shall be cumulative and not exclusive and shall be in addition to such other remedies or penalties as are provided by law.

Section 14 – Administration fee.

XII-2-14.00

The City Council may by resolution adopt an administration fee to recover the costs incurred in the administration of the provisions of this Chapter, which fee shall be paid by residential rental unit owners to the City. The fee shall be determined by the City from all the costs incurred in the administration of this Chapter, in the prior calendar or fiscal year, based on (1) the general costs of administration, including the costs of defending this Chapter and (2) the direct costs incurred in the rent review process, including the costs of hearing. The general costs shall be apportioned equally to all residential rental units in the City as allowed pursuant to State law.

SECTION 3. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XII

Chapter 3 is hereby added to Title XII of the Milpitas Municipal Code to read as follows:

Title XII – HOUSING

Chapter 3 – TENANT PROTECTIONS

Section 1 – Purpose and intent

In enacting this Chapter, the City Council intends to help alleviate the housing crisis in Milpitas and throughout Santa Clara County by ensuring that all persons with the ability to pay for housing are considered for housing, regardless of whether they receive a housing subsidy or housing assistance of any kind, and by ensuring that tenants in Milpitas are not subject to retaliation from landlords as a result of asserting their rights under the Milpitas Municipal Code or federal and State law.

Section 2 - Income discrimination prohibited.

XII-3-2.00

For purposes of this section, "source of income" means all lawful sources of income, including but not limited to any rental assistance program, homeless assistance program, security deposit assistance program or housing subsidy program, including, but not limited to, Housing Choice Voucher Program (Section 8) assistance. "Source of income" includes any requirement of any such program or source of income or rental assistance.

XII-3-2.01

It is unlawful for any person to do any of the following as wholly or partially based on source of income:

1. To interrupt, terminate, or fail or refuse to initiate or conduct any transaction in real property, including, but not limited to, the rental thereof; to require different terms for such transaction; or falsely to represent that an interest in real property is not available for transaction;

2. To include in the terms or conditions of a transaction in real property any clause, condition or restriction;

3. To refuse or restrict facilities, services, repairs or improvements for any current or prospective tenant or lessee;

4. To make, print, publish, advertise or disseminate in any way, or cause to be made, printed or published, advertised or disseminated in any way, any notice, statement or advertisement with respect to a transaction in real property, or with respect to financing related to any such transaction, which unlawfully indicates preference, limitation or discrimination based on source of income. For purposes of this subsection, “source of income” means all lawful sources of income or rental assistance program, homeless assistance program, security deposit assistance program or housing subsidy program. “Source of income” includes any requirement of any such program or source of income or rental assistance. "Person" means any individual, firm, corporation, or other organization or group of persons however organized.

XII-3-2.02

It is unlawful for any person to use a financial or income standard for the rental of housing that does either of the following:

1. Fails to account for any rental payments or portions of rental payments that will be made by other individuals or organizations on the same basis as rental payments to be made directly by the tenant or prospective tenant;

2. Fails to account for the aggregate income of persons residing together or proposing to reside together or an aggregate income of tenants or prospective tenants and their cosigners or proposed cosigners or proposed cosigners on the same basis as the aggregate income of married persons residing together or proposing to reside together.

Section 3 - Landlord retaliation prohibited.

XII-3-3.00

No landlord may take any action increasing any rental amount, reducing any service, causing the tenant to involuntarily quit the premises (constructive eviction) or discriminating against any tenant or household members of a tenant because of the tenant’s use of any remedy provided by federal, State or local law, including but not limited to Chapter 2 of Title XII of the Milpitas Municipal Code.

XII-3-3.01

Adverse retaliatory actions suffered by a tenant within 180 days of the tenant’s exercise of any right or process under Chapter 2 of Title XII of the Milpitas Municipal Code shall be presumed to be retaliatory conduct under this Chapter. This presumption may be rebutted by the landlord, in which case the landlord shall carry the burden of persuasion to prove the adverse action was not in retaliation for the exercise of any right or process under Chapter 2.

XII-3-3.02

Any rent increase in violation of this section shall be void and shall be rolled back to the prior rental amount. The landlord shall not be allowed to notice a new rent increase for a period of six months following the retaliatory conduct.

XII-3-3.03

Retaliatory conduct by a landlord in violation of this section shall be a defense to an unlawful detainer or eviction action.

Section 4 – Enforcement.

XII-3-4.00

Civil enforcement action: A civil action to enforce the provisions of this Chapter may be filed by any aggrieved person, by the City Attorney or by any person or entity that will fairly and adequately represent the interests of that person or a protected class.

XII-3-4.01

Civil injunctive relief: Any person who commits, or proposes to commit, an act in violation of this Chapter may be enjoined therefrom by any court of competent jurisdiction.

XII-3-4.02

Civil liability: Any person who violates any provision of this Chapter or who aids in the violation of any provision of this Chapter may be liable for damages of up to three times the amount of one month's rent that the landlord charges for the unit in question. All damages shall be awarded to the person whose rights were violated. The court may also award punitive damages in an amount of not less than $200.00 and not more than $400.00 per violation, as well as attorneys' fees and costs. In any action brought by the City Attorney, all attorneys' fees and costs, shall be awarded to the City to reimburse its legal expenses and deposited in the City Treasury.

XII-3-4.03

Separate civil liability for each violation: Any person who violates any provision of this Chapter or who aids in the violation of any provision of this Chapter shall be liable for a separate civil violation for each provision of this Chapter that he or she violates, and for each instance in which he or she violates a provision of this Chapter.

XII-3-4.04

Criminal enforcement and liability: Any person who violates any provision of this Chapter or who aids in the violation of any provision of this Chapter shall be guilty of a misdemeanor, and upon conviction thereof, shall be punishable by a fine of not more than $1,000.00, or by imprisonment in the county jail for a period not exceeding six months, or both.

XII-3-4.05

Administrative citation: In addition to any other remedy available at law, the City may enforce any violation of this Chapter by administrative citation pursuant to Title I, Chapter 21 of the Milpitas Municipal Code.

XII-3-4.06

Statute of limitations; remedies cumulative: Any actions filed pursuant to this Chapter must be filed within two years of the alleged violation. The remedies and penalties provided for by this Chapter shall be cumulative and not exclusive and shall be in addition to such other remedies or penalties as are provided by law.

SECTION 4. SEVERABILITY

The provisions of this Ordinance are separable, and the invalidity of any phrase, clause, provision or part shall not affect the validity of the remainder.

SECTION 5. EFFECTIVE DATE AND POSTING

In accordance with Section 36937 of the Government Code of the State of California, this Ordinance shall take effect thirty (30) days from and after the date of its passage. The City Clerk of the City of Milpitas shall cause this Ordinance or a summary thereof to be published in accordance with Section 36933 of the Government Code of the State of California.

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Conduct a Public Hearing, consider adopting Urgency Ordinance No. 303, or consider introducing an Ordinance relating to just cause eviction protection for tenants (Staff Contact: Sharon Goei, 408-586-3260)**
Category:	Public Hearings-Community Development
Meeting Date:	10/15/2019
Staff Contact:	Sharon Goei, 408-586-3260; Robert Musallam, 408-586-3275
Recommendations:	1. Open the public hearing; hear testimony, then move to close the public hearing. 2. Adopt Urgency Ordinance No. 303 enacted pursuant to California Government Code Section 36937 to add Chapter 4 to Title XII of the Milpitas Municipal Code relating to just cause eviction protection for tenants; or 3. Following the City Attorney's reading of the title, move to waive the first reading beyond the title and introduce a regular Ordinance to add Chapter 4 to Title XII of the Milpitas Municipal Code relating to just cause eviction protection for tenants.

Background:

On February 20, 2018, the City Council approved the formation of the Tenant Protection Task Force. The Task Force was established in September 2018, consisting of tenant and landlord representatives, to develop recommendations that would address tenant challenges experienced in Sunnyhills and similar communities. Representatives of the tenant community serving on the Task Force included Project Sentinel, Law Foundation of Silicon Valley, the President of the Sunnyhills Apartment Tenants Association, and Silicon Valley Independent Living Center. Representatives of the landlord community serving on the Task Force included California Apartment Association, an apartment property manager, a landlord representative, and Santa Clara Association of Realtors.

The Task Force meetings spanned from September 2018 through February 2019. The landlord and tenant groups met separately from each other in October, November, and December. Subsequent joint meetings in January and February were held to identify any commonalities the groups shared including core values. The results of the Tenant Protection Task Force were presented to the City Council on April 2, 2019.

On May 7, 2019, the City Council met to consider Council/Mayor requests for an urgency ordinance for rent control and an urgency ordinance for just cause eviction. While Council did not approve moving forward on the urgency ordinances, it did approve the establishment of a new City Council Housing Subcommittee to continue to address the needs of the community based on the community feedback the Council received. Councilmembers Montano and Nuñez were appointed to serve on this newly formed subcommittee.

On May 21, 2019, the City Council Housing Subcommittee held its first meeting. The Subcommittee acknowledged the May 7 Council decision to not pursue rent control and just cause ordinances, and sought alternatives to provide tenant assistance by brainstorming ideas, which included the implementation of a rent review ordinance to be modeled similarly to the Rent Review Ordinance adopted by the City of Fremont. From May through September 2019, the Subcommittee held eleven meetings that were open to the public to discuss and direct City staff on their vision for the Rent Review Ordinance. While no other specific Ordinances were considered as a model, the Subcommittee took into account pending state legislation, such as pending AB 1482 - a statewide rent control bill - which would be relevant to the proposed Rent Review Ordinance.

On September 11, 2019, Assembly Bill 1482 passed the Legislature and the Governor was expected to sign the bill. The bill is set to limit rent increases across the state to 5 percent plus cost of living inflation, or 10 percent, whichever is lower. The bill would also prohibit an owner from terminating a tenancy without just cause. After AB 1482 is signed by the Governor and becomes effective, the rent increase restrictions will apply to all rent increases occurring on or after March 15, 2019, but the prohibitions on eviction without just cause will not go into effect until January 1, 2020.

On September 17, 2019, following the City Attorney's reading of the title, the City Council waived the first reading beyond the title and introduced Ordinance No. 302 to add Chapters 2 and 3 to Title XII of the Milpitas Municipal Code relating to the adoption of a rent review program and tenant protections. Staff was directed to schedule a special study session of the Housing Subcommittee and City Council to discuss topics that may include AB 1482, the Rent Review Ordinance, and any ordinance related to just cause eviction protection.

On September 24, 2019, the study session was held, and members of the Housing Subcommittee and City Council provided input on the Rent Review Ordinance and also discussed an interest to adopt a local just cause eviction ordinance that mirrors AB 1482. The Council was concerned that AB 1482, if signed by the Governor by October 13, 2019, would not become effective until January 1, 2020. Therefore, any evictions that occur from now until the end of the year would not be covered under the new state law. Direction was provided to staff to draft an urgency ordinance for City Council consideration on October 15, 2019, that would take effect immediately upon adoption. This ordinance as proposed would be consistent with AB 1482 to prohibit eviction without just cause and would be effective through the end of 2019. On January 1, 2020, AB 1482 would be in effect statewide.

On October 8, 2019, the Housing Subcommittee met to debrief from the September 24 discussion regarding the Rent Review Ordinance revisions and an ordinance for just cause eviction protection.

On the same day, Governor Newsom signed AB 1482 into law.

The staff recommendations reflect the direction provided by the City Council Housing Subcommittee. To stay up-to-date on the progress and work being accomplished by the Housing Subcommittee for the Milpitas community, visit the Housing Subcommittee website *Latest News and Updates*.

Ordinance Effective Date

For just cause eviction protection, both an Urgency Ordinance (No. 303) and a regular ordinance, have been prepared for the City Council's consideration. The differences between the ordinances are the effective date and urgency findings. The codified portion of the ordinances is the same.

An urgency ordinance must be passed by a four-fifths vote of the City Council and takes effect immediately. Findings for the urgency need to be made for the immediate preservation of the public peace, health, or safety, and such findings are incorporated in the ordinance. If at least four Councilmembers vote to pass Urgency Ordinance No. 303 on October 15, 2019, it would take effect immediately, and stay in effect through December 31, 2019.

For the regular Ordinance, it would take effect 30 days after its final passage. Council action would require a Council majority, which is at least three Councilmembers. If following the City Attorney's reading of the title, at least three Councilmembers voted to move to waive the first reading beyond the title and introduce the Ordinance, the Ordinance would return for adoption at a second reading. This must take place at a regular Council meeting, making the November 5, 2019 Council meeting the soonest date for the second reading to adopt the Ordinance. As a result, December 5, 2019 would be the soonest effective date for the regular Ordinance. The ordinance would be effective from December 5 through December 31, 2019.

Analysis:

AB 1482

AB 1482 implements two concurrent protections on applicable units: (1) a cap on rent increases and (2) just cause eviction protection. A discussion on each will follow:

Rent Cap

AB 1482 introduces a cap on rent increases that would allow a landlord to raise the rents by 5% per year plus the percentage change in the cost of living, or 10%, whichever is lower. To provide historical context, staff researched the annual percentage change for the Bay Area Consumer Price Index (CPI) for the last five years. In 2018, 2017, 2016, 2015, and 2014, the CPI increase was approximately 3.9%, 3.2%, 3.0%, 2.6%, and 2.8%, respectively. The latest forecast for 2019 is a CPI increase of approximately 3.9%, which under AB 1482 would have allowed a maximum rent increase of 8.9%.

Just Cause Eviction Protection

AB 1482 includes just cause eviction protection for tenants. Just cause eviction protection would require a landlord to have a valid reason for terminating a tenancy. Some examples of just cause include non-payment of rent, violation of a lease term, and nuisance. AB 1482 does not apply to tenants who have been residing in the unit for under 12 months. However, on average, tenants are more likely to sign a one-year lease agreement versus a month-to-month agreement. Additionally, those tenants who sign a one-year lease are guaranteed protection under that lease agreement unless they substantially violate the terms of the lease. Under current California law, in leases from month to month, a landlord must provide a tenant with 30 days' notice prior to a rent increase of 10% or less, and 60 days' notice prior to a rent increase greater than 10%. Under AB 1482, the exclusion of tenants who have lived in units for under 12 months may not have much impact on unjust evictions.

Range of Applicable Units

AB 1482 applies to all housing units except single family homes (except those owned by real estate investment trusts or corporations), owner occupied duplexes, subsidized housing units or units receiving other sources of state/federal assistance, and units built in the last 15 years.

Just Cause Eviction Protection and Applicable Units

Typically, just cause eviction is implemented alongside some form of rent control. AB 1482 provides just cause eviction protection to all units except those excluded from the bill. In Milpitas, approximately 5,000 units across single family homes, subsidized units, and units built in the last 15 years will not be covered by just cause eviction protections. Most cities that have adopted a rent control ordinance have also adopted provisions for just cause eviction protections, such as the cities of Berkeley, Hayward, Mountain View, Oakland, Richmond, San Jose, East Palo Alto, Alameda, and San Francisco.

Although AB 1482 will go into effect on January 1, 2020, after hearing public testimony at multiple meetings, the City Council desired to prohibit evictions without just cause sooner than January 1, 2020. In accordance with Council direction, staff has prepared an ordinance consistent with AB 1482 to prohibit eviction without just cause and the ordinance would be effective through December 31, 2019. This would help prevent displacement of tenants and decrease the risk of tenants becoming homeless.

Policy Alternatives:

Alternative 1: Do not adopt a Just Cause Eviction Protection Ordinance.

Pros: The landlord community would not be impacted by the rules of the ordinance.
Cons: The tenant community would not have the tenant protection for Milpitas residents.
Reason for Not Recommending: The City Council desired to prohibit evictions without just cause sooner than January 1, 2020 to help prevent displacement of tenants and decrease the risk of tenants becoming homeless.

Alternative 2: Introduce the Just Cause Eviction Ordinance, and do not adopt as an urgency ordinance.

Pros: Tenants in Milpitas would have just cause eviction protections before the state law becomes effective.
Cons: The effective date of the ordinance would be delayed until 30 days after adoption. The earliest effective date would be December 5, 2019. Just cause protections would not take effect immediately.

Fiscal Impact:
The fiscal impact for adopting a just cause eviction protection ordinance is in the form of staff time. Assisting Milpitas residents with just cause eviction issues is within the current scope of services for Project Sentinel. The funding approved for Project Sentinel for FY 2019-20 covers the services to address just cause eviction complaints and issues.

California Environmental Quality Act:
The action being considered has no potential for causing a significant effect on the environment and is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3).

Recommendations:
1. Open the public hearing; hear testimony, then move to close the public hearing.
2. Adopt Urgency Ordinance No. 303 enacted pursuant to California Government Code Section 36937 to add Chapter 4 to Title XII of the Milpitas Municipal Code relating to just cause eviction protection for tenants; or
3. Following the City Attorney's reading of the title, move to waive the first reading beyond the title and introduce an Ordinance to add Chapter 4 to Title XII of the Milpitas Municipal Code relating to just cause eviction protection for tenants.

Attachments:
a. Urgency Ordinance No. 303
b. Regular Ordinance

URGENCY

NUMBER: 303

TITLE: AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILPITAS ENACTED PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 36937 ADDING CHAPTER 4 TO TITLE XII OF THE MILPITAS MUNICIPAL CODE RELATING TO JUST CAUSE EVICTION PROTECTIONS FOR TENANTS

HISTORY: This Ordinance was introduced and adopted by the City Council at its meeting of _____, upon motion by _____. Said Ordinance was duly passed and ordered published in accordance with the law by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: APPROVED:

_____ _____

Mary Lavelle, City Clerk Rich Tran, Mayor

APPROVED AS TO FORM:

_____

Christopher J. Diaz, City Attorney

RECITALS:

WHEREAS, housing instability threatens the public peace, health, and safety as eviction from one's home can lead to prolonged homelessness; increased residential mobility; loss of community; strain on household finances due to the necessity of paying rental application fees and security deposits; stress and anxiety experienced by those displaced; increased commute times and traffic impacts if displaced workers cannot find affordable housing within the city in which they work; and interruption of the education of children in the home; and

WHEREAS, eviction creates particular hardships for individuals and households of limited means, given the shortage of affordable housing within the City of Milpitas and the region generally; and

WHEREAS, in the 2019 Homeless Census and Survey conducted by the County of Santa Clara, eviction was found to be the cause of homelessness for 14% of all homeless individuals surveyed and for 25% of families experiencing homelessness surveyed;[1] and

WHEREAS, the City Council has received public testimony at multiple meetings from Milpitas residents who declared that they and their neighbors were unwilling to register complaints against their landlords over unsuitable living conditions and/or violations of their leases by landlords or management companies, based on a fear of being evicted without just cause; and

WHEREAS, on September 11, 2019, the State legislature passed Assembly Bill No. 1482, the Tenant Protection Act of 2019 ("AB 1482"), which would, with certain exceptions, prohibit an owner of residential property from terminating a tenancy without just cause, and would additionally prohibit an owner of residential real property from, over the course of any 12-month period, increasing rent for a dwelling or unit more than 5% plus the percentage change in the cost of living or 10%, whichever is lower, and AB 1482 is currently awaiting the Governor's signature; and

WHEREAS, if AB 1482 is signed by the Governor, the restrictions on rent increases would apply to all rent increases occurring on or after March 15, 2019, but the prohibitions on eviction without just cause would not go into effect until January 1, 2020; and

WHEREAS, there is risk that landlords could seek to evict tenants without cause during the period before AB 1482 goes into effect in order to implement rent increases that would not otherwise be possible, and the City desires to prohibit such evictions without just cause during such period; and

WHEREAS, at a joint meeting of the Council's Housing Subcommittee and study session of the City Council on September 24, 2019, the City Council directed staff to prepare an urgency ordinance preserving existing affordable housing in the City by prohibiting eviction without just cause in a manner consistent with AB 1482; and

WHEREAS, the City Council finds and determines that regulating the relations between residential landlords and tenants will increase certainty and fairness within the residential rental market in the City and thereby serve the public peace, health, and safety; and

WHEREAS, this Ordinance is adopted pursuant to the City's police powers, afforded by the State Constitution and State law to protect the peace, health, and safety of the public.

NOW THEREFORE, the City Council of the City of Milpitas does ordain as follows:

SECTION 1. INCORPORATION OF RECITALS

[1] 2019 Santa Clara County Homeless Census & Survey Comprehensive Report, pp. 22 and 44 (available online at: https://www.sccgov.org/sites/osh/ContinuumofCare/ReportsandPublications/Pages/HomelessnessCensusandSurvey.aspx

The City Council hereby finds that all of the foregoing recitals and the staff report presented herewith are true and correct and are hereby incorporated and adopted as findings of the City Council as if fully set forth herein.

SECTION 2. FINDINGS

The City Council hereby finds, determines and declares that this Urgency Ordinance adopted pursuant to California Government Code Section 36937 is necessary because:

A. Housing, particularly affordable housing, is difficult to procure in the San Francisco Bay Area, including in Milpitas. Evictions without just cause destabilize the housing market and can result in the loss of affordable housing.

B. For the immediate preservation of the public peace, health and safety, the City Council finds that it is necessary to adopt an ordinance regulating just cause evictions, for all of the reasons set forth in the recitals above, which are hereby incorporated by reference.

C. Without the imposition of this Urgency Ordinance, evictions without just cause may result in the displacement of residential tenants who would be forced to find new housing in an ever-more expensive housing market before a non-urgency ordinance or AB 1482 would become effective, and would significantly increase the risk of residential tenants becoming homeless.

D. There is a current and immediate threat to the public peace, health, and safety of the City and its community due in part to the adoption of AB 1482 which increases the risk of evictions without just cause prior to the effective date of such bill, thereby necessitating the immediate enactment of this Urgency Ordinance in order to ensure that tenants are not turned out of their homes without just cause.

SECTION 3. URGENT NEED

Based on the foregoing recitals and findings, all of which are deemed true and correct, this ordinance is urgently needed for the immediate preservation of the public peace, health, and safety. This Urgency Ordinance shall take effect immediately upon adoption in accordance with the provisions set forth in Government Code Section 36937.

SECTION 4. AMENDMENT OF MILPITAS MUNICIPAL CODE, TITLE XII, CHAPTER 4

Chapter 4 is hereby added to Title XII of the Milpitas Municipal Code to read as follows:

Title XII - HOUSING

CHAPTER 4 - JUST CAUSE EVICTIONS

Section 1 – Citation.

This Chapter shall be known as the "Just Cause Eviction Ordinance."

Section 2 – Restrictions on Termination of Tenancy Without Cause

XII-4-2.00

Notwithstanding any other law, after a tenant has continuously and lawfully occupied a residential real property for 12 months, the owner of the residential real property shall not terminate the tenancy without just cause, which shall be stated in the written notice to terminate tenancy. If any additional adult tenants are added to the lease before an existing tenant has continuously and lawfully occupied the residential real property for 24 months, then this section shall only apply if either of the following are satisfied:

1. All of the tenants have continuously and lawfully occupied the residential real property for 12 months or more.

2. One or more tenants have continuously and lawfully occupied the residential real property for 24 months or more.

XII-4-2.01

For purposes of this section, "just cause" includes either of the following:

1. At-fault just cause, which is any of the following:

(a) Default in the payment of rent.

(b) A breach of a material term of the lease, as described in paragraph (3) of Section 1161 of the Code of Civil Procedure, including, but not limited to, violation of a provision of the lease after being issued a written notice to correct the violation.

(c) Maintaining, committing, or permitting the maintenance or commission of a nuisance as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

(d) Committing waste as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

(e) The tenant had a written lease that terminated on or after October 15, 2019, and after a written request or demand from the owner, the tenant has refused to execute a written extension or renewal of the lease for an additional term of similar duration with similar provisions, provided that those terms do not violate this section or any other provision of law.

(f) Criminal activity by the tenant on the residential real property, including any common areas, or any criminal activity or criminal threat, as defined in subdivision (a) of Section 422 of the Penal Code, on or off the residential real property, that is directed at any owner or agent of the owner of the residential real property.

(g) Assigning or subletting the premises in violation of the tenant's lease, as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

(h) The tenant's refusal to allow the owner to enter the residential real property as authorized by Sections 1101.5 and 1954 of the Civil Code, and Sections 13113.7 and 17926.1 of the Health and Safety Code.

(i) Using the premises for an unlawful purpose as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

(j) The employee, agent, or licensee's failure to vacate after their termination as an employee, agent, or a licensee as described in paragraph (1) of Section 1161 of the Code of Civil Procedure.

(k) When the tenant fails to deliver possession of the residential real property after providing the owner written notice as provided in Section 1946 of the Civil Code of the tenant's intention to terminate the hiring of the real property, or makes a written offer to surrender that is accepted in writing by the landlord, but fails to deliver possession at the time specified in that written notice as described in paragraph (5) of Section 1161 of the Code of Civil Procedure.

2. No-fault just cause, which includes any of the following:

(a) (i) Intent to occupy the residential real property by the owner or their spouse, domestic partner, children, grandchildren, parents, or grandparents.

(ii) For leases entered into on or after July 1, 2020, clause (i) shall apply only if the tenant agrees, in writing, to the termination, or if a provision of the lease allows the owner to terminate the lease if the owner, or their spouse, domestic partner, children, grandchildren, parents, or grandparents, unilaterally decides to occupy the residential real property. Addition of a provision allowing the owner to terminate the lease as described in this clause to a new or renewed rental agreement or fixed-term lease constitutes a similar provision for the purposes of subparagraph (e) of paragraph (1).

(b) Withdrawal of the residential real property from the rental market.

(c) (i) The owner complying with any of the following:

(1) An order issued by a government agency or court relating to habitability that necessitates vacating the residential real property.

(2) An order issued by a government agency or court to vacate the residential real property.

(3) A local ordinance that necessitates vacating the residential real property.

(ii) If it is determined by any government agency or court that the tenant is at fault for the condition or conditions triggering the order or need to vacate under clause (i), the tenant shall not be entitled to relocation assistance as outlined in paragraph (3) of Section XII-4-2.03.

(d) (i) Intent to demolish or to substantially remodel the residential real property.

(ii) For purposes of this subparagraph, "substantially remodel" means the replacement or substantial modification of any structural, electrical, plumbing, or mechanical system that requires a permit from a governmental agency, or the abatement of hazardous materials, including lead-based paint, mold, or asbestos, in accordance with applicable federal, State, and local laws, that cannot be reasonably accomplished in a safe manner with the tenant in place and that requires the tenant to vacate the residential real property for at least 30 days. Cosmetic improvements alone, including painting, decorating, and minor repairs, or other work that can be performed safely without having the residential real property vacated, do not qualify as substantial rehabilitation.

XII-4-2.02

Before an owner of residential real property issues a notice to terminate a tenancy for just cause that is a curable lease violation, the owner shall first give notice of the violation to the tenant with an opportunity to cure the violation pursuant to paragraph (3) of Section 1161 of the Code of Civil Procedure. If the violation is not cured within the time period set forth in the notice, a three-day notice to quit without an opportunity to cure may thereafter be served to terminate the tenancy.

XII-4-2.03

1. For a tenancy for which just cause is required to terminate the tenancy under Section XII-4-2.01, if an owner of residential real property issues a termination notice based on a no-fault just cause described in paragraph (2) of Section XII-4-2.01, the owner shall, regardless of the tenant's income, at the owner's option, do one of the following:

(a) Assist the tenant to relocate by providing a direct payment to the tenant as described in paragraph 3, below.

(b) Waive in writing the payment of rent for the final month of the tenancy, prior to the rent becoming due.

2. If an owner issues a notice to terminate a tenancy for no-fault just cause, the owner shall notify the tenant of the tenant's right to relocation assistance or rent waiver pursuant to this section. If the owner elects to waive the rent for

the final month of the tenancy as provided in subparagraph (a) of paragraph (1), the notice shall state the amount of rent waived and that no rent is due for the final month of the tenancy.

3. (a) The amount of relocation assistance or rent waiver shall be equal to one month of the tenant's rent that was in effect when the owner issued the notice to terminate the tenancy. Any relocation assistance shall be provided within 15 calendar days of service of the notice.

(b) If a tenant fails to vacate after the expiration of the notice to terminate the tenancy, the actual amount of any relocation assistance or rent waiver provided pursuant to this subdivision shall be recoverable as damages in an action to recover possession.

(c) The relocation assistance or rent waiver required by this section shall be credited against any other relocation assistance required by any other law.

4. An owner's failure to strictly comply with this section shall render the notice of termination void.

XII-4-2.04

This section shall not apply to the following types of residential real properties or residential circumstances:

1. Transient and tourist hotel occupancy as defined in subdivision (b) of Section 1940 of the Civil Code.

2. Housing accommodations in a nonprofit hospital, religious facility, extended care facility, licensed residential care facility for the elderly, as defined in Section 1569.2 of the Health and Safety Code, or an adult residential facility, as defined in Chapter 6 of Division 6 of Title 22 of the Manual of Policies and Procedures published by the State Department of Social Services.

3. Dormitories owned and operated by an institution of higher education or a kindergarten and grades 1 to 12, inclusive, school.

4. Housing accommodations in which the tenant shares bathroom or kitchen facilities with the owner who maintains their principal residence at the residential real property.

5. Single-family owner-occupied residences, including a residence in which the owner-occupant rents or leases no more than two units or bedrooms, including, but not limited to, an accessory dwelling unit or a junior accessory dwelling unit.

6. A duplex in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy.

7. Housing that has been issued a certificate of occupancy within the previous 15 years.

8. Residential real property that is alienable separate from the title to any other dwelling unit, provided that both of the following apply:

(a) The owner is not any of the following:

(i) A real estate investment trust, as defined in Section 856 of the Internal Revenue Code.

(ii) A corporation.

(iii) A limited liability company in which at least one member is a corporation.

(b) (i) The tenants have been provided written notice that the residential property is exempt from this section using the following statement:

"This property is not subject to the just cause requirements of Chapter 4 of Title XII of the City of Milpitas Municipal Code . This property meets the requirements of Section XII-4-2.04(8) of the City of Milpitas Municipal Code and the owner is not any of the following: (1) a real estate investment trust, as defined by Section 856 of the Internal Revenue Code; (2) a corporation; or (3) a limited liability company in which at least one member is a corporation."

(ii) For a tenancy existing before July 1, 2020, the notice required under clause (i) may, but is not required to, be provided in the rental agreement.

(iii) For any tenancy commenced or renewed on or after July 1, 2020, the notice required under clause (i) must be provided in the rental agreement.

(iv) Addition of a provision containing the notice required under clause (i) to any new or renewed rental agreement or fixed-term lease constitutes a similar provision for the purposes of paragraph (e) of Section XII-4-2.01.

9. Housing restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code or comparable federal statutes.

XII-4-2.05

An owner of residential real property subject to this section shall provide notice to the tenant as follows:

1. For any tenancy commenced or renewed on or after July 1, 2020, as an addendum to the lease or rental agreement, or as a written notice signed by the tenant, with a copy provided to the tenant.

2. For a tenancy existing prior to July 1, 2020, by written notice to the tenant no later than August 1, 2020, or as an addendum to the lease or rental agreement.

3. The notification or lease provision shall be in no less than 12-point type, and shall include the following:

"The City of Milpitas Municipal Code provides that after all of the tenants have continuously and lawfully occupied the property for 12 months or more or at least one of the tenants has continuously and lawfully occupied the property for 24 months or more, a landlord must provide a statement of cause in any notice to terminate a tenancy. See Chapter 4 of Title XII of the City of Milpitas Municipal Code for more information."

XII-4-2.06

Any waiver of the rights under this section shall be void as contrary to public policy.

XII-4-2.07

For the purposes of this Chapter, the following definitions shall apply:

(1) "Owner" and "residential real property" have the same meaning as those terms are defined in Civil Code Section 1954.51.

(2) “Tenancy” means the lawful occupation of residential real property and includes a lease or sublease.

SECTION 5. AUTHORITY

This Urgency Ordinance is enacted pursuant to the authority conferred upon the City Council of the City of Milpitas by Government Code 36937, and therefore shall be in full force and effect immediately upon its adoption by a four-fifths (4/5) vote of the City Council.

SECTION 6. EFFECTIVENESS OF ORDINANCE

This Ordinance shall remain in effect until Civil Code Section 1946.2, as enacted by AB 1482 becomes effective. On the day that Civil Code Section 1946.2 becomes effective, this Ordinance shall be repealed and shall be of no further force and effect.

SECTION 7. SEVERABILITY

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

SECTION 8. CERTIFICATION

The City Clerk shall certify as to the adoption of this Urgency Ordinance and shall cause it to be published within fifteen (15) days of the adoption and shall post a certified copy of this Urgency Ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with California Government Code Section 36933.

REGULAR

NUMBER: _____

TITLE: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILPITAS ENACTED PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 36937 ADDING CHAPTER 4 TO TITLE XII OF THE MILPITAS MUNICIPAL CODE RELATING TO JUST CAUSE EVICTION PROTECTION FOR TENANTS**

HISTORY: This Ordinance was introduced (first reading) by the City Council at its meeting of _____, upon motion by _____ and was adopted (second reading) by the City Council at its meeting of _____, upon motion by _____. The Ordinance was duly passed and published in accordance with the law by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

_____
Mary Lavelle, City Clerk

APPROVED:

_____
Rich Tran, Mayor

APPROVED AS TO FORM:

_____
Christopher J. Diaz, City Attorney

RECITALS:

WHEREAS, housing instability threatens the public peace, health, and safety as eviction from one's home can lead to prolonged homelessness; increased residential mobility; loss of community; strain on household finances due to the necessity of paying rental application fees and security deposits; stress and anxiety experienced by those displaced; increased commute times and traffic impacts if displaced workers cannot find affordable housing within the city in which they work; and interruption of the education of children in the home; and

WHEREAS, eviction creates particular hardships for individuals and households of limited means, given the shortage of affordable housing within the City of Milpitas and the region generally; and

WHEREAS, in the 2019 Homeless Census and Survey conducted by the County of Santa Clara, eviction was found to be the cause of homelessness for 14% of all homeless individuals surveyed and for 25% of families experiencing homelessness surveyed;[1] and

WHEREAS, the City Council has received public testimony at multiple meetings from Milpitas residents who declared that they and their neighbors were unwilling to register complaints against their landlords over unsuitable living conditions and/or violations of their leases by landlords or management companies, based on a fear of being evicted without just cause; and

WHEREAS, on September 11, 2019, the State legislature passed Assembly Bill No. 1482, the Tenant Protection Act of 2019 ("AB 1482"), which would, with certain exceptions, prohibit an owner of residential property from terminating a tenancy without just cause, and would additionally prohibit an owner of residential real property from, over the course of any 12-month period, increasing rent for a dwelling or unit more than 5% plus the percentage change in the cost of living or 10%, whichever is lower, and AB 1482 is currently awaiting the Governor's signature; and

WHEREAS, if AB 1482 is signed by the Governor, the restrictions on rent increases would apply to all rent increases occurring on or after March 15, 2019, but the prohibitions on eviction without just cause would not go into effect until January 1, 2020; and

WHEREAS, there is risk that landlords could seek to evict tenants without cause during the period before AB 1482 goes into effect in order to implement rent increases that would not otherwise be possible, and the City desires to prohibit such evictions without just cause during such period; and

WHEREAS, at a joint meeting of the Council's Housing Subcommittee and study session of the City Council on September 24, 2019, the City Council directed staff to prepare an urgency ordinance preserving existing affordable housing in the City by prohibiting eviction without just cause in a manner consistent with AB 1482; and

WHEREAS, the City Council finds and determines that regulating the relations between residential landlords and tenants will increase certainty and fairness within the residential rental market in the City and thereby serve the public peace, health, and safety; and

WHEREAS, this Ordinance is adopted pursuant to the City's police powers, afforded by the State Constitution and State law to protect the peace, health, and safety of the public.

NOW THEREFORE, the City Council of the City of Milpitas does ordain as follows:

SECTION 1. INCORPORATION OF RECITALS

[1] 2019 Santa Clara County Homeless Census & Survey Comprehensive Report, pp. 22 and 44 (available online at: https://www.sccgov.org/sites/osh/ContinuumofCare/ReportsandPublications/Pages/HomelessnessCensusandSurvey

The City Council hereby finds that all of the foregoing recitals and the staff report presented herewith are true and correct and are hereby incorporated and adopted as findings of the City Council as if fully set forth herein.

SECTION 2. AMENDMENT OF MILPITAS MUNICIPAL CODE, TITLE XII, CHAPTER 4

Chapter 4 is hereby added to Title XII of the Milpitas Municipal Code to read as follows:

Title XII - HOUSING

CHAPTER 4 - JUST CAUSE EVICTIONS

Section 1 – Citation.

This Chapter shall be known as the "Just Cause Eviction Ordinance."

Section 2 – Restrictions on Termination of Tenancy Without Cause

XII-4-2.00

Notwithstanding any other law, after a tenant has continuously and lawfully occupied a residential real property for 12 months, the owner of the residential real property shall not terminate the tenancy without just cause, which shall be stated in the written notice to terminate tenancy. If any additional adult tenants are added to the lease before an existing tenant has continuously and lawfully occupied the residential real property for 24 months, then this section shall only apply if either of the following are satisfied:

1. All of the tenants have continuously and lawfully occupied the residential real property for 12 months or more.

2. One or more tenants have continuously and lawfully occupied the residential real property for 24 months or more.

XII-4-2.01

For purposes of this section, "just cause" includes either of the following:

1. At-fault just cause, which is any of the following:

(a) Default in the payment of rent.

(b) A breach of a material term of the lease, as described in paragraph (3) of Section 1161 of the Code of Civil Procedure, including, but not limited to, violation of a provision of the lease after being issued a written notice to correct the violation.

(c) Maintaining, committing, or permitting the maintenance or commission of a nuisance as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

(d) Committing waste as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

(e) The tenant had a written lease that terminated on or after October 15, 2019, and after a written request or demand from the owner, the tenant has refused to execute a written extension or renewal of the lease for an additional term of similar duration with similar provisions, provided that those terms do not violate this section or any other provision of law.

(f) Criminal activity by the tenant on the residential real property, including any common areas, or any criminal activity or criminal threat, as defined in subdivision (a) of Section 422 of the Penal Code, on or off the residential real property, that is directed at any owner or agent of the owner of the residential real property.

(g) Assigning or subletting the premises in violation of the tenant's lease, as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

(h) The tenant's refusal to allow the owner to enter the residential real property as authorized by Sections 1101.5 and 1954 of the Civil Code, and Sections 13113.7 and 17926.1 of the Health and Safety Code.

(i) Using the premises for an unlawful purpose as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

(j) The employee, agent, or licensee's failure to vacate after their termination as an employee, agent, or a licensee as described in paragraph (1) of Section 1161 of the Code of Civil Procedure.

(k) When the tenant fails to deliver possession of the residential real property after providing the owner written notice as provided in Section 1946 of the Civil Code of the tenant's intention to terminate the hiring of the real property, or makes a written offer to surrender that is accepted in writing by the landlord, but fails to deliver possession at the time specified in that written notice as described in paragraph (5) of Section 1161 of the Code of Civil Procedure.

2. No-fault just cause, which includes any of the following:

(a) (i) Intent to occupy the residential real property by the owner or their spouse, domestic partner, children, grandchildren, parents, or grandparents.

(ii) For leases entered into on or after July 1, 2020, clause (i) shall apply only if the tenant agrees, in writing, to the termination, or if a provision of the lease allows the owner to terminate the lease if the owner, or their spouse, domestic partner, children, grandchildren, parents, or grandparents, unilaterally decides to occupy the residential real property. Addition of a provision allowing the owner to terminate the lease as described in this clause to a new or renewed rental agreement or fixed-term lease constitutes a similar provision for the purposes of subparagraph (e) of paragraph (1).

(b) Withdrawal of the residential real property from the rental market.

(c) (i) The owner complying with any of the following:

(1) An order issued by a government agency or court relating to habitability that necessitates vacating the residential real property.

(2) An order issued by a government agency or court to vacate the residential real property.

(3) A local ordinance that necessitates vacating the residential real property.

(ii) If it is determined by any government agency or court that the tenant is at fault for the condition or conditions triggering the order or need to vacate under clause (i), the tenant shall not be entitled to relocation assistance as outlined in paragraph (3) of Section XII-4-2.03.

(d) (i) Intent to demolish or to substantially remodel the residential real property.

(ii) For purposes of this subparagraph, "substantially remodel" means the replacement or substantial modification of any structural, electrical, plumbing, or mechanical system that requires a permit from a governmental agency, or the abatement of hazardous materials, including lead-based paint, mold, or asbestos, in accordance with applicable federal, State, and local laws, that cannot be reasonably accomplished in a safe manner

with the tenant in place and that requires the tenant to vacate the residential real property for at least 30 days. Cosmetic improvements alone, including painting, decorating, and minor repairs, or other work that can be performed safely without having the residential real property vacated, do not qualify as substantial rehabilitation.

XII-4-2.02

Before an owner of residential real property issues a notice to terminate a tenancy for just cause that is a curable lease violation, the owner shall first give notice of the violation to the tenant with an opportunity to cure the violation pursuant to paragraph (3) of Section 1161 of the Code of Civil Procedure. If the violation is not cured within the time period set forth in the notice, a three-day notice to quit without an opportunity to cure may thereafter be served to terminate the tenancy.

XII-4-2.03

1. For a tenancy for which just cause is required to terminate the tenancy under Section XII-4-2.01, if an owner of residential real property issues a termination notice based on a no-fault just cause described in paragraph (2) of Section XII-4-2.01), the owner shall, regardless of the tenant's income, at the owner's option, do one of the following:

(a) Assist the tenant to relocate by providing a direct payment to the tenant as described in paragraph 3, below.

(b) Waive in writing the payment of rent for the final month of the tenancy, prior to the rent becoming due.

2. If an owner issues a notice to terminate a tenancy for no-fault just cause, the owner shall notify the tenant of the tenant's right to relocation assistance or rent waiver pursuant to this section. If the owner elects to waive the rent for the final month of the tenancy as provided in subparagraph (a) of paragraph (1), the notice shall state the amount of rent waived and that no rent is due for the final month of the tenancy.

3. (a) The amount of relocation assistance or rent waiver shall be equal to one month of the tenant's rent that was in effect when the owner issued the notice to terminate the tenancy. Any relocation assistance shall be provided within 15 calendar days of service of the notice.

(b) If a tenant fails to vacate after the expiration of the notice to terminate the tenancy, the actual amount of any relocation assistance or rent waiver provided pursuant to this subdivision shall be recoverable as damages in an action to recover possession.

(c) The relocation assistance or rent waiver required by this section shall be credited against any other relocation assistance required by any other law.

4. An owner's failure to strictly comply with this section shall render the notice of termination void.

XII-4-2.04

This section shall not apply to the following types of residential real properties or residential circumstances:

1. Transient and tourist hotel occupancy as defined in subdivision (b) of Section 1940 of the Civil Code.

2. Housing accommodations in a nonprofit hospital, religious facility, extended care facility, licensed residential care facility for the elderly, as defined in Section 1569.2 of the Health and Safety Code, or an adult residential facility, as defined in Chapter 6 of Division 6 of Title 22 of the Manual of Policies and Procedures published by the State Department of Social Services.

3. Dormitories owned and operated by an institution of higher education or a kindergarten and grades 1 to 12, inclusive, school.

4. Housing accommodations in which the tenant shares bathroom or kitchen facilities with the owner who maintains their principal residence at the residential real property.

5. Single-family owner-occupied residences, including a residence in which the owner-occupant rents or leases no more than two units or bedrooms, including, but not limited to, an accessory dwelling unit or a junior accessory dwelling unit.

6. A duplex in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy.

7. Housing that has been issued a certificate of occupancy within the previous 15 years.

8. Residential real property that is alienable separate from the title to any other dwelling unit, provided that both of the following apply:

(a) The owner is not any of the following:

(i) A real estate investment trust, as defined in Section 856 of the Internal Revenue Code.

(ii) A corporation.

(iii) A limited liability company in which at least one member is a corporation.

(b) (i) The tenants have been provided written notice that the residential property is exempt from this section using the following statement:

"This property is not subject to the just cause requirements of Chapter 4 of Title XII of the City of Milpitas Municipal Code. This property meets the requirements of Section XII-4-2.04(8) of the City of Milpitas Municipal Code and the owner is not any of the following: (1) a real estate investment trust, as defined by Section 856 of the Internal Revenue Code; (2) a corporation; or (3) a limited liability company in which at least one member is a corporation."

(ii) For a tenancy existing before July 1, 2020, the notice required under clause (i) may, but is not required to, be provided in the rental agreement.

(iii) For any tenancy commenced or renewed on or after July 1, 2020, the notice required under clause (i) must be provided in the rental agreement.

(iv) Addition of a provision containing the notice required under clause (i) to any new or renewed rental agreement or fixed-term lease constitutes a similar provision for the purposes of paragraph (e) of Section XII-4-2.01.

9. Housing restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code or comparable federal statutes.

XII-4-2.05

An owner of residential real property subject to this section shall provide notice to the tenant as follows:

1. For any tenancy commenced or renewed on or after July 1, 2020, as an addendum to the lease or rental agreement, or as a written notice signed by the tenant, with a copy provided to the tenant.

2. For a tenancy existing prior to July 1, 2020, by written notice to the tenant no later than August 1, 2020, or as an addendum to the lease or rental agreement.

3. The notification or lease provision shall be in no less than 12-point type, and shall include the following:

"The City of Milpitas Municipal Code provides that after all of the tenants have continuously and lawfully occupied the property for 12 months or more or at least one of the tenants has continuously and lawfully occupied the property for 24 months or more, a landlord must provide a statement of cause in any notice to terminate a tenancy. See Chapter 4 of Title XII of the City of Milpitas Municipal Code for more information."

XII-4-2.06

Any waiver of the rights under this section shall be void as contrary to public policy.

XII-4-2.07

For the purposes of this Chapter, the following definitions shall apply:

(1) "Owner" and "residential real property" have the same meaning as those terms are defined in Civil Code Section 1954.51.

(2) "Tenancy" means the lawful occupation of residential real property and includes a lease or sublease.

SECTION 3. EFFECTIVENESS OF ORDINANCE

This Ordinance shall remain in effect until Civil Code Section 1946.2, as enacted by AB 1482 becomes effective. On the day that Civil Code Section 1946.2 becomes effective, this Ordinance shall be repealed and shall be of no further force and effect.

SECTION 4. SEVERABILITY

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

SECTION 5. EFFECTIVE DATE AND POSTING

In accordance with Section 36937 of the Government Code of the State of California, this Ordinance shall take effect thirty (30) days from and after the date of its passage. The City Clerk of the City of Milpitas shall cause this Ordinance or a summary thereof to be published in accordance with Section 36933 of the Government Code of the State of California.

MILPITAS MUNICIPAL FINANCING AUTHORITY
AGENDA REPORT
(AR)

Item Title:	**Adopt a Resolution of the Board of the Milpitas Municipal Financing Authority Approving a Debt Management Policy (Staff Contact: Walter C. Rossmann, 408-586-3111)**
Category:	Leadership and Support Services
Meeting Date:	10/15/2019
Staff Contact:	Walter C. Rossmann, Finance Director, 408-586-3111
Recommendation:	Adopt a Resolution of the Board of the Milpitas Municipal Financing Authority approving a Debt Management Policy, consistent with the policy previously approved by the City and its related entities.

Background:
The Milpitas Municipal Financing Authority, formed in March 2016, is a separate government entity whose purpose is to assist with the financing and refinancing of public programs, projects and capital improvements for the benefit of the City and the Housing Authority. The Municipal Financing Authority has the power to purchase bonds issued by any local agency at public or negotiated sale and may sell such bonds to public or private purchasers at public or negotiated sale. Previously, the City utilized the Milpitas Public Financing Authority for this purpose. However, one of the members of the Milpitas Public Financing Authority is the Successor Agency, which is in the process of winding down its affairs and, accordingly, a new joint exercise of powers agency was created.

On October 17, 2017, the City, the Successor Agency to the former Milpitas Redevelopment Agency, and the Milpitas Public Financing Authority adopted a debt management policy consistent with the requirements of SB 1029, which became effective on January 1, 2017.

Analysis:
The resolution recommended for Council consideration provides for the approval of the debt management policy by the Milpitas Municipal Financing Authority. There are only two changes to the proposed debt management policy: a change that reflects that the policy now covers the Milpitas Municipal Financing Authority instead of the Milpitas Public Financing Authority, which is not anticipated to issue any debt going forward; and a change to reflect original date and proposed amended date of the policy.

In order to raise funds for projects for the water system and wastewater system, the Authority is planning to issue revenue bonds. Prior to issuance of the bonds, the Authority will need to submit to the California Debt and Investment Advisory Commission (CDIAC) a preliminary report of debt issuance which will include a certification that the Authority has adopted a debt policy that meets the requirements of SB 1029, which became effective on January 1, 2017, and which are found in California Government Code 8855. Adoption of the debt policy by the Board is required for compliance with the legislation.

In accordance with Government Code 8855, a local debt policy must include all of the following:

(A) The purposes for which the debt proceeds may be used.

(B) The types of debt that may be issued.

(C) The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable.

(D) Policy goals related to the issuer's planning goals and objectives.

(E) The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

The contemplated debt management policy meets all of these requirements. As noted above, the debt management policy was previously adopted by the City and its related entities. The contemplated resolution would also adopt the policy to govern debt issued by the Authority and reflects the fact that the Milpitas Public Financing Authority is not anticipated to issue any debt going forward and, therefore, no longer needs to be covered by the policy.

Policy Alternative:

Alternative 1: Do not adopt the resolution approving the debt management policy for the Milpitas Municipal Financing Authority.

Pros: None.
Cons: If the Council does not adopt the resolution, the Milpitas Municipal Financing Authority would not be in compliance with state law regarding the issuance of debt.
Reason not recommended: The Milpitas Municipal Financing Authority would not be able to issue bonds for the water and wastewater system at this time.

Fiscal Impact:
None

California Environmental Quality Act:
Not applicable

Recommendation:
Adopt a Resolution of the Board of the Milpitas Municipal Financing Authority approving a Debt Management Policy, consistent with the policy previously approved by the City and its related entities.

Attachments:
1. Resolution of the Milpitas Municipal Financing Authority
2. Revised Debt Management Policy – red line version
3. Revised Debt Management Policy – clean version

RESOLUTION NO. ____

A RESOLUTION OF THE BOARD OF THE MILPITAS MUNICIPAL FINANCING AUTHORITY APPROVING A DEBT MANAGEMENT POLICY

WHEREAS, the City of Milpitas (the "City") and the City of Milpitas Housing Authority have entered into a Joint Exercise of Powers Agreement, dated as of March 1, 2016, establishing the Milpitas Municipal Financing Authority (the "Authority") for the purpose, among others, of having the Authority issue its bonds to finance the acquisition, construction and improvement of certain public capital improvements; and

WHEREAS, Senate Bill 1029 (SB 1029), which became effective on January 1, 2017, amended California Government Code 8855 to add certain requirements related to the issuance and administration of debt by local agencies such as the Authority, including the requirement to adopt a debt policy meeting the requirements of California Government Code 8855 prior to issuing any debt; and

WHEREAS, on October 17, 2017, the City Council, as the governing body of the City of Milpitas, the Successor Agency to the former Milpitas Redevelopment Agency, and the Milpitas Public Financing Authority, adopted a debt management policy (the "Original Debt Policy"); and

WHEREAS, the Board of the Authority wishes at this time to adopt and approve the Original Debt Policy, together with the revisions on file with the Secretary at this meeting, to govern future issuances of debt by the Authority; and

NOW, THEREFORE, BE IT RESOLVED, BY THE GOVERNING BOARD OF THE MILPITAS MUNICIPAL FINANCING AUTHORITY, AS FOLLOWS:

1. The Board of the Authority has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

2. The Board of the Authority hereby approves the Debt Policy which shall govern the issuance and administration of debt issued by the Authority, all in accordance with, and subject to, the conditions set forth in such policy.

PASSED AND ADOPTED this ___ day of _____, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: APPROVED:

_____ _____

Mary Lavelle, Secretary Rich Tran, Chair

APPROVED AS TO FORM:

_____

Christopher Diaz, General Counsel

CITY OF MILPITAS
SUCCESSOR AGENCY TO THE FORMER MILPITAS REDEVELOMPENT AGENCY
MILPITAS PUBLIC FINANCING AUTHORITY
MILPITAS MUNICIPAL FINANCING AUTHORITY

DEBT MANAGEMENT POLICY

~~Effective _____, 2017~~Initially Adopted October 17, 2017
Amended October 15, 2019

This Debt Management Policy (the "Debt Policy") establishes the parameters within which debt may be issued and administered by the City of Milpitas (the "City"), the Successor Agency to the former Milpitas Redevelopment Agency~~, and~~ the Milpitas Public Financing Authority, and the Milpitas Municipal Financing Authority (collectively, the "Covered Entities"). Additionally, these policies apply to debt issued by a Covered Entity on behalf of assessment district, community facilities district, or other special district, and conduit-type financing by a Covered Entity for multifamily housing or industrial development projects.

The Debt Policy may be utilized by staff of the Covered Entities with the discretion to deviate as determined appropriate by the City Manager or Director of Financial Services (or their equivalent positions), and may be amended by the governing board of the applicable Covered Entity as it deems appropriate from time to time in the prudent management of the debt and capital financing needs of the Covered Entities.

1. Findings

This Debt Policy is intended to comply with Government Code Section 8855(i), effective on January 1, 2017, and shall govern all debt undertaken by a Covered Entity.

The Covered Entities hereby recognize that a fiscally prudent debt policy is required in order to:

- Maintain the Covered Entities' sound financial position.
- Ensure the Covered Entities have the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the Covered Entities' credit-worthiness.
- Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the Covered Entities.
- Ensure that the Covered Entities' debt is consistent with their planning goals and objectives and capital improvement program or budget, as applicable.

2. Policies

A. Purposes For Which Debt May Be Issued

(i) Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition,

and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the City.

(a) Long-term debt financings are appropriate when the following conditions exist:

• When the project to be financed is necessary to provide basic services.

• When the project to be financed will provide benefit to constituents over multiple years.

• When total debt does not constitute an unreasonable burden to the Covered Entities and the City's taxpayers and/or ratepayers, as applicable.

• When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.

(b) Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.

(c) The Covered Entities may use long-term debt financings subject to the following conditions:

• The project to be financed must be approved by the governing board of the Covered Entity.

• The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.

• The Covered Entity estimates that sufficient revenues will be available to service the debt through its maturity.

• The Covered Entity determines that the issuance of the debt will comply with the applicable state and federal law.

(ii) Short-term debt. Short-term debt may be issued to provide financing for the Covered Entities' operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the Covered Entities may undertake lease-purchase financing for equipment.

(iii) Financings on Behalf of Other Entities. The Covered Entities may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties in order to further the public purposes of Covered Entities. In such cases, the Covered Entities shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein.

B. Types of Debt

The following types of debt are allowable under this Debt Policy:

• General obligation bonds (GO Bonds)

• Bond or grant anticipation notes

• Lease revenue bonds, certificates of participation (COPs) and lease-purchase transactions

• Other revenue bonds and COPs

• Tax and revenue anticipation notes (TRANs)

• Land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes

• Tax increment financing to the extent permitted under State law

• Conduit financings, such as financings for affordable rental housing and qualified 501(c)(3) organizations

The governing body may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

C. Relationship of Debt to Capital Improvement Program and Budget

The City and Covered Entities are committed to long-term capital planning. The City and Covered Entities intend to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the capital budget and the capital improvement plan.

The City and Covered Entities shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The City and Covered Entities shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The Covered Entities shall integrate their debt issuances with the goals of the capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of their public purposes.

The Covered Entities shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

D. Policy Goals Related to Planning Goals and Objectives

The City and Covered Entities are committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The Covered Entities intend to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the annual operations budget.

It is a policy goal of the City and the Covered Entities to protect taxpayers, ratepayers (if applicable) and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The City and the Covered Entities will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the Covered Entities to realize, whenever possible, and subject to any overriding non-financial policy considerations, minimum net present value debt service savings equal to or greater than 3.0%.

E. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the Covered Entities shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

Without limiting the foregoing, the Covered Entities will periodically review the requirements of and will remain in compliance with the following:

- Any continuing disclosure undertakings entered into by the Covered Entities in accordance with SEC Rule 15c2-12.

- Any federal tax compliance requirements, including, without limitation, arbitrage and rebate compliance.

- Investment policies as they relate to the use and investment of bond proceeds.

Proceeds of debt will be held either (a) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the Covered Entities upon the submission of one or more written requisitions by the City Manager or Director of Financial Services (or their equivalent positions), or his or her written designee, or (b) by the Covered Entity, to be held and accounted for in a separate fund or account, the expenditure of which will be carefully documented by the Covered Entity.

CITY OF MILPITAS
SUCCESSOR AGENCY TO THE FORMER MILPITAS REDEVELOMPENT AGENCY
MILPITAS MUNICIPAL FINANCING AUTHORITY

DEBT MANAGEMENT POLICY

Initially Adopted October 17, 2017
Revised October 15, 2019

This Debt Management Policy (the "Debt Policy") establishes the parameters within which debt may be issued and administered by the City of Milpitas (the "City"), the Successor Agency to the former Milpitas Redevelopment Agency,and the Milpitas Municipal Financing Authority (collectively, the "Covered Entities"). Additionally, these policies apply to debt issued by a Covered Entity on behalf of assessment district, community facilities district, or other special district, and conduit-type financing by a Covered Entity for multifamily housing or industrial development projects.

The Debt Policy may be utilized by staff of the Covered Entities with the discretion to deviate as determined appropriate by the City Manager or Director of Financial Services (or their equivalent positions), and may be amended by the governing board of the applicable Covered Entity as it deems appropriate from time to time in the prudent management of the debt and capital financing needs of the Covered Entities.

1. Findings

This Debt Policy is intended to comply with Government Code Section 8855(i), effective on January 1, 2017, and shall govern all debt undertaken by a Covered Entity.

The Covered Entities hereby recognize that a fiscally prudent debt policy is required in order to:

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- Protect the Covered Entities' credit-worthiness.
- Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the Covered Entities.
- Ensure that the Covered Entities' debt is consistent with their planning goals and objectives and capital improvement program or budget, as applicable.

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• When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.

(b) Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.

(c) The Covered Entities may use long-term debt financings subject to the following conditions:

• The project to be financed must be approved by the governing board of the Covered Entity.

• The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.

• The Covered Entity estimates that sufficient revenues will be available to service the debt through its maturity.

• The Covered Entity determines that the issuance of the debt will comply with the applicable state and federal law.

(ii) Short-term debt. Short-term debt may be issued to provide financing for the Covered Entities' operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the Covered Entities may undertake lease-purchase financing for equipment.

(iii) Financings on Behalf of Other Entities. The Covered Entities may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties in order to further the public purposes of Covered Entities. In such cases, the Covered Entities shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein.

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The following types of debt are allowable under this Debt Policy:

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• Tax increment financing to the extent permitted under State law

• Conduit financings, such as financings for affordable rental housing and qualified 501(c)(3) organizations

The governing body may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

C. Relationship of Debt to Capital Improvement Program and Budget

The City and Covered Entities are committed to long-term capital planning. The City and Covered Entities intend to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the capital budget and the capital improvement plan.

The City and Covered Entities shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The City and Covered Entities shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The Covered Entities shall integrate their debt issuances with the goals of the capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of their public purposes.

The Covered Entities shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

D. Policy Goals Related to Planning Goals and Objectives

The City and Covered Entities are committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The Covered Entities intend to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the annual operations budget.

It is a policy goal of the City and the Covered Entities to protect taxpayers, ratepayers (if applicable) and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The City and the Covered Entities will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the Covered Entities to realize, whenever possible, and subject to any overriding non-financial policy considerations, minimum net present value debt service savings equal to or greater than 3.0%.

E. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the Covered Entities shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

Without limiting the foregoing, the Covered Entities will periodically review the requirements of and will remain in compliance with the following:

- Any continuing disclosure undertakings entered into by the Covered Entities in accordance with SEC Rule 15c2-12.

- Any federal tax compliance requirements, including, without limitation, arbitrage and rebate compliance.

- Investment policies as they relate to the use and investment of bond proceeds.

Proceeds of debt will be held either (a) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the Covered Entities upon the submission of one or more written requisitions by the City Manager or Director of Financial Services (or their equivalent positions), or his or her written designee, or (b) by the Covered Entity, to be held and accounted for in a separate fund or account, the expenditure of which will be carefully documented by the Covered Entity.

CITY OF MILPITAS/MILPITAS MUNICIPAL FINANCING AUTHORITY AGENDA REPORT (AR)

Item Title:	**Adopt Resolutions Authorizing the Sale and Issuance of tax-exempt Wastewater Revenue Bonds and Authorize Interim City Manager to Execute Contract with Jones Hall, A Professional Law Corporation (Staff Contact: Walter C. Rossmann, 408-586-3111)**
Category:	Leadership and Support Services
Meeting Date:	10/15/2019
Staff Contact:	Walter C. Rossmann, 408-586-3111
Recommendations:	1. Adopt resolutions of the City Council of the City of Milpitas and the Milpitas Municipal Financing Authority authorizing and directing the City Manager, Assistant City Manager or Director of Finance to execute the sale and issuance of 2019 Wastewater Revenue Bonds with an estimated aggregate principal amount of not-to-exceed $36 million to finance the acquisition, construction and/or improvement of capital improvements to the Wastewater System. 2. Authorize the Interim City Manager to execute a contract with Jones Hall, A Professional Law Corporation, for Bond Counsel Services.

Background:

This staff report relates to the proposed issuance of the 2019 tax-exempt Wastewater Revenue Bonds, (the "Bonds") by the Milpitas Municipal Financing Authority (the "Authority"). The City Council serving in its role as governing body of the Authority is asked to approve issuance of the Bonds and all related documents. The near-final versions of these documents are attached.

The City of Milpitas owns and operates its municipal sewer collection system consisting of 179 miles of gravity pipe and 5 miles of force main. The system also includes two pump stations, which lifts sewer out of low-lying neighborhoods and pumps all City sewage through dual 2.5 miles force mains to the City for the San José/ Santa Clara Regional Wastewater Facility (Treatment Facility). The City of San Jose operates the Treatment Facility and, through a "Master Agreement," accepts sewage flow from the City for treatment. The Treatment Facility serves three cities and four sanitation districts in the region. In accordance with the terms of the agreement, the City pays a proportionate share of the Treatment Facility's operations, maintenance, and capital improvement cost each year. The infrastructure at the Treatment Facility is at or near the end of its useful life and is overdue for renewal and modernization.

The City's FY 2019-2024 Capital Improvement Program and adopted Wastewater Rate Study prior approvals were based on the City issuing bonds to finance $35 million to fund costs billed to the City for the San José/ Santa Clara Regional Wastewater Facility (Treatment Facility). At the January 29, 2019 Fiscal Year 2019-20 Budget Study Session, the May 15, 2019 Study Session on the FY 2019-20 Operating Budget, as well as the 2019-24 Five Year Capital Improvement Program, the issuance of Bonds was discussed. The FY 2019-20 Adopted Budget as approved by Council assumes the bond proceeds to fund infrastructure improvements.

Today's interest rate environment is very favorable for issuing long-term debt, which means historically low borrowing costs for the City. The current 10-year yield is 1.42% and the 30-year yield is 1.83%. These rates are approximately 150 basis points lower than they were a year ago.

Analysis:
Staff, working with its consultants, has determined that, due to prevailing financial market conditions, it is in the best interests of the City at this time to issue tax-exempt Bonds since interest rates are at or near historic lows. The Bonds will generate proceeds of $35million to pay the costs billed to the City for capital improvements at the San Jose/ Santa Clara Regional Wastewater Treatment Facility. The Bonds will mature in FY 2050 and the City will make semi-annual debt service payments on May 1 and November 1, commencing on May 1, 2020. This term and resulting annual principal and interest payments are in alignment with the Council approved rate study.

The City will be obtaining an underlying credit rating for the Bonds from Standards & Poor's. It is expected the credit rating from Standards & Poor's will help the City obtain the best possible interest rates. The City's 2017 Wastewater Refunding Revenue Bonds are currently rated AA+.

The resolutions being presented for approval authorizes the issuance of the Bonds and approves the form and authorizes execution of the related financing documents including a draft of a Preliminary Official Statement that describes the terms of the Bonds. The resolutions contain parameters that the principal amount of the Bonds cannot exceed $36 million, the Underwriter's Discount with respect to the Bonds shall not exceed 0.50% of the principal amount of the Bonds, and the true interest cost of the bonds shall not exceed 5%. The financing documents will be finalized when the exact terms of the Bonds are determined at the time the Bonds are sold to investors, anticipated to occur around October 24th with an anticipated bond closing of early November. The forms of the documents to be approved are:

This term and resulting annual principal and interest payments area in alignment with the Council approved rate study.

- **Indenture of Trust –** The Indenture is a contract between the Authority and U.S. Bank National Association, acting as Trustee. The Indenture specifies the Trustee, dated date, maturity date or dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds.
- **Installment Sale Agreement –** The Installment Sale Agreement is a contract between the Authority and the City, under which the Authority agrees to provide financing for the Wastewater Projects and to sell the completed Wastewater Projects to the City in consideration of the payment by the City of semiannual installment payments which are sufficient to provide revenues with which to pay principal of, and interest on, the Bonds when due.
- **Bond Purchase Agreement –** The Bond Purchase Agreement is a contract between the Authority, the City and Stifel, Nicolaus & Company, as underwriter (the "Underwriter"), whereby the Authority agrees to sell the Bonds to the Underwriter and the Underwriter agrees to buy the Bonds from the Authority for resale to the public.
- **Preliminary Official Statement –** The Preliminary Official Statement is the offering statement used by the Underwriter to inform the marketplace of the terms of the Bonds and contains all relevant information for the investor to decide whether to purchase the Bonds.
- **Continuing Disclosure Certificate -** Contained in the Preliminary Official Statement is the form of the Continuing Disclosure Certificate, which requires the City to submit annual continuing disclosure reports and notice of certain listed events to the marketplace as long as the Bonds are outstanding. Willdan Financial Services, as dissemination agent, assists the City with this responsibility.

The financing team consisting of bond counsel, financial advisor, staff, and the City Attorney's Office reviewed and approved for transmittal the Preliminary Official Statement to the City Council, sitting as the governing body of the Authority. The distribution of the Preliminary Official Statement by the Authority is subject to federal securities laws, including the Securities Act of 1933 and the Securities Exchange Act of 1934. These laws require the Preliminary Official Statement to include all facts that would be material to an investor related to the purchase of the Bonds. Material information is information that there is a substantial likelihood would have actual significance in the deliberations of the reasonable investor when deciding whether to buy or sell the Bonds. If the members of the City Council conclude that the Preliminary Official Statement includes all fa

that would be material to an investor in the Bonds, it may adopt a resolution that authorizes staff to execute a certificate to the effect that the Preliminary Official Statement has been "deemed final."

The Securities and Exchange Commission (the "SEC"), the agency with regulatory authority over compliance with federal securities laws, has issued guidance as to the duties of the members of the City Council, sitting as the governing body of the Authority, with respect to its approval of the Preliminary Official Statement. In its "Report of Investigation in the Matter of County of Orange, California as it Relates to the Conduct of the Members of the Board of Supervisors" (Release No. 36761, January 24, 1996), the SEC indicated that, if a member of the governing body has knowledge of any facts or circumstances that an investor would want to know about prior to investing in the Bonds, whether relating to their repayment, tax-exempt status, undisclosed conflicts of interest with interested parties, or otherwise, he or she should endeavor to discover whether such facts are adequately disclosed in the Preliminary Official Statement. In the release, the SEC indicated that the steps that a member of the governing body could take include becoming familiar with the Preliminary Official Statement and questioning staff and consultants about the disclosure of such facts.

The proposed bonds are being issued under the City's adopted debt and disclosure policies (see attached) approved by the City Council on October 17, 2017 and the Authority's debt policy anticipated to be approved by the Board on October 15, 2019. The proposed bonds meet all requirements outlined in the City's adopted policies.

Pursuant to the requirements of Section 5852.1 of the California Government Code ("Code"), set forth below are good faith estimates provided by the Municipal Advisor, based on market conditions as of September 26, 2019. The following estimates and the final costs will depend on market conditions and can be expected to vary from the estimated amounts set forth below.

- The true interest cost of the Bonds is estimated at 3.23% calculated as provided in Section 5852.1(a)(1)(A) of the Code.
- The finance charge of the Bonds, including all fees and charges paid to third parties, including underwriter's discount, is estimated at $342,896.
- Proceeds of the Bonds received by the Authority for the sale of the Bonds, less the finance charge, is equal to $35,000,000.
- The total payment amount including principal and interest calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at $55,428,825.

Bond Counsel Services

The issuance of bonds requires specialized legal services. Staff has engaged Jones Hall, A Professional Law Corporation, to support the issuances of the wastewater bonds and seeks Council approval of the attached contract in the amount of $98,000. The contract amount for each contract supporting the bond issuance of the wastewater bonds and the companion item on tonight's agenda for the water bonds are within the City Manager's contract approval authority of $100,000. However, since these contracts are for similar legal services the combined contract amounts require Council approval for award of contract. Therefore, staff in consultation with the City Attorney's recommends that the Council authorizes the interim City Manager to execute the contract.

Policy Alternative:

Alternative 1: Do not issue bonds to finance the Wastewater System's capital improvements and use existing reserves and debt payment savings to pay for improvements

Pros: Avoids interest payments over 30 years in the amount of $20.4 million
Cons: Without the bond financing, the City will not be able to comply with its contractual obligations
Reason not recommended: The Sewer Fund does not have sufficient reserves to pay for the contractual payment of $35 million.

Fiscal Impact:

The sale of the Bonds will have no financial impact on the City's General Fund, as all payments of principal and interest on the Bonds will be paid solely from Wastewater System Net Revenues. It is estimated that the average annual debt service payment will be approximately $1.8 million which has been included in the rate increases for the current and next three fiscal years as approved by the Council on February 19, 2019.

California Environmental Quality Act:
Not applicable

Recommendations:
1. Adopt resolutions of the City Council of the City of Milpitas and the Milpitas Municipal Financing Authority authorizing and directing the City Manager, Assistant City Manager or Director of Finance to execute the sale and issuance of 2019 Water Revenue Bonds with an estimated aggregate principal amount not to exceed $21 million to finance the acquisition, construction and/ or improvement of capital improvements to the Water System.
2. Authorize the City Manager to execute a contract with Jones Hall, A Professional Law Corporation, for Bond Counsel Services.

Attachments:
1. City Council Resolution
2. Municipal Financing Authority Resolution
3. Installment Sale Agreement
4. Indenture of Trust
5. Bond Purchase Agreement
6. Preliminary Official Statement
7. City Debt Policy
8. Disclosure Policies
9. Professional Services Agreement with Jones Hall

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS APPROVING, AUTHORIZING AND DIRECTING EXECUTION OF CERTAIN FINANCING DOCUMENTS AND DIRECTING CERTAIN RELATED ACTIONS IN CONNECTION WITH FINANCING CERTAIN IMPROVEMENTS TO THE CITY'S WASTEWATER SYSTEM

WHEREAS, the City of Milpitas (the "City") and the City of Milpitas Housing Authority have entered into a Joint Exercise of Powers Agreement, dated as of March 1, 2016, establishing the Milpitas Municipal Financing Authority (the "Authority") for the purpose, among others, of having the Authority issue its bonds to finance the acquisition, construction and improvement of certain public capital improvements; and

WHEREAS, for the purpose of raising funds necessary to finance certain improvements to the City's wastewater system (the "Wastewater Projects"), the Authority proposes to authorize the issuance of its revenue bonds under the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), designated as the Milpitas Municipal Financing Authority 2019 Wastewater Revenue Bonds (the "Bonds"); and

WHEREAS, pursuant to an Installment Sale Agreement between the City and the Authority (the "Installment Sale Agreement"), the City will purchase the Wastewater Projects from the Authority, and the Authority will use the installment payments paid by the City pursuant to the Installment Sale Agreement to pay debt service on the Bonds; and

WHEREAS, there has been prepared a Preliminary Official Statement containing information to be used in connection with the sale of the Bonds; and

WHEREAS, the information required to be obtained and disclosed pursuant to Government Code Section 5852.1 prior to the issuance of the Bonds is set forth in the staff report accompanying this Resolution; and

WHEREAS, the City Council of the City has duly considered such transactions and wishes at this time to approve the financing documents related to the Bonds and certain related actions;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MILPITAS, AS FOLLOWS:

Section 1. Issuance of Bonds by the Authority. The City Council hereby approves the issuance of the Bonds by the Authority under the Act for the purpose of providing funds to finance the acquisition, construction and installation of the Wastewater Projects. The aggregate principal amount of the Bonds shall not exceed $36,000,000.

Section 2. Approval of Installment Sale Agreement. The City Council hereby approves the Installment Sale Agreement between the Authority and the City, under which the Authority agrees to provide financing for the Wastewater Projects and to sell the completed Wastewater Projects to the City in consideration of the payment by the City of semiannual installment payments which are sufficient to provide revenues with which to pay principal of and interest on the Bonds when due. The Installment Sale Agreement is hereby approved in substantially the form on file with the City Clerk together with any changes therein or additions thereto deemed advisable by the City Manager, the Assistant City Manager or the Finance Director (each, an "Authorized Officer"), and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the City to execute, and the City Clerk is hereby authorized and directed to attest to, if necessary, the final form of the Installment Sale Agreement.

Repayment of the installment payments by the City shall be secured by a pledge of the net revenues of the City's wastewater system, on a parity with the pledge in favor of the holders of the City of Milpitas Wastewater Revenue Refunding Bonds, Series 2017 (Bank Qualified).

Section 3. Sale of Bonds by the Authority. The City Council hereby approves the negotiated sale of the Bonds by the Authority to BofA Securities, Inc., as underwriter (the "Underwriter"). The Bonds shall be sold to the Underwriter under the Bond Purchase Agreement among the Authority, the City and the Underwriter, which is hereby appr

substantially the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by an Authorized Officer, and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the City to accept an offer from the Underwriter to purchase the Bonds from the Authority and to execute the final form of the Bond Purchase Agreement in the name of the City.

Section 4. Official Statement. The City Council hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, a preliminary Official Statement for the Bonds in the form on file with the City Clerk. An Authorized Officer is authorized, at the request of the Underwriter, to execute an appropriate certificate affirming the City Council's determination that said preliminary Official Statement has been deemed final within the meaning of said Rule. The City Council approves the distribution of the preliminary Official Statement by the Underwriter to prospective investors, in substantially the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by an Authorized Officer. An Authorized Officer is authorized and directed to approve any changes in or additions to a final form of an Official Statement for the Bonds, and the execution thereof by an Authorized Officer will be conclusive evidence of approval of any such changes and additions. The City Council authorizes the distribution of the final Official Statement by the Underwriter, which will include final pricing information related to the Bonds.

Section 5. Official Actions. The Authorized Officers are each authorized and directed in the name and on behalf of the City to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, including but not limited to a Continuing Disclosure Certificate in substantially the form attached to the Official Statement which is approved under Section 4, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this Resolution any officer of the City is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of any person serving in such role in an interim capacity or by any officer or person designated by such officer to act on his or her behalf.

Section 6. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this _____day of _____, 2019, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

_____
Mary Lavelle, City Clerk

APPROVED:

_____
Rich Tran, Mayor

APPROVED AS TO FORM:

_____
Christopher Diaz, City Attorney

RESOLUTION NO. ____

A RESOLUTION OF THE BOARD OF THE MILPITAS MUNICIPAL FINANCING AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF WASTEWATER REVENUE BONDS IN AN AMOUNT NOT TO EXCEED $36,000,000 TO ASSIST IN FINANCING CERTAIN IMPROVEMENTS TO THE WASTEWATER SYSTEM OF THE CITY OF MILPITAS, AND APPROVING RELATED DOCUMENTS AND ACTIONS

WHEREAS, the City of Milpitas (the "City") and the City of Milpitas Housing Authority have entered into a Joint Exercise of Powers Agreement, dated as of March 1, 2016, establishing the Milpitas Municipal Financing Authority (the "Authority") for the purpose, among others, of having the Authority issue its bonds to finance the acquisition, construction and improvement of certain public capital improvements; and

WHEREAS, for the purpose of raising funds necessary to finance certain improvements to the City's wastewater system (the "Wastewater Projects"), the Authority proposes to authorize the issuance of its revenue bonds under the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), designated as the Milpitas Municipal Financing Authority 2019 Wastewater Revenue Bonds (the "Bonds"); and

WHEREAS, pursuant to an Installment Sale Agreement between the City and the Authority (the "Installment Sale Agreement"), the City will purchase the Wastewater Projects from the Authority, and the Authority will use the installment payments made by the City to the Authority pursuant to the Installment Sale Agreement to pay debt service on the Bonds; and

WHEREAS, there has been prepared a Preliminary Official Statement containing information to be used in connection with the sale of the Bonds; and

WHEREAS, the information required to be obtained and disclosed pursuant to Government Code Section 5852.1 prior to the issuance of the Bonds is set forth in the staff report accompanying this Resolution; and

WHEREAS, the governing board (the "Board") of the Authority has duly considered such transactions and wishes at this time to approve the financing documents related to the Bonds and certain related actions.

NOW, THEREFORE, BE IT RESOLVED, BY THE GOVERNING BOARD OF THE MILPITAS MUNICIPAL FINANCING AUTHORITY, AS FOLLOWS:

Section 1. Issuance of Bonds. The Board hereby authorizes the issuance of the Bonds under the Act for the purpose of providing funds to finance the acquisition, construction and installation of the Wastewater Projects. The aggregate principal amount of the Bonds shall not exceed $36,000,000.

Section 2. Approval of Related Financing Agreements. The Board hereby approves each of the following agreements relating to the issuance and sale of the Bonds, in substantially the respective forms on file with the Secretary, together with any changes therein or additions thereto deemed advisable by the Executive Director or the Treasurer (each, an "Authorized Officer"), and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the Authority to execute, and the Secretary is hereby authorized and directed to attest to, if necessary, the final form of each of the following agreements:

- Indenture of Trust, between the Authority and U.S. Bank National Association, as trustee, setting forth the terms and provisions relating to the Bonds.

- Installment Sale Agreement, between the Authority and the City, under which the Authority agrees to provide financing for the Wastewater Projects and to sell the completed Wastewater Projects to the City in consideration of the payment by the City of semiannual installment payments which are sufficient to provide revenues with which to pay principal of, and interest on, the Bonds when due.

Repayment of the installment payments by the City shall be secured by a pledge of the net revenues of the City's wastewater system, on a parity with the pledge in favor of the holders of the City of Milpitas Wastewater Revenue Refunding Bonds, Series 2017 (Bank Qualified) issued in the original principal amount of $4,725,000.

Section 3. Sale of Bonds. The Board hereby approves the sale of the Bonds by negotiation with BofA Securities, Inc., as underwriter (the "Underwriter"). The Bonds shall be sold to the Underwriter under the Bond Purchase Agreement among the Authority, the City and the Underwriter, which is hereby approved in substantially the form on file with the Secretary, together with any changes therein or additions thereto deemed advisable by an Authorized Officer, and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions; provided, that the Underwriter's discount shall not exceed 0.5%, and the true interest cost of the Bonds shall not exceed 5.0%. An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the Authority to accept an offer from the Underwriter to purchase the Bonds from the Authority and to execute the final form of the Bond Purchase Agreement in the name of the Authority.

Section 4. Official Statement. The Board hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, a preliminary Official Statement for the Bonds in the form on file with the Secretary. An Authorized Officer is authorized, at the request of the Underwriter, to execute an appropriate certificate affirming the Authority's determination that said preliminary Official Statement has been deemed final within the meaning of said Rule. The Board approves the distribution of the preliminary Official Statement by the Underwriter to prospective investors, in substantially the form on file with the Secretary together with any changes therein or additions thereto deemed advisable by an Authorized Officer. An Authorized Officer is authorized and directed to approve any changes in or additions to a final form of an Official Statement for the Bonds, and the execution thereof by an Authorized Officer will be conclusive evidence of approval of any such changes and additions. The Board authorizes the distribution of the final Official Statement by the Underwriter, which will include final pricing information related to the Bonds.

Section 5. Official Actions. The Authorized Officers of the Authority are each authorized and directed in the name and on behalf of the Authority to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this Resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of any person serving in such role in an interim capacity or by any officer or person designated by such officer to act on his or her behalf.

Section 6. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this _____day of _____, 2019, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

_____
Mary Lavelle, Secretary

APPROVED:

_____
Rich Tran, Chair

APPROVED AS TO FORM:

_____
Christopher Diaz, General Counsel

INSTALLMENT SALE AGREEMENT

Dated as of _____ 1, 2019

between the

MILPITAS MUNICIPAL FINANCING AUTHORITY,
as Seller

and the

CITY OF MILPITAS,
as Purchaser

Relating to

$_____
Milpitas Municipal Financing Authority
2019 Wastewater Revenue Bonds

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INSTALLMENT SALE AGREEMENT

This INSTALLMENT SALE AGREEMENT (this "Agreement"), dated as of _____ 1, 2019, is between the MILPITAS MUNICIPAL FINANCING AUTHORITY, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the "Authority"), as seller, and the CITY OF MILPITAS, a municipal corporation duly organized and existing under the laws of the State of California (the "City"), as purchaser.

B A C K G R O U N D :

1. The City presently owns, operates and/or contracts for facilities and property for the collection and conveyance of wastewater within the service area of the City (as further defined herein, the "Wastewater System"), and the City wishes to raise funds to finance additional obligations of the Wastewater System as described in Appendix B hereto (the "2019 Wastewater Project").

2. The Authority has been organized for the purpose of assisting the City in its public purposes, and to that end the Authority is authorized to assist the City in financing the costs of acquisition, construction and installation of the 2019 Wastewater Project.

3. In order to provide funds to finance the acquisition, construction and installation of the 2019 Wastewater Project, the Authority has proposed to sell the 2019 Wastewater Project to the City on an installment basis, and the City has proposed to purchase the 2019 Wastewater Project from the Authority as provided in this Agreement.

4. The Authority will provide the necessary funds for the acquisition, construction and installation of the 2019 Wastewater Project by issuing its Milpitas Municipal Financing Authority 2019 Wastewater Revenue Bonds (the "2019 Bonds"), in the aggregate principal amount of $_____ under an Indenture of Trust dated as of _____ 1, 2019, by and between the Authority and U.S. Bank National Association, as trustee (the "Indenture"), and under the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the "Bond Law").

5. The debt service on the 2019 Bonds will be payable from Installment Payments made under this Agreement.

6. Repayment of the Installment Payments by the City shall be secured by a pledge of the Net Revenues of the Wastewater System, on a parity with the pledge in favor of the holders of Parity Debt, including the 2017 Bonds (as defined herein).

7. The Authority and the City have both duly authorized the execution and delivery of this Agreement.

A G R E E M E N T :

In consideration of the foregoing and the material covenants hereinafter contained, the City and the Authority formally covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS; RULES OF INTERPRETATION

SECTION 1.1. Definitions. Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Agreement have the respective meanings given them in Article I of the Indenture.

SECTION 1.2. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1. Representations, Covenants and Warranties of the City. The City represents, covenants and warrants to the Authority and the Trustee as follows:

(a) Due Organization and Existence. The City is a municipal corporation duly organized and validly existing under the laws of the State of California, has full legal right, power and authority under said laws to enter into this Agreement and to carry out and consummate all transactions contemplated hereby and thereby, and by proper action the Council has duly authorized the execution and delivery of this Agreement.

(b) Due Execution. The officers of the City executing this Agreement are fully authorized to execute the same.

(c) Valid, Binding and Enforceable Obligations. This Agreement has been duly authorized, executed and delivered by the City and constitutes the legal, valid and binding agreement of the City enforceable against the City in accordance with its terms; except as the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and except as such enforceability may be subject to the exercise of judicial discretion in accordance with principles of equity.

(d) No Conflicts. The execution and delivery of this Agreement, the consummation of the transactions herein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the City is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially adversely affect the consummation of the transactions contemplated by this Agreement or the financial condition, assets, properties or operations of the City, including but not limited to the performance of the City's obligations under this Agreement.

(e) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the City or of the voters of the City, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Indenture, or the consummation of any transaction herein contemplated, except as have been obtained or made and as are in full force and effect.

(f) No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the City after reasonable investigation, threatened against or affecting the City or the assets, properties or operations of the City which, if determined adversely to the City or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Indenture, or upon the financial condition, assets, properties or operations of the City, and the City is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially adversely affect the consummation of the transactions contemplated by this Indenture, or the financial conditions, assets, properties or operations of the City, including but not limited to the payment and performance of the City's obligations under this Indenture.

(g) Encumbrances. There are no easements, encumbrances or interests with respect to the Wastewater System or the 2019 Wastewater Project that prohibit or materially impair the execution, delivery and performance of this Installment Sale Agreement or the acquisition or use of the 2019 Wastewater Project or the use of the Wastewater System.

SECTION 2.2. Representations, Covenants and Warranties of Authority. The Authority represents, covenants and warrants to the City and the Trustee as follows:

(a) Due Organization and Existence. The Authority is a joint exercise of powers authority organized and existing under the laws of the State of California, and has power to enter into this Agreement and the Indenture and to perform the duties and obligations imposed on it hereunder and thereunder. The Board of the Authority has duly authorized the execution and delivery of this Agreement and the Indenture.

(b) Due Execution. The representatives of the Authority executing this Agreement and the Indenture are fully authorized to execute the same.

(c) Valid, Binding and Enforceable Obligations. This Agreement and the Indenture have been duly authorized, executed and delivered by the Authority and constitute the legal, valid and binding agreements of the Authority, enforceable against the Authority in accordance with their respective terms; except as the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and except as such enforceability may be subject to the exercise of judicial discretion in accordance with principles of equity.

(d) No Conflicts. The execution and delivery hereof and of the Indenture, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the Authority is a party or by

which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Authority, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially adversely affect the consummation of the transactions contemplated hereby and by the Indenture or the financial condition, assets, properties or operations of the Authority, including but not limited to the performance of the Authority's obligations under this Agreement and the Indenture.

(e) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the Authority, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery hereof or of the Indenture, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the Authority after reasonable investigation, threatened against or affecting the Authority or the assets, properties or operations of the Authority which, if determined adversely to the Authority or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Agreement or the Indenture, or upon the financial condition, assets, properties or operations of the Authority, and the Authority is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially adversely affect the consummation of the transactions contemplated by this Agreement or the Indenture or the financial conditions, assets, properties or operations of the Authority, including but not limited to the performance of the Authority's obligations hereunder and under the Indenture.

(g) Encumbrances. To the best knowledge of the Authority, there are no easements, encumbrances or interests with respect to the Wastewater System or the 2019 Wastewater Project that prohibit or materially impair the execution, delivery and performance of this Installment Sale Agreement or the acquisition or use of the 2019 Wastewater Project or the use of the Wastewater System.

ARTICLE III

ISSUANCE OF 2019 BONDS; CONSTRUCTION OF 2019 WASTEWATER PROJECT

SECTION 3.1. The 2019 Bonds. The Authority shall cause the 2019 Bonds to be issued under the Indenture in the aggregate principal amount of $_____. The Trustee shall deposit the proceeds of sale of the 2019 Bonds received by it on the Closing Date in accordance with the Indenture. The City hereby approves the Indenture, the assignment thereunder to the Trustee of certain rights of the Authority, and the issuance of the 2019 Bonds.

SECTION 3.2. Deposit and Application of Funds. The proceeds received by the Trustee from the sale of the Bonds to the Original Purchaser shall be deposited in the respective funds and accounts, and in the respective amounts, as set forth in Section 3.02 of the Indenture.

SECTION 3.3. Acquisition and Construction of the 2019 Wastewater Project. The Authority hereby agrees with due diligence to supervise and provide for, or cause to be supervised and provided for, the acquisition, construction and installation of the 2019 Wastewater Project in accordance with the plans and specifications, purchase orders, construction contracts and other documents relating thereto and approved by the City under all applicable requirements of law. All contracts for, and all work relating to, the acquisition, construction and installation of the 2019 Wastewater Project are subject to all applicable provisions of law relating to the acquisition and construction of public works by the City. The Authority expects that the 2019 Wastewater Project will be completed on or before [[_____, 20__]]. The failure of the Authority to complete the 2019 Wastewater Project by that date does not constitute an Event of Default hereunder or a grounds for termination hereof, nor does any such failure result in the diminution, abatement or extinguishment of the obligations of the City hereunder to pay the Installment Payments when due hereunder.

SECTION 3.4. Appointment of City as Agent. The Authority hereby appoints the City as its agent to carry out all phases of the acquisition, construction and installation of the 2019 Wastewater Project under and in accordance with the provisions hereof. The City hereby accepts such appointment and assumes all rights, liabilities, duties and responsibilities of the Authority regarding the acquisition, construction and installation of the 2019 Wastewater Project. As agent of the Authority hereunder, the City shall enter into, administer and enforce all purchase orders or other contracts relating to the 2019 Wastewater Project. Payment of Project Costs shall be made by the City from amounts held by the Trustee in the Project Fund in accordance with the provisions of this Agreement and the provisions of the Indenture.

SECTION 3.5. Plans and Specifications. The City has the right to specify the exact scope, nature and identification of the 2019 Wastewater Project and the respective components thereof. Before any payment is made for the 2019 Wastewater Project or any component thereof from amounts on deposit in the Project Fund, the City must prepare detailed plans and specifications relating thereto. The City may from time to time amend any such plans and specifications, and thereby change or modify the description of the 2019 Wastewater Project or any component thereof.

SECTION 3.6. Certificate of Completion. Upon the completion of the 2019 Wastewater Project, but in any event not later than 30 days following such completion, an

Authorized Representative of the City shall execute and deliver to the Authority and the Trustee a Written Certificate of the City which (a) states that the construction of the 2019 Wastewater Project has been substantially completed, (b) identifies the total Project Costs thereof, and (c) identifies the amounts, if any, to be reserved in the Project Fund for payment of future Project Costs.

ARTICLE IV

SALE OF PROJECTS; INSTALLMENT PAYMENTS

SECTION 4.1. Sale of 2019 Wastewater Project. The Authority hereby sells, bargains and conveys the 2019 Wastewater Project to the City, and the City hereby purchases the 2019 Wastewater Project from the Authority, upon the terms and conditions set forth in this Agreement.

SECTION 4.2. Term. The Term of this Agreement commences on the Closing Date, and ends on [[_____ 1, 20__]], or such later or earlier date on which the Bonds cease to be Outstanding under and within the meaning of the Indenture.

SECTION 4.3. Title. Title to the 2019 Wastewater Project, and each component thereof, shall be deemed conveyed by the Authority to and vested in the City upon the completion of the acquisition, construction and installation thereof. The Authority and the City will execute, deliver and cause to be recorded any and all documents reasonably required by the City to consummate the transfer of title to the Wastewater System and the 2019 Wastewater Project.

SECTION 4.4. Installment Payments.

(a) Obligation to Pay. The City hereby agrees to pay to the Authority, as the purchase price of the 2019 Wastewater Project hereunder, the aggregate principal amount of _____ Dollars ($_____) together with interest (calculated on the basis of a 360-day year of twelve 30-day months) on the unpaid principal balance thereof, payable in semiannual installment payments in the respective amounts and on the respective Installment Payment Dates specified in Appendix A hereto.

The City shall deposit the Installment Payment coming due and payable on any Interest Payment Date with the Trustee, as assignee of the Authority under the Indenture, on the related Installment Payment Date (as set forth in Exhibit A hereto) in an amount which, together with amounts then held by the Trustee in the Installment Payment Fund, is equal to the full amount of such Installment Payment. The Installment Payments are secured by and payable solely from the sources specified in Section 4.5.

(b) Effect of Prepayment. If the City prepays all remaining Installment Payments in full under Section 7.2 or Section 7.3, or under the relevant provisions of any Supplemental Agreement, the City's obligations under this Agreement shall thereupon cease and terminate, including but not limited to the City's obligation to pay Installment Payments therefor under this Section 4.4; *provided, however,* that the City's obligations to compensate and indemnify the Trustee under Sections 4.7 and 5.2 will survive such prepayment. If the City prepays the Installment Payments in part but not in whole under Section 7.2 or Section 7.3, or under the relevant provisions of any Supplemental Agreement, the principal component of each succeeding Installment Payment will be reduced as provided in such Sections or in such Supplemental Agreement, and the interest component of each remaining Installment Payment will be reduced by the aggregate corresponding amount of interest which would otherwise be payable with respect to the Bonds thereby redeemed under the applicable provisions of the Indenture.

(c) Rate on Overdue Payments. If the City fails to make any of the payments required in this Section 4.4 and Section 4.8, the payment in default will continue as an obligation of the City until fully paid, and the City agrees to pay the same with interest thereon, from the date of default to the date of payment, at the Overdue Rate.

(d) Assignment. The City understands and agrees that certain rights of the Authority, including but not limited to the right of the Authority to receive payment of the Installment Payments, have been assigned by the Authority to the Trustee in trust under the Indenture, for the benefit of the Owners of the Bonds, and the City hereby consents to such assignment. The Authority hereby directs the City, and the City hereby agrees, to pay to the Trustee at its Principal Corporate Trust Office, all payments payable by the City under this Section 4.4 and all amounts payable by the City under Article VII.

SECTION 4.5. Pledge and Application of Net Revenues.

(a) Pledge of Net Revenues. All of the Net Revenues and all moneys on deposit in the Wastewater Fund and the funds and accounts established and held by the Trustee under the Indenture (other than the Project Fund and Cost of Issuance Fund) are hereby irrevocably pledged, charged and assigned to the punctual payment of the Installment Payments. Such pledge, charge and assignment constitute a lien on the Net Revenues and such other moneys for the payment of the Installment Payments in accordance with the terms hereof, on a parity with the pledge and lien which secures any Parity Debt.

(b) Deposit of Net Revenues Into Wastewater Fund; Transfers to Make Payments. The City has previously established the Wastewater Fund, which the City will continue to hold and maintain for the purposes and uses set forth herein. The City shall deposit all of the Gross Revenues in the Wastewater Fund immediately upon receipt. The City shall apply amounts in the Wastewater Fund as set forth in this Agreement and any Parity Debt Instruments. Amounts on deposit in the Wastewater Fund shall be applied by the City to pay when due the following amounts in the following order of priority:

(i) all Maintenance and Operation Costs (including amounts reasonably required to be set aside in contingency reserves for Maintenance and Operation Costs) as such Maintenance and Operation Costs become due and payable;

(ii) to the Trustee (or other recipient set forth in a Parity Debt Instrument) the amount needed to pay the Installment Payments and principal of, and interest on, any Parity Debt;

(iii) to the Trustee (or other recipient set forth in a Parity Debt Instrument) the amount of any deficiency in any reserve fund established for any Bonds or Parity Debt, the notice of which deficiency has been given to the City in accordance with the Indenture and the related Parity Debt Instruments, on a pro rata basis; and

(iv) as long as all of the foregoing payments, allocations and transfers are made at the times and in the manner set forth above, any moneys remaining in the Wastewater Fund may at any time be treated as surplus and applied for any lawful purpose.

(c) No Preference or Priority. Payment of the Installment Payments and the principal of and interest on any Parity Debt shall be made without preference or priority among the Installment Payments and such Parity Debt. If the amount of Net Revenues on deposit in the Wastewater Fund is at any time insufficient to enable the City to pay when due the Installment Payments and the principal of and interest on any Parity Debt, such payments shall be made on a pro rata basis.

(d) Budget and Appropriation of Installment Payments. During the Term of this Agreement, the City shall adopt all necessary budgets and make all necessary appropriations of the Installment Payments from the Net Revenues. If any Installment Payment requires the adoption by the City of any supplemental budget or appropriation, the City shall promptly adopt the same. The covenants on the part of the City contained in this subsection (d) constitute duties imposed by law and it is the duty of each and every public official of the City to take such actions and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in this subsection (d).

SECTION 4.6. Special Obligation of the City; Obligations Absolute. The City's obligation to pay the Installment Payments and any other amounts coming due and payable hereunder is a special obligation of the City limited solely to the Net Revenues. Under no circumstances is the City required to advance moneys derived from any source of income other than the Net Revenues and other sources specifically identified herein for the payment of the Installment Payments and such other amounts. No other funds or property of the City are liable for the payment of the Installment Payments and any other amounts coming due and payable hereunder.

The obligations of the City to pay the Installment Payments from the Net Revenues and to perform and observe the other agreements contained herein are absolute and unconditional and are not subject to any defense or any right of set-off, counterclaim or recoupment arising out of any breach by the Authority or the Trustee of any obligation to the City or otherwise with respect to the Wastewater System, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the City by the Authority or the Trustee. Until all of the Installment Payments, all of the Additional Payments and all other amounts coming due and payable hereunder are fully paid or prepaid, the City (a) will not suspend or discontinue payment of any Installment Payments, Additional Payments or such other amounts, (b) will perform and observe all other agreements contained in this Agreement, and (c) will not terminate this Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Wastewater System, failure to complete the acquisition and construction of the 2019 Wastewater Project by the estimated completion date thereof, sale of the Wastewater System, the taking by eminent domain of title to or temporary use of any component of the Wastewater System, commercial frustration of purpose, any change in the tax law or other laws of the United States of America or the State of California or any political subdivision of either thereof, or any failure of the Authority or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture or this Agreement.

The foregoing provisions of this Section 4.6 do not release the Authority from the performance of any of the agreements on its part contained herein or in the Indenture, and if the Authority fails to perform any such agreements, the City may institute such action against the Authority as the City deems necessary to compel performance, so long as such action does not

abrogate the obligations of the City contained in the preceding paragraph. The City may, however, at its cost and expense and in its name or in the name of the Authority, prosecute or defend any action or proceeding or take any other action involving third persons which the City deems reasonably necessary in order to secure or protect the City's rights hereunder, and in such event the Authority shall cooperate fully with the City and shall take such action necessary to effect the substitution of the City for the Authority in such action or proceeding as the City may request.

SECTION 4.7. Additional Payments. In addition to the Installment Payments, the City shall pay when due the following amounts to the following parties:

(a) to the Authority, all costs and expenses incurred by the Authority to comply with the provisions of this Agreement and the Indenture;

(b) to the Trustee upon request therefor, all of its fees, costs and expenses payable as a result of the performance of and compliance with its duties hereunder or under the Indenture or any related documents;

(c) to the Authority and the Trustee, all amounts required to indemnify the Authority and the Trustee under Section 5.2 hereof and Section 8.07 of the Indenture; and

(d) all costs and expenses of auditors, engineers and accountants for professional services relating to the Wastewater System or the Bonds.

The Additional Payments shall be payable from, but shall not be secured by a pledge or lien upon, the Net Revenues. The rights of the Trustee and the Authority under this Section 4.7, and the obligations of the City under this Section 4.7, shall survive the termination of this Agreement.

ARTICLE V

COVENANTS OF THE CITY

SECTION 5.1. Disclaimer of Warranties; Maintenance, Utilities and Taxes.

(a) The Trustee makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the City of the Project or any component thereof, or any other representation or warranty with respect to any of the Project or any component thereof. In no event is the Authority liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Agreement or the Indenture for the existence, furnishing, functioning or use of the Project.

(b) Throughout the Term of this Agreement, all improvement, repair and maintenance of the Wastewater System shall be the responsibility of the City, and the City shall pay for or otherwise arrange for the payment of all utility services supplied to the Wastewater System, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, Wastewater and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Wastewater System resulting from ordinary wear and tear.

The City shall also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Authority or the City affecting the Wastewater System or the respective interests or estates therein; provided, however, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are required to be paid during the Term of this Agreement as and when the same become due.

SECTION 5.2. Release and Indemnification Covenants. The City agrees to indemnify the Authority and the Trustee and their respective officers, agents, successors and assigns, against all claims, losses and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management of, or from any work or thing done on or about the Wastewater System by the City, (b) any breach or default on the part of the City in the performance of any of its obligations under this Agreement or the Indenture, (c) any act or omission of the City or of any of its agents, contractors, servants, employees or licensees with respect to the Wastewater System, and (d) any act or omission of any lessee of the City with respect to the Wastewater System. No indemnification is made under this Section 5.2 or elsewhere in this Agreement for willful misconduct or negligence under this Agreement by the Authority, or the Trustee, or their respective officers, agents, employees, successors or assigns. The provisions of this Section 5.2 shall survive the expiration of the Term of this Agreement.

SECTION 5.3. Sale or Eminent Domain of Wastewater System.

(a) The City will not sell, lease or otherwise dispose of the Wastewater System or any part thereof essential to the proper operation of the Wastewater System or to the maintenance of the Net Revenues except as herein expressly permitted. The City will not enter into any lease or agreement which impairs the operation of the Wastewater System or any part thereof necessary to secure adequate Net Revenues for the payment of the interest on and principal or redemption price, if any, on the Bonds, or which would otherwise impair the rights of the holders of the Bonds with respect to the Net Revenues or the operation of the Wastewater System. Any real

or personal property which has become non-operative or which is not needed for the efficient and proper operation of the Wastewater System, or any material or equipment which has worn out, may be sold at not less than the market value thereof without the consent of the holders of the Bonds if such sale will not reduce Net Revenues and if all of the Net Proceeds of such sale are deposited in the Wastewater Fund.

(b) If all or any part of the Wastewater System shall be taken by eminent domain proceedings, the Net Proceeds realized by the City therefrom shall be deposited by the City with the Trustee in a special fund in trust and applied by the City (a) to the cost of acquiring or constructing or financing Improvements to the Wastewater System, or (b) to redeem Bonds or any Parity Debt in accordance with the Indenture or the applicable Parity Debt Instruments.

SECTION 5.4. Insurance. The City covenants that it shall at all times maintain such insurance on the Wastewater System as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to such works or properties.

Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing and shall be payable to the City, or may be in the form of self-insurance by the City. The City shall establish such fund or funds or reserves as it determines, in its sole judgment, are necessary to provide for its share of any such self-insurance.

All amounts collected from insurance against accident to or destruction of any portion of the Wastewater System shall be used to repair or rebuild such damaged or destroyed portion of the Wastewater System, and to the extent not so applied, shall be applied to redeem Bonds or any Parity Debt in accordance with the Indenture or the applicable Parity Debt Instruments.

SECTION 5.5. Records and Accounts. The City covenants that it shall keep proper books of record and accounts of the Wastewater System, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Wastewater System. Said books shall, upon reasonable request, be subject to the inspection of the Owners of not less than 10% of the Outstanding Bonds or their representatives authorized in writing.

The City covenants that it will cause the books and accounts of the Wastewater System to be audited annually by an Independent Certified Public Accountant and will make available for inspection by the Bond Owners at the Principal Corporate Trust Office of the Trustee, upon reasonable request, a copy of the report of such Independent Certified Public Accountant.

The City covenants that it will cause to be prepared annually, not more than 180 days after the close of each Fiscal Year, as a part of its regular annual financial report, a summary statement showing the amount of Gross Revenues and the amount of all other funds collected which are required to be pledged or otherwise made available as security for payment of principal of and interest on the Bonds, the disbursements from the Gross Revenues and other funds in reasonable detail. The City shall furnish a copy of the statement to the Trustee, and upon written request, to any Bond Owner.

SECTION 5.6. Rates and Charges.

(a) The City shall fix, prescribe, revise and collect Charges for the Wastewater System during each Fiscal Year which are at least sufficient, after making allowances for

contingencies and error in the estimates, to produce Gross Revenues (excluding connection fees and transfers to the Wastewater Fund from the Rate Stabilization Fund) which will be sufficient to pay the following amounts:

(i) all Maintenance and Operation Costs of the Wastewater System estimated by the City to become due and payable in such Fiscal Year;

(ii) the Installment Payments and Debt Service on any Parity Debt;

(iii) all other payments required for compliance with this Agreement, the Indenture and the Parity Debt Instruments; and

(iv) all payments required to meet any other obligations of the City that are charges, liens, encumbrances upon or payable from the Gross Revenues of the Wastewater System or the Net Revenues of the Wastewater System.

(b) In addition, the City shall fix, prescribe, revise and collect Charges for the Wastewater System during each Fiscal Year which are sufficient to yield Net Revenues (including, for clarity, connection fees and transfers into the Wastewater Fund from the Rate Stabilization Fund in such Fiscal Year (after deducting amounts transferred into the Rate Stabilization Fund from Gross Revenues received by the City in such Fiscal Year)) at least equal to 115% of the amounts payable under the preceding clause (a)(ii) in such Fiscal Year. For purposes of this paragraph, the amount of Net Revenues for a Fiscal Year will be computed on the basis that any transfers into the Wastewater Fund in such Fiscal Year from the Rate Stabilization Fund are included in the calculation of Net Revenues (except to the extent of amounts transferred into the Rate Stabilization Fund from Gross Revenues received by the City in such Fiscal Year), as provided in this Agreement.

SECTION 5.7. Superior and Subordinate Obligations. The City may not issue or incur any additional bonds or other obligations during the Term of this Agreement having any priority in payment of principal or interest out of the Net Revenues over the Installment Payments. Nothing herein is intended or shall be construed to limit or affect the ability of the City to issue, enter into or incur (a) Parity Debt under Section 5.8, or (b) obligations which are either unsecured or which are secured by an interest in the Net Revenues which is junior and subordinate to the pledge of and lien upon the Net Revenues established hereunder.

SECTION 5.8. Issuance of Parity Debt. In addition to the Installment Payments, the City may, by a Parity Debt Instrument, issue or incur other loans, advances or indebtedness payable from Net Revenues to be derived from the Wastewater System, to provide financing for the Wastewater System, in such principal amount as shall be determined by the City. The City may issue or incur any such Parity Debt subject to the following specific conditions that are hereby made conditions precedent to the issuance and delivery of such Parity Debt:

(a) The City shall be in compliance with all covenants set forth in this Agreement and in the Indenture.

(b) The Net Revenues of the Wastewater System, calculated on generally accepted accounting principles, as shown by the books of the City for the latest Fiscal Year or any more recent 12-month period selected by the City ending not more than 60 days prior to the adoption of the Parity Debt Instrument pursuant to which such Parity Debt are issued, as shown by the books of the City, plus, at the option of the City, any or

all of the items hereinafter in this paragraph designated (i) and (ii), shall at least equal 115% of Maximum Annual Debt Service, with Maximum Annual Debt Service calculated on all bonds and other obligations to be outstanding immediately subsequent to the issuance of such Parity Debt which have a lien on Net Revenues of the Wastewater System. The items any or all of which may be added to such Net Revenues for the purpose of issuing or incurring Parity Debt hereunder are the following:

(i) An allowance for Net Revenues from any additions to or improvements or extensions of the Wastewater System to be made with the proceeds of such Parity Debt, and also for Net Revenues from any such additions, improvements or extensions which have been made from moneys from any source but in any case which, during all or any part of such Fiscal Year or such 12-month period, were not in service, all in an amount equal to 90% of the estimated additional average annual Net Revenues to be derived from such additions, improvements and extensions for the first 36-month period in which each addition, improvement or extension is respectively to be in operation, all as shown in the written report of an Independent Consultant engaged by the City; and

(ii) An allowance for revenues projected to arise from any increase in the Charges which has been approved by the Council prior to the incurring of such additional indebtedness but which, during all or any part of such Fiscal Year or such 12-month period, was not in effect, in an amount equal to the amount by which the Net Revenues would have been increased if such increase in Charges had been in effect during the whole of such Fiscal Year or such 12-month period, all as shown in the written report of an Independent Consultant engaged by the City. For the avoidance of doubt, a Charge shall be considered to have been approved by the Council and may be considered in the calculation of the allowance described in the previous sentence if the Charge is part of a multi-year rate increase that has been approved by the Council, even if the specific Charge will not take effect until a subsequent Fiscal Year.

(c) The Parity Debt Instrument providing for the issuance of such Parity Debt under this Section 5.8 shall:

(i) Provide that the proceeds of such Parity Debt shall be applied to the acquisition, construction, improvement, financing or refinancing of additional facilities, improvements or extensions of existing facilities within the Wastewater System, or otherwise for facilities, improvements or property which the City determines are of benefit to the Wastewater System, or for the purpose of refunding any Parity Debt in whole or in part, including all costs (including costs of issuing such Parity Debt and including capitalized interest on such Parity Debt during any period which the City deems necessary or advisable) relating thereto;

(ii) specify the date on which interest on such Parity Debt will be payable; and

(iii) specify the date on which principal on such Parity Debt will be payable.

(d) Notwithstanding the foregoing, Parity Debt proposed to be issued for the purpose of refunding any Parity Debt may be issued without compliance with subsection (b) and (c)(i), so long as such refunding results in lower Debt Service in each Fiscal Year after such refunding and the final maturity (or termination) date of the refunding Parity Debt is no later than the final maturity (or termination) date of the refunded Parity Debt.

SECTION 5.10. Maintenance and Operation of Wastewater System in Efficient and Economical Manner. The City covenants and agrees to maintain and operate the Wastewater System in an efficient and economical manner and to operate, maintain and preserve the Wastewater System in good repair and working order.

SECTION 5.11. Assignment and Amendment. The Authority and the City may at any time amend or modify any of the provisions of this Agreement, but only: (a) with the prior written consents of the Owners of a majority in aggregate principal amount of the Outstanding Bonds; or (b) without the consent of the Trustee or any of the Bond Owners, but only if such amendment or modification is for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City contained in this Agreement, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the City;

(ii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained herein, to conform to the original intention of the City and the Authority;

(iii) to modify, amend or supplement this Agreement in such manner as to assure that the interest on the Bonds remains excluded from gross income under the Tax Code (provided that this provision shall not apply to bonds the interest on which is intended to be included in gross income for purposes of federal income taxation);

(iv) in any other respect whatsoever as the Authority and the City deem necessary or desirable, if in the opinion of Bond Counsel such modifications or amendments do not materially adversely affect the interests of the Owners of the Bonds; and

(v) to provide for the issuance of Parity Debt pursuant to Section 5.8 hereof, including the addition of any provisions required with respect to Parity Debt relating to Variable Rate Bonds, and to Swap Agreements.

No such modification or amendment may extend or have the effect of extending any Installment Payment Date or reducing any Installment Payment or any premium payable upon the prepayment thereof, without the express consent of the Owners of the affected Bonds, or modify any of the rights or obligations of the Trustee without its written assent thereto.

SECTION 5.12. Continuing Disclosure. The City hereby covenants and agrees to comply with and carry out all of the provisions of each Continuing Disclosure Certificate, as originally executed as of the date of issuance and delivery of the Bonds, and as it may be amended from time to time in accordance with its terms. The City shall direct the Dissemination Agent to provide all Annual Reports and notices of Listed Events to the Insurer, when and as

such documents are provided by the City under the Continuing Disclosure Certificate. Notwithstanding any other provision of this Agreement, failure by the City to comply with the Continuing Disclosure Certificate shall not constitute a default hereunder or under the Indenture of Trust; *provided, however*, that any Participating Underwriter or any Owner or beneficial owner of the Bonds may take such action as may be necessary and appropriate to compel performance by the City of its obligations under this Section 5.12, including seeking mandamus or specific performance by court order. All capitalized terms used but not defined in this Section 5.12 shall have the meanings given in the Continuing Disclosure Certificate.

SECTION 5.13. Rate Stabilization Fund. The City has the right at any time to establish a rate stabilization fund (the "Rate Stabilization Fund") to be held by it and administered in accordance with this Section 5.13, for the purpose of stabilizing the rates and charges imposed by the City with respect to the Wastewater System. From time to time the City may deposit amounts in the Rate Stabilization Fund, from any source of legally available funds, including but not limited to Net Revenues that are released from the pledge and lien which secures the Installment Payments and any Parity Debt, as the City may determine.

The City may, but is not required to, withdraw from any amounts on deposit in a Rate Stabilization Fund and deposit such amounts in the Wastewater Fund in any Fiscal Year for the purpose of paying Debt Service coming due and payable in such Fiscal Year. Amounts so transferred from a Rate Stabilization Fund to the Wastewater Fund shall constitute Gross Revenues for such Fiscal Year (except to the extent of amounts transferred into the Rate Stabilization Fund from Gross Revenues received by the City in such Fiscal Year), and shall be applied for the purposes of the Wastewater Fund. Amounts on deposit in a Rate Stabilization Fund shall not be pledged to or otherwise secure the Installment Payments or any Parity Debt. All interest or other earnings on deposits in a Rate Stabilization Fund shall be withdrawn therefrom at least annually and accounted for as Gross Revenues in the Wastewater Fund. The City has the right at any time to withdraw any or all amounts on deposit in a Rate Stabilization Fund and apply such amounts for any lawful purposes of the City.

ARTICLE VI

EVENTS OF DEFAULT

SECTION 6.1. Events of Default Defined. The following events constitute Events of Default hereunder:

(a) Failure by the City to pay any Installment Payment when due and payable hereunder.

(b) Failure by the City to pay any Additional Payment when due and payable hereunder, and the continuation of such failure for a period of 30 days.

(c) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in the preceding clauses (a) or (b), for a period of 60 days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Authority or the Trustee; *provided, however,* that if the City notifies the Authority and the Trustee that in its reasonable opinion the failure stated in the notice can be corrected, but not within such 60-day period, such failure will not constitute an event of default hereunder if the City commences to cure such failure within such 60 day period and thereafter diligently and in good faith cures the failure in a reasonable period of time.

(d) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

(e) The occurrence of any event defined to be an event of default under any Parity Debt Instruments.

SECTION 6.2. Remedies on Default. If an Event of Default occurs and is continuing, the Trustee as assignee of the Authority has the right, at its option and without any further demand or notice, to take any one or more of the following actions:

(a) Declare all principal components of the unpaid Installment Payments, together with accrued interest thereon at the Overdue Rate from the immediately preceding Interest Payment Date on which payment was made, to be immediately due and payable, whereupon the same shall immediately become due and payable.

Notwithstanding the foregoing provisions of this subsection (a), the Trustee shall rescind and annul such declaration and its consequences if, before any judgment or decree for the payment of the moneys due has been obtained or entered, (i) the City deposits with the Trustee a sum sufficient to pay all principal components of the Installment Payments coming due prior to such declaration and all matured interest components (if any) of the Installment Payments, with

interest on such overdue principal and interest components calculated at the Overdue Rate, and (ii) the City pays the reasonable expenses of the Trustee (including any fees and expenses of its attorneys), and (iii) any and all other defaults known to the Trustee (other than in the payment of the principal and interest components of the Installment Payments due and payable solely by reason of such declaration) have been made good. No such rescission and annulment will extend to or shall affect any subsequent default, or impair or exhaust any right or power consequent thereon.

(b) Take whatever action at law or in equity may appear necessary or desirable to collect the Installment Payments then due or thereafter to become due during the Term of this Agreement, or enforce performance and observance of any obligation, agreement or covenant of the City under this Agreement.

(c) As a matter of right, in connection with the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and the Bond Owners hereunder, cause the appointment of a receiver or receivers of the Gross Revenues and other amounts pledged hereunder, with such powers as the court making such appointment may confer.

SECTION 6.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive. Every such remedy is cumulative and in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default impairs any such right or power or operates as a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article VI, it is not necessary to give any notice, other than such notice as may be required in this Article VI or by law.

SECTION 6.4. Agreement to Pay Attorneys' Fees and Expenses. If either party to this Agreement defaults under any of the provisions hereof and the nondefaulting party, the Trustee or the Owner of any Bonds employs attorneys or incurs other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party, the Trustee or such Owner, as the case may be, the reasonable fees of such attorneys and such other expenses so incurred. The provisions of this Section 6.4 survive the expiration of the Term of this Agreement.

SECTION 6.5. No Additional Waiver Implied by One Waiver. If any agreement contained in this Agreement is breached by either party and thereafter waived by the other party, such waiver is limited to the particular breach so waived and does not waive any other breach hereunder.

SECTION 6.6. Trustee and Bond Owners to Exercise Rights. Such rights and remedies as are given to the Authority under this Article VI have been assigned by the Authority to the Trustee under the Indenture, to which assignment the City hereby consents. Such rights and remedies shall be exercised by the Trustee and the Owners of the Bonds as provided in the Indenture.

ARTICLE VII

PREPAYMENT OF INSTALLMENT PAYMENTS

SECTION 7.1. Security Deposit. Notwithstanding any other provision hereof, the City may on any date secure the payment of Installment Payments, in whole or in part, by irrevocably depositing with the Trustee an amount of cash which, together with other available amounts, is either:

(a) sufficient to pay all such Installment Payments, including the principal and interest components thereof, when due under Section 4.4(a), or

(b) invested in whole or in part in non-callable Defeasance Obligations in such amount as will, in the opinion of an Independent Certified Public Accountant (which opinion is addressed and delivered to the Trustee), together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay all such Installment Payments when due under Section 4.4(a) or when due on any optional prepayment date under Section 7.2, as the City instructs at the time of said deposit.

If the City makes a security deposit under this Section for the payment of all remaining Installment Payments, all obligations of the City hereunder, and the pledge of Net Revenues and all other security provided by this Agreement for said obligations, will thereupon cease and terminate, excepting only the obligation of the City to make, or cause to be made, all Installment Payments from the security deposit. The security deposit will be deemed to be and will constitute a special fund for the payment of the Installment Payments in accordance with the provisions hereof.

SECTION 7.2. Optional Prepayment Relating to the 2019 Bonds. The City may exercise its option to prepay the principal components of the Installment Payments relating to the 2019 Bonds in whole or in part on any date on or after [[_____ 1, 20__]]. The City may exercise such option by payment of a prepayment price equal to the sum of (a) the aggregate principal components of the Installment Payments relating to the 2019 Bonds to be prepaid, (b) the interest component of the Installment Payment relating to the 2019 Bonds required to be paid on or accrued to such date, and (c) the premium (if any) then required to be paid upon the corresponding redemption of the 2019 Bonds under Section 4.01(a) of the Indenture. The Trustee shall deposit the prepayment price in the Installment Payment Fund to be applied to the redemption of 2019 Bonds under Section 4.01(a) of the Indenture. If the City prepays the Installment Payments in part but not in whole, the principal components will be prepaid among such maturities and in such integral multiples of $5,000 as the City designates in written notice to the Trustee.

SECTION 7.3. Mandatory Prepayment From Proceeds of Insurance, Sale or Condemnation. The City shall prepay the Installment Payments on any date, in whole, or in part among maturities on a pro rata basis in any integral multiple of $5,000, from and to the extent of any proceeds of insurance, sale or condemnation awards with respect to the Wastewater System theretofore paid to the Trustee for such purpose under Sections 5.3 or 5.4. The City and the Authority hereby agree that such proceeds, to the extent remaining after payment of any delinquent Installment Payments, will be deposited in the Installment Payment Fund and credited towards the City's obligations under this Section 7.3.

SECTION 7.4. Credit for Amounts on Deposit. If the City prepays the Installment Payments in full under this Article VII, such that the Indenture is discharged by its terms as a result of the prepayment, and upon payment in full of all Additional Payments and other amounts then due and payable hereunder, all available amounts then on deposit in the funds and accounts established under the Indenture shall be credited towards the amounts then required to be so prepaid.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.1. Further Assurances. The City agrees that it will execute and deliver any and all such further agreements, instruments, financing statements or other assurances as may be reasonably necessary or requested by the Authority or the Trustee to carry out the intention or to facilitate the performance of this Agreement, including, without limitation, to perfect and continue the security interests herein intended to be created.

SECTION 8.2. Notices. Any notice, request, complaint, demand or other communication under this Agreement must be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopier or other form of telecommunication, at its number set forth below. Notice is effective either (a) upon transmission by fax or other form of telecommunication, (b) upon actual receipt after deposit in the United States of America mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority, the City and the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the City or the Authority:	City of Milpitas 455 East Calaveras Blvd. Milpitas, CA 95035 Attention: Finance Director Telephone: (408) 586-3111 Fax: (408) 586-3110
If to the Trustee:	U.S. Bank National Association One California Street, Suite 1000 San Francisco, California 94111 Attention: Global Corporate Trust Services Telephone: (415) _____ Fax: (415) _____

SECTION 8.3. Governing Law. This Agreement will be construed in accordance with and governed by the laws of the State of California.

SECTION 8.4. Binding Effect. This Agreement inures to the benefit of and is binding upon the Authority and the City and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 8.5. Severability of Invalid Provisions. If any one or more of the provisions contained in this Agreement are for any reason held to be invalid, illegal or unenforceable in any respect, then such provision or provisions will be deemed severable from the remaining provisions contained in this Agreement and such invalidity, illegality or unenforceability will not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority and the City each hereby declares that it would have entered into this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Agreement may be held illegal, invalid or unenforceable.

SECTION 8.6. Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, are solely for convenience of reference and do not affect the meaning, construction or effect of this Agreement. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender mean and include words of the feminine and neuter genders.

SECTION 8.7. Payment on Non-Business Days. Whenever any payment is required to be made hereunder on a day that is not a Business Day, such payment shall be made on the immediately preceding Business Day.

SECTION 8.8. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which will for all purposes be deemed to be an original and all of which together constitute but one and the same instrument.

SECTION 8.9. Waiver of Personal Liability. No member of the Council, officer, agent or employee of the City has any individual or personal liability for the payment of Installment Payments or Additional Payments or be subject to any personal liability or accountability by reason of this Agreement; but nothing herein contained relieves any such member of the Council, officer, agent or employee from the performance of any official duty provided by law or by this Agreement.

SECTION 8.10. Trustee as Third Party Beneficiary. The Trustee is hereby made a third party beneficiary hereof and is entitled to the benefits of this Agreement with the same force and effect as if the Trustee was a party hereto.

IN WITNESS WHEREOF, the Authority and the City have caused this Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

MILPITAS MUNICIPAL FINANCING AUTHORITY,
as Seller

By _____
Name: _____
Title: _____

CITY OF MILPITAS, *as Purchaser*

By _____
Name: _____
Title: _____

APPENDIX A

SCHEDULE OF INSTALLMENT PAYMENTS

Interest Payment Date[(1)]	Principal Component	Interest Component	Total Payment

(1) Installment Payment Dates are the third (3rd) Business Day immediately preceding each Interest Payment Date shown in the table.

APPENDIX B

DESCRIPTION OF 2019 Wastewater Project

The 2019 Wastewater Project will consist of the following improvements, and any other improvements to the Wastewater System approved by the Council:

Capital improvements being undertaken at the San José/Santa Clara Regional Wastewater Facility, and for which the City expects to be billed approximately $35,000,000. This amount is expected to be billed to the City by the City of San José over the next two to three years pursuant to the Master Agreement for Wastewater Treatment Between City of San José, City of Santa Clara and City of Milpitas, dated as of March 1, 1983 (the "Master Agreement").

INDENTURE OF TRUST

Dated as of _____ 1, 2019

between the

MILPITAS MUNICIPAL FINANCING AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Authorizing the Issuance of

$_____
Milpitas Municipal Financing Authority
2019 Wastewater Revenue Bonds

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APPENDIX A FORM OF 2019 BOND
APPENDIX B PROJECT FUND WRITTEN REQUISITION

INDENTURE OF TRUST

This INDENTURE OF TRUST (this "Indenture"), dated as of _____ 1, 2019, is between the MILPITAS MUNICIPAL FINANCING AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Authority"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, with a corporate trust office in Los Angeles, California, being qualified to accept and administer the trusts hereby created (the "Trustee").

B A C K G R O U N D :

1. The City of Milpitas (the "City") presently owns, operates and/or contracts for facilities and property for the collection, conveyance and treatment of wastewater within the service area of the City (as further defined herein, the "Wastewater System"), and the City wishes to raise funds to finance additional obligations of the Wastewater System as described in Appendix B to the hereinafter defined Installment Sale Agreement (the "2019 Wastewater Project").

2. The Authority has been organized for the purpose of assisting the City in its public purposes, and to that end the Authority is authorized to assist the City in financing the costs of acquisition, construction and installation of the 2019 Wastewater Project.

3. The Authority, at this time, is entering into the Installment Sale Agreement dated as of _____ 1, 2019 (the Installment Sale Agreement") with the City in order to finance the 2019 Wastewater Project.

4. For the purpose of obtaining funds to finance the 2019 Wastewater Project, the Authority has authorized the issuance of its Milpitas Municipal Financing Authority 2019 Wastewater Revenue Bonds (the "2019 Bonds"), in the aggregate principal amount of $_____ under this Indenture and under the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the "Bond Law").

5. The debt service on the 2019 Bonds will be payable from Installment Payments made under the Installment Sale Agreement.

6. Repayment of the Installment Payments by the City shall be secured by a pledge of the Net Revenues of the Wastewater System, on a parity with the pledge in favor of the holders of Parity Debt, including the 2017 Bonds (as defined herein).

7. In order to provide for the authentication and delivery of the Bonds (including the 2019 Bonds), to establish and declare the terms and conditions upon which the Bonds (including the 2019 Bonds) are to be issued and to secure the payment of the principal thereof, premium (if any) and interest thereon, the Authority has authorized the execution and delivery of this Indenture.

8. The Authority has found and determines, and hereby affirms, that all acts and proceedings required by law necessary to make the Bonds (including the 2019 Bonds), when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the

valid, binding and legal special obligations of the Authority, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture have been in all respects duly authorized.

A G R E E M E N T :

In order to secure the payment of the principal of and the interest and redemption premium (if any) on all the Outstanding Bonds under this Indenture according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Authority and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

SECTION 1.01. Definitions. Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms set forth in this Indenture shall have the meanings assigned to them in this Section 1.01.

"Additional Bonds" means all bonds ranking on a parity with the 2019 Bonds originally issued hereunder, issued in accordance with Section 3.06.

"Additional Payments" means the amounts payable by the City under Section 4.7 of the Installment Sale Agreement.

"Agreement" shall mean that certain Joint Exercise of Powers Agreement, dated as of March 1, 2016, by and between the City and the City of Milpitas Housing Authority, creating the Authority, together with any amendments thereof and supplements thereto.

"Authority" means the Milpitas Municipal Financing Authority, a joint exercise of powers authority duly organized and existing under the laws of the State of California and the Agreement.

"Authorized Investments" means any of the following, but only to the extent that the same are acquired at Fair Market Value, which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

(a) Federal Securities;

(b) (i) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including: Export-Import Bank, Farm Credit System Financial Assistance Corporation, Rural Economic Community Development Administration (formerly Farmers Home Administration), General Services Administration, U.S. Maritime Administration, Small Business Administration, Government National Mortgage Association, U.S. Department of Housing & Urban Development, Federal Housing Administration and Federal Financing Bank. and (ii) direct obligations for any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America: senior debt obligations rated "Aaa" by Moody's and "AAA" by S&P issued by Fannie Mae or Federal Home Loan Mortgage Corporation (FHLMC); obligations of the Resolution Funding Corporation (REFCORP); senior debt obligations of the Federal Home Loan Bank System; and senior debt obligations of other Government Sponsored Agencies;

(c) U.S. dollar denominated deposit accounts federal funds and banker's acceptances with domestic commercial banks, which may include the Trustee, its parent holding company, if any, and their affiliates, which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P or are collateralized by Federal Securities and maturing no more than 360 days after the date of purchase, provided that ratings on holding companies are not considered as the rating of the bank;

(d) commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P, and which matures not more than 270 calendar days after the date of purchase;

(e) investments in a money market fund, including those of an affiliate of the Trustee, rated "AAAm" or "AAAm-G" or better by S&P, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee or such holding company provide investment advisory or other management services;

(f) pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (i) which are rated, based upon an irrevocable escrow account or fund, in the highest rating category of Moody's and S&P or any successors thereto; or (ii)(A) subject to the approval of S&P, which are fully secured as to principal and interest and prepayment premium, if any, by an escrow consisting only of Federal Securities, which escrow may be applied only to the payment of such principal of and interest and prepayment premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified prepayment date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and prepayment premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the prepayment date or dates specified in the irrevocable instructions referred to above, as appropriate; and

(g) the Local Agency Investment Fund of the State of California, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

"Authorized Official" means: (a) with respect to the Authority, its Executive Director, Treasurer or any other person designated as an Authorized Official of the Authority by a Written Certificate of the Authority signed by its Executive Director or Treasurer and filed with the City and the Trustee; and (b) with respect to the City, its City Manager, Finance Director or any other person designated as an Authorized Official of the City by a Written Certificate of the City signed by its City Manager or Finance Director and filed with the Authority and the Trustee.

"Bond Counsel" means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Authority of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Tax Code.

"Bond Fund" means the fund by that name established and held by the Trustee under Section 5.01.

"Bond Law" means the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code, as in effect on the Closing Date or as thereafter amended in accordance with its terms.

"Bond Registration Books" means the records maintained by the Trustee under Section 2.06 for the registration and transfer of ownership of the Bonds.

"Bond Year" means the twelve-month period beginning on November 2 in each year and ending on November 1 in the following year except that (i) the first Bond Year with respect to the 2019 Bonds shall begin on the Closing Date, and (ii) the last Bond Year with respect to the 2019 Bonds may end on a redemption date prior to maturity of the 2019 Bonds or the final maturity date of the 2019 Bonds.

"Bonds" means the Outstanding 2019 Bonds and any Outstanding Additional Bonds.

"Business Day" means any day other than a Saturday, Sunday or a day on which the Trustee is authorized by law to remain closed.

"Charges" means fees, tolls, assessments, rates and charges prescribed by the Council for the services and facilities of the Wastewater System furnished by the City.

"City" means the City of Milpitas, a municipal corporation duly organized and existing under the laws of the State of California.

"Closing Date" means, with respect to the 2019 Bonds, the date of delivery of the Bonds to the Original Purchaser of the 2019 Bonds.

"Continuing Disclosure Certificate" means, with respect to each series of Bonds, that certain Continuing Disclosure Certificate executed by the City and dated the date of original execution and delivery of such Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance" means all expenses incurred in connection with the authorization, issuance, sale and delivery of any Bonds, including but not limited to compensation, fees and expenses of the City, Authority and the Trustee and their respective counsel, compensation to any financial consultants and underwriters, legal fees and expenses, municipal bond insurance or surety bond premiums, filing and recording costs, rating agency fees, costs of preparation and reproduction of documents and costs of printing.

"Costs of Issuance Fund" means the fund by that name established and held by the Trustee under Section 3.03.

"Council" means the Council of the City or any other legislative body of the City hereafter provided for pursuant to law.

"Debt Service" means, during any period of computation, the amount obtained for such period by totaling the following amounts:

(a) The principal amount of all Outstanding Serial Bonds payable by their terms in such period;

(b) The principal amount of all Outstanding Term Bonds scheduled to be paid or redeemed by operation of mandatory Sinking Fund Installments in such period; and

(c) The interest which would be due during such period on the aggregate principal amount of Bonds which would be Outstanding in such period if the Bonds are paid or redeemed as scheduled.

[[For purposes of this definition, all Variable Rate Bonds shall be deemed to bear interest as follows:

(i) Except as provided in (iii) below, Variable Rate Bonds the interest on which is excluded from gross income for purposes of federal income taxation, shall be assumed to bear interest at 100% of the most recently published Bond Buyer "Revenue Bond Index" (or comparable index if no longer published); and

(ii) Except as provided in (iii) below, Variable Rate Bonds the interest on which is not excluded from gross income for purposes of federal income taxation, shall be assumed to bear interest at the interest rate on direct U.S. Treasury obligations with comparable maturities, plus 50 basis points; and

(iii) Variable Rate Bonds for which an interest rate swap agreement is in place providing for a synthetic fixed interest rate to maturity or for a specific term, the interest rate on such Variable Rate Bonds shall be assumed to be the synthetic fixed interest rate specified in such interest rate swap agreement for such term.]] [**Discuss**]

"Defeasance Obligations" means the Federal Securities listed in clause (a) of the definition thereof.

"Depository" means (a) initially, DTC, and (b) any other Securities Depositories acting as Depository under Section 2.05.

"Depository System Participant" means any participant in the Depository's book-entry system.

"DTC" means The Depository Trust Company, and its successors and assigns.

"Event of Default" means any of the events specified in Section 7.01.

"Excess Investment Earnings" means an amount required to be rebated to the United States of America under Section 148(f) of the Tax Code due to investment of gross proceeds of the Bonds at a yield in excess of the yield on the Bonds.

"Federal Securities" means, with respect to the Bonds: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; or (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America; specifically:

U.S. treasury Obligations,
all direct or fully guaranteed obligations,
Farmers Home Administration,
General Services Administration,
Guaranteed Title IX financing,
Government National Mortgage Association (GNMA), and
State and Local Government Series.

"Fiscal Year" means any twelve-month period extending from July 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the Authority as its official fiscal year period.

"Gross Revenues" means all Charges (excluding surcharges, if any) received for, and all other gross income and receipts derived by the City from, the ownership and operation of the Wastewater System or otherwise arising from the Wastewater System, including but not limited to (a) any amounts transferred to the Wastewater Fund from a Rate Stabilization Fund, and (b) investment earnings on amounts held in the Wastewater Fund or in any other fund established with respect to the Wastewater System. Gross Revenues do not include (i) refundable deposits made to establish credit, (ii) the proceeds of any *ad valorem* property taxes, (iii) the proceeds of any special assessments or special taxes levied upon real property within any improvement district served by the City for the purpose of paying special assessment bonds or special tax obligations of the City relating to the Wastewater System and (iv) connection charges.

"Indenture" means this Indenture of Trust, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture under the provisions hereof.

"Independent Certified Public Accountant" means any certified public accountant or firm of such accountants appointed and paid by the City, and who, or each of whom-

(a) is in fact independent and not under domination of the City;

(b) does not have any substantial identity of interest, direct or indirect, with the City; and

(c) is not and no member of which is connected with the City as an officer or employee of the City, but who may be regularly retained to make annual or other audits of the books of or reports to the City.

"Independent Consultant" means any financial or engineering consultant (including without limitation any Independent Certified Public Accountant) with an established reputation in the field of municipal finance or firm of such consultants appointed and paid by the City, and who, or each of whom-

(a) is in fact independent and not under domination of the City;

(b) does not have any substantial identity of interest, direct or indirect, with the City; and

(c) is not and no member of which is connected with the City as an officer or employee of the City, but who may be regularly retained to make annual or other audits of the books of or reports to the City.

"Information Services" means in accordance with then-current guidelines of the Securities and Exchange Commission, the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board (at

http://emma.msrb.org), or such service or services as the Authority may designate in a certificate delivered to the Trustee.

"Interest Account" means the account by that name established and held by the Trustee in the Bond Fund under Section 5.02.

"Installment Payment Date" means, with respect to any Interest Payment Date, the 3rd Business Day immediately preceding such Interest Payment Date.

"Installment Payments" means all payments required to be paid by the City on any date under Section 4.4 of the Installment Sale Agreement, including any amounts payable upon delinquent installments and including any prepayment thereof under Section 7.2 or 7.3 of the Installment Sale Agreement, but does not include Additional Payments.

"Installment Sale Agreement" means the Installment Sale Agreement dated as of _____ 1, 2019, between the City and the Authority, together with any duly authorized and executed amendments thereto.

"Interest Payment Dates" means each May 1 and November 1, commencing November May 1, 2020, so long as any Bonds remain unpaid, provided that Variable Rate Bonds shall have such Interest Payment Dates as are specified in the Supplemental Indenture pursuant to which such Variable Rate Bonds are issued.

"Maintenance and Operation Costs" means the reasonable and necessary costs and expenses paid by the City to maintain and operate the Wastewater System, including but not limited to (a) costs of electricity and other forms of energy supplied to the Wastewater System, (b) the reasonable expenses of management and repair and other costs and expenses necessary to maintain and preserve the Wastewater System in good repair and working order, (c) payments under any contracts, notes or leases executed in connection with the City's acquisition of the Wastewater System or any part thereof that are not capital costs, and (d) payment of maintenance and operation expenses for wastewater treatment and disposal. Maintenance and Operation Costs does not include (i) debt service payable on obligations incurred by the City, or for which the City is responsible in whole or in part, including but not limited to the Bonds, (ii) capital costs in excess of those, if any, required in (b) above, including payment of capital costs by the City in connection with wastewater treatment and disposal, (iii) depreciation, replacement and obsolescence charges or reserves therefor, (iv) amortization of intangibles or other bookkeeping entries of a similar nature, and (v) any overhead costs of the City to be repaid through annual transfers to the City's General Fund.

"Maximum Annual Debt Service" means, as of the date of calculation, the maximum amount of Debt Service for the current or any future Fiscal Year.

"Moody's" means Moody's Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors or assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority or the City.

"Net Revenues" means, for any period of computation, the amount of the Gross Revenues during such period, less the amount of Maintenance and Operation Costs during such period.

"Original Purchaser" means, in the case of the 2019 Bonds, _____.

"Nominee" means (a) initially, Cede & Co. as nominee of DTC, and (b) any other nominee of the Depository designated under Section 2.04(a).

"Operation and Maintenance Costs" means the reasonable and necessary costs and expenses paid by the City for maintaining and operating the Wastewater System, including but not limited to (a) costs of utilities, including the costs of acquisition of Wastewater, electricity and other forms of energy supplied to the Wastewater System, (b) the reasonable expenses of management and repair and other costs and expenses necessary to maintain and preserve the Wastewater System in good repair and working order, and (c) the reasonable administrative costs of the City attributable to the operation and maintenance of the Wastewater System, including insurance and other costs described in Article V of the Installment Sale Agreement; but in all cases excluding (i) debt service payable on obligations incurred by the City with respect to the Wastewater System, including but not limited to the Installment Payments and any Parity Debt, (ii) depreciation, replacement and obsolescence charges or reserves therefor, and (iii) amortization of intangibles or other bookkeeping entries of a similar nature.

"Original Purchaser" means, with respect to the 2019 Bonds, _____, as the original purchasers of the 2019 Bonds at the negotiated sale thereof.

"Outstanding", when used as of any particular time with reference to Bonds, means, subject to the last paragraph of Section 10.01 of the Indenture, all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.02, including Bonds (or portions thereof) described in Section 11.09; and (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee under this Indenture.

"Overdue Rate" means the highest rate of interest on any of the Outstanding Bonds.

"Owner", whenever used herein with respect to a Bond, means the person in whose name the ownership of such Bond is registered on the Bond Registration Books.

"Parity Debt" means (a) the 2017 Bonds, and (b) any bonds, notes, leases, installment sale agreements or other obligations of the City payable from and secured by a pledge of and lien upon any of the Net Revenues on a parity with the Installment Payments and the 2017 Bonds.

"Parity Debt Instrument" means the resolution, trust indenture or installment sale agreement adopted, entered into or executed and delivered by the City, and under which Parity Debt are issued.

"Principal Account" means the account by that name established and held by the Trustee in the Bond Fund under Section 5.02.

"Principal Corporate Trust Office" means such corporate trust office of the Trustee as may be designated from time to time by written notice from the Trustee to the City. Except that

with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the corporate trust office of U.S. Bank National Association in St. Paul, Minnesota or such other office or agency of the Trustee at which at any particular time, its corporate trust agency or operations shall be conducted.

"Project Fund" means the fund by that name established and held by the Trustee under Section 3.04.

"Project Costs" means, with respect to the 2019 Wastewater Project, all costs of the acquisition, construction and installation thereof which are paid from moneys on deposit in the Project Fund, including but not limited to:

(a) all costs required to be paid to any person under the terms of any agreement for or relating to the acquisition, construction and installation of the 2019 Wastewater Project;

(b) obligations incurred for labor and materials in connection with the acquisition, construction and installation of the 2019 Wastewater Project;

(c) the cost of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect in connection with the acquisition, construction and installation of the 2019 Wastewater Project;

(d) all costs of engineering and architectural services, including the actual out-of-pocket costs for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, development fees, sales commissions, and for supervising construction, as well as for the performance of all other duties required by or consequent to the proper acquisition, construction and installation of the 2019 Wastewater Project;

(e) any sums required to reimburse the City for advances made for any of the above items or for any other costs incurred and for work done which are properly chargeable to the acquisition, construction and installation of the 2019 Wastewater Project;

(f) all financing costs incurred in connection with the acquisition, construction and installation of the 2019 Wastewater Project; and

(g) the interest components of the Installment Payments allocable to the 2019 Wastewater Project, which come due during the period of acquisition, construction and installation of the 2019 Wastewater Project.

"Rate Stabilization Fund" means the fund by that name established and held by the City under Section 5.13 of the Installment Sale Agreement.

"Record Date" means, with respect to any Interest Payment Date, the 15th calendar day of the month preceding such Interest Payment Date, whether or not such day is a Business Day.

"Redemption Fund" means the fund by that name established and held by the Trustee under Section 5.05.

"Revenues" means: (a) all amounts received by the Authority or the Trustee pursuant or with respect to the Installment Sale Agreement, including, without limiting the generality of the foregoing, all of the Installment Payments (including both timely and delinquent payments, any late charges, and whether paid from any source, but excluding any Additional Payments), prepayments, insurance proceeds, condemnation proceeds, and (b) all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to this Indenture.

"Securities Depositories" means DTC; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Authority designates in written notice filed with the Trustee.

"Serial Bonds" means all Bonds other than Term Bonds.

"S&P" means S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the City.

"Supplemental Indenture" means any indenture hereafter duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or amending this Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

"Term" means, when used with respect to the Installment Sale Agreement, the time during which the Installment Sale Agreement is in effect, as provided in Section 4.2 thereof.

"Term Bonds" means the 2019 Bonds maturing November 1, 20__ and November 1, 20__, and any Additional Bonds identified as such in the applicable Supplemental Indenture.

"Trustee" means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, or its successor or successors, as Trustee hereunder as provided in Article VIII.

"2017 Bonds" means the City of Milpitas Wastewater Revenue Refunding Bonds, Series 2017, issued in the original principal amount of $4,725,000.

"2019 Bonds" means the Milpitas Municipal Financing Authority 2019 Wastewater Revenue Bonds in the original principal amount of $_____.

"2019 Wastewater Project" means the facilities, improvements and other property described more fully in Appendix B attached to the Installment Sale Agreement, as that Appendix may be amended from time to time in accordance with the Installment Sale Agreement.

"Variable Rate Bonds" means bonds that bear interest at a rate which may change from time to time.

"Wastewater Fund" means the fund by that name previously established and held by the City pursuant to Section 4.5 of the Installment Sale Agreement.

"Wastewater System" means the entire system of the City for the collection and conveyance of wastewater within the service area of the City, including but not limited to all facilities, properties, lands, rights, entitlements and other property useful in connection therewith, together with all extensions thereof and improvements thereto at any time acquired, constructed or installed by the City, including without limitation wastewater treatment and disposal facilities.

"Written Certificate," "Written Request" and "Written Requisition" of the Authority or the City mean, respectively, a written certificate, request or requisition signed in the name of the Authority or the City by its Authorized Official. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

SECTION 1.02. Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Indenture, and has taken all actions necessary to authorize the execution hereof by the officers and persons signing it.

SECTION 1.03. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

THE 2019 BONDS

SECTION 2.01. Authorization of 2019 Bonds. The Authority has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the 2019 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now duly empowered, under each and every requirement of law, to issue the 2019 Bonds in the manner and form provided in this Indenture.

The Authority hereby authorizes the issuance of the 2019 Bonds in the aggregate principal amount of $_____ under the Bond Law for the purposes of providing funds to enable the City to finance the 2019 Wastewater Project. The Bonds are authorized and issued under, and are subject to the terms of, this Indenture and the Bond Law. The Bonds are designated the "Milpitas Municipal Financing Authority 2019 Wastewater Revenue Bonds."

SECTION 2.02. Terms of the 2019 Bonds.

(a) Payment Provisions. The 2019 Bonds shall be issued in fully registered form without coupons in denominations of $5,000 or any integral multiple thereof. The 2019 Bonds shall mature on November 1 in each of the years and in the amounts, and bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates, as follows:

Maturity Date (November 1)	Principal Amount	Interest Rate

Interest on the 2019 Bonds is payable from the Interest Payment Date next preceding the date of authentication thereof unless:

(a) a 2019 Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it will bear interest from such Interest Payment Date,

(b) a 2019 Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the Closing Date, or

(c) interest on any 2019 Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been paid in full, payable on each Interest Payment Date.

Interest is payable on each Interest Payment Date to the persons in whose names the ownership of the 2019 Bonds is registered on the Bond Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Interest on any 2019 Bond which is not punctually paid or duly provided for on any Interest Payment Date is payable to the person in whose name the ownership of such 2019 Bond is registered on the Bond Registration Books at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice of which is given to such Owner by first-class mail not less than 10 days prior to such special record date.

The Trustee will pay interest on the 2019 Bonds by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners of the 2019 Bonds at their respective addresses shown on the Bond Registration Books as of the close of business on the preceding Record Date. At the written request of the Owner of 2019 Bonds in an aggregate principal amount of at least $1,000,000, which written request is on file with the Trustee as of any Record Date, the Trustee will pay interest on such 2019 Bonds on each succeeding Interest Payment Date by wire transfer at the address of such Owner as it appears on the Bond Registration Books. The Trustee will pay principal of the 2019 Bonds in lawful money of the United States of America by check of the Trustee upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee.

SECTION 2.03. Form and Execution of 2019 Bonds. The 2019 Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, are set forth in Appendix A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

The Chair, the Executive Director or the Treasurer of the Authority shall execute, and the Secretary of the Authority shall attest, each 2019 Bond. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any 2019 Bond ceases to be such officer before the Closing Date, such signature will nevertheless be as effective as if the officer had remained in office until the Closing Date. Any 2019 Bond may be signed and attested on behalf of the Authority by such persons as at the actual date of the execution of such 2019 Bond are the proper officers of the Authority, duly authorized to execute debt instruments on behalf of the Authority, although on the date of such 2019 Bond any such person was not an officer of the Authority.

Only those 2019 Bonds bearing a certificate of authentication in the form set forth in Appendix A, manually executed and dated by the Trustee, are valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee is

conclusive evidence that such Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.04. Transfer and Exchange of Bonds.

(a) Transfer. Any Bond may, in accordance with its terms, be transferred, upon the Bond Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Principal Corporate Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee shall collect any tax or other governmental charge on the transfer of any Bonds under this Section 2.03. Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of like series, interest rate, maturity and aggregate principal amount. The Authority shall pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer of Bonds.

(b) Exchange. The Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of the same series, interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of any Bonds under this subsection (b). The Authority shall pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange of Bonds.

(c) Limitations. The Trustee may refuse to transfer or exchange, under the provisions of this Section 2.03, any Bonds selected by the Trustee for redemption under Article IV, or any Bonds during the period established by the Trustee for the selection of Bonds for redemption.

SECTION 2.05. Book-Entry System.

(a) Original Delivery. The Bonds will be initially delivered in the form of a separate single fully registered bond (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the Trustee shall register the ownership of each Bond on the Bond Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Bonds shall be registered in the name of the Nominee on the Bond Registration Books.

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, the Authority and the Trustee has no responsibility or obligation to any Depository System Participant or to any person on behalf of which the Nominee holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, the Authority and the Trustee has no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bond Owner as shown in the Bond Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed if the Authority elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bond Owner as shown in the Bond Registration Books, of any amount with respect to principal, premium, if any, or interest on the Bonds or (v) any consent given or other

action taken by the Depository as Owner of the Bonds. The Authority and the Trustee may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal of and premium, if any, and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and the interest and premium, if any, on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner shall receive a Bond evidencing the obligation of the Authority to make payments of principal, interest and premium, if any, under this Indenture. Upon delivery by the Depository to the Authority of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Authority shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the Authority shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Authority or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Bond Owners. Upon the written acceptance by the Trustee, the Trustee shall agree to take all action reasonably necessary for all representations of the Trustee in such letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of such letter, the Authority may take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. If either (i) the Depository determines not to continue to act as Depository for the Bonds, or (ii) the Authority determines to terminate the Depository as such, then the Authority shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Authority and the Trustee in the issuance of replacement Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Bonds are to be issued. The Depository, by accepting delivery of the Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Authority fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Bond Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

If the Authority determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Authority may notify the Depository System Participants of the availability of such certificated Bonds through the Depository. In such event, the Trustee will authenticate, transfer and exchange Bonds as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Trustee and the Authority shall cooperate with the Depository in taking appropriate action (y) to make available one or more separate certificates evidencing the Bonds to any Depository

System Participant having Bonds credited to its account with the Depository, or (z) to arrange for another Securities Depository to maintain custody of a single certificate evidencing such Bonds, all at the Authority's expense.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium, if any, on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

SECTION 2.06. Bond Registration Books. The Trustee will keep or cause to be kept, at the Principal Corporate Trust Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall upon reasonable notice as agreed to by the Trustee, be open to inspection during regular business hours by the Authority; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as hereinbefore provided.

SECTION 2.07. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond is mutilated, the Authority, at the expense of the Owner of such Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. The Trustee shall cancel every mutilated Bond surrendered to it and deliver such mutilated Bond to, or upon the order of, the Authority. If any Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory and if indemnity satisfactory to the Trustee is given, the Authority, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the Trustee in connection therewith. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen will constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued under this Indenture.

Notwithstanding any other provision of this Section 2.07, in lieu of delivering a new Bond for which principal has become due for a Bond which has been mutilated, lost, destroyed or stolen, the Trustee may make payment of such Bond in accordance with its terms upon receipt of indemnity satisfactory to the Trustee.

SECTION 2.08. Applicability to Additional Bonds. Unless otherwise specified in the Supplemental Indenture pursuant to which an issue of Additional Bonds are issued, the provisions of Sections 2.04 through 2.07 shall apply to such issue of Additional Bonds.

ARTICLE III

ISSUANCE OF 2019 BONDS; APPLICATION OF PROCEEDS

SECTION 3.01. Issuance of the 2019 Bonds. At any time after the execution of this Indenture, the Authority may execute and the Trustee shall authenticate and, upon the Written Request of the Authority, deliver the 2019 Bonds to the Original Purchaser.

SECTION 3.02. Application of Proceeds of Sale of the 2019 Bonds. Upon the receipt of payment for the 2019 Bonds on the Closing Date, the Trustee shall receive the net proceeds of sale thereof, being $_____, calculated as follows: $_____ (constituting the par amount of the 2019 Bonds), plus [net] original issue premium in the amount of $_____, and less an Original Purchaser's discount of $_____, which the Trustee shall apply as follows:

(a) The Trustee shall deposit the amount of $_____ in the Costs of Issuance Fund.

(b) The Trustee shall deposit the amount of $_____, constituting the remainder of such proceeds, in the Project Fund.

The Trustee may establish and maintain a temporary account or fund to facilitate and record such deposits and transfers.

SECTION 3.03. Establishment and Application of Costs of Issuance Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund" into which the Trustee shall deposit a portion of the proceeds of sale of the 2019 Bonds under Section 3.02(a). The Trustee shall disburse amounts in the Costs of Issuance Fund from time to time to pay the Costs of Issuance upon submission of a Written Requisition of the Authority stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. The Trustee may conclusively rely on such Written Requisitions and shall be fully protected in relying thereon. On _____, 2019, or upon the earlier Written Request of the Authority, the Trustee shall transfer all amounts remaining in the Costs of Issuance Fund to the Project Fund, and shall thereupon close the Costs of Issuance Fund.

SECTION 3.04. Project Fund. The Trustee will establish and maintain a separate fund to be known as the "Project Fund" into which the Trustee shall deposit a portion of the proceeds of sale of the 2019 Bonds under Section 3.02(b). Except as otherwise provided herein, moneys in the Project Fund will be used solely for the payment of the Project Costs. The Trustee will disburse moneys in the Project Fund from time to time to pay Project Costs (or to reimburse the City for payment of Project Costs) in accordance with Written Requisitions filed by the City with the Trustee. Each such Written Requisition must state, with respect to each payment to be made thereby, (i) the name and address of the firm or corporation to whom payment is to be made, (ii) the amount and purpose of the payment and (iii) that each payment constitutes a Project Cost. Each Written Requisition must be accompanied by an invoice or statement evidencing each payment to be made thereunder. The Trustee has no responsibility for payments made in accordance with this Section 3.04. The City shall maintain accurate records showing all disbursements from the Project Fund.

Upon the receipt by the Trustee of a Written Certificate of the City under Section 3.6 of the Installment Sale Agreement, stating that the 2019 Wastewater Project has been completed, the Trustee shall withdraw from the Project Fund and deposit in the Interest Account all amounts remaining on deposit in the Project Fund, other than amounts estimated by the City (as identified in such Written Certificate) to be required to pay future Project Costs. Upon the filing with the Trustee of a Written Certificate of the City stating that no further amounts are intended to be requisitioned from the Project Fund, the Trustee shall thereupon close the Project Fund and transfer all remaining amounts therein to the Interest Account. If and to the extent so directed in writing by a City Representative, the Trustee shall apply all or a portion of the amounts so transferred from the Project Fund to the Interest Account to be applied to pay interest on the 2019 Bonds or to the Redemption Fund to be applied to the prepayment of Installment Payments relating to the 2019 Bonds under Section 7.2 of the Installment Sale Agreement and the corresponding redemption of the 2019 Bonds under Sections 4.01(a).

SECTION 3.05. Validity of 2019 Bonds. The recital contained in the 2019 Bonds that the same are issued under the Constitution and laws of the State of California shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

SECTION 3.06. Additional Bonds. (A) In addition to the 2019 Bonds authorized to be issued under this Indenture, the Authority, may, by Supplemental Indenture, issue one or more series of Additional Bonds secured by Revenues on a parity with the 2019 Bonds, and may issue and deliver such Additional Bonds in such principal amount as shall be determined by the Authority, but only upon compliance by the Authority with the provisions of this Section, including the following specific conditions which are hereby made conditions precedent to the issuance of such Additional Bonds:

(a) The parties to this Indenture shall have executed a Supplemental Indenture which sets forth the terms and provisions of such Additional Bonds, including the establishment of such funds and accounts, which may be separate and apart from the funds and accounts established hereunder for the 2019 Bonds, as shall be necessary or appropriate;

(b) The scheduled principal and interest payable with respect to such Additional Bonds shall be payable only on Interest Payment Dates applicable to the 2019 Bonds, provide that the Interest Payment Dates with respect to Variable Rate Bonds shall be as provided in the applicable Supplemental Indenture;

(c) The Installment Sale Agreement shall have been supplemented or amended, if necessary, to (i) increase or adjust the Installment Payments due and payable on each Installment Payment Date to an amount sufficient to pay the principal, premium (if any) and interest payable with respect to all Outstanding Bonds, including all Additional Bonds as and when, if any, the same mature or become due and payable (except to the extent such principal, premium and interest may be payable out of moneys then on deposit with the Trustee in accordance with this Indenture), (ii) if appropriate, identify the additions, betterments, extensions, improvements or replacements to the Wastewater System, or such other real or personal property, to be financed, acquired or constructed or otherwise made subject to the Installment Sale Agreement, by the preparation, execution and delivery of such Additional Bonds, and (iii) make such other revisions to the Installment Sale Agreement as are necessitated by the

issuance of such Additional Bonds (provided, however, that such other revisions shall not prejudice the rights of the Owners of Outstanding Bonds as granted them under the terms of this Indenture);

(d) There shall have been delivered to the Trustee a counterpart of the amendments required by subsection (c) hereof; and

(e) The Trustee shall have received a Written Certificate of the Authority that the requirements of Section 5.8 of the Installment Sale Agreement have been satisfied.

(B) Upon delivery to the Trustee of the foregoing instruments, the Trustee shall authenticate Additional Bonds representing the aggregate principal amount specified in such Supplemental Indenture, and such Additional Bonds shall be equally and ratably secured with all Bonds, including any Additional Bonds, theretofore prepared, executed and delivered, all without preference, priority or distinction (other than with respect to maturity, payment, prepayment or sinking fund payment (if any)) of any one Bond, including Additional Bonds, over any other; provided, however, that no provision of this Indenture shall require the City to consent to or otherwise permit the preparation, execution and delivery of Additional Bonds, it being understood and agreed that any such consent or other action of the City to permit the preparation, execution and delivery of Additional Bonds, or lack thereof, shall be in the sole discretion of the City.

(C) Whenever the Authority shall have determined to issue Additional Bonds pursuant to this Section 3.06, the Authority shall adopt a Supplemental Indenture determining that the issuance of such Additional Bonds is necessary for the purposes specified herein, specifying the principal amount of such Additional Bonds and prescribing the terms and conditions of such Additional Bonds and the funds to be established for the security and payment thereof. Before such Additional Bonds shall be issued and delivered, the Authority shall file with the Trustee a Written Certificate of the Authority certifying that the requirements set forth in Section 3.06 have been either met or provided for, together with a copy of the amendment to the Installment Sale Agreement required hereby.

(D) Nothing contained in the Section 3.06 shall restrict the ability of the City to issue Parity Debt pursuant to the Installment Sale Agreement that do not secure Additional Bonds issued pursuant to this Section 3.06.

ARTICLE IV

REDEMPTION OF BONDS

SECTION 4.01. Terms of Redemption.

(a) Optional Redemption from any Source of Available Funds. The 2019 Bonds maturing on or before November 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The 2019 Bonds maturing on or after November 1, 20__, are subject to redemption in whole, or in part at the Written Request of the Authority among maturities on such basis as the Authority may designate and by lot within a maturity, at the option of the Authority, on any date on or after November 1, 20__, from any available source of funds, at a redemption price equal to the principal amount of the 2019 Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

The Authority must give the Trustee written notice of its intention to redeem Bonds under this subsection (a), and the manner of selecting such Bonds for redemption from among the maturities thereof, in sufficient time to enable the Trustee to give notice of such redemption in accordance with Section 4.03.

(b) Redemption From Proceeds of Insurance, Sale and Condemnation. The Bonds, including the 2019 Bonds, are subject to mandatory redemption, on any date, in whole, or in part on a pro rata basis among maturities, from the net proceeds of insurance, sale or condemnation credited towards the prepayment of the Installment Payments by the City under Section 7.3 of the Installment Sale Agreement. The Bonds, including the 2019 Bonds, are subject to redemption under this subsection at a redemption price equal to the principal amount represented thereby to be prepaid, without premium, together with accrued interest represented thereby to the redemption date.

(c) Mandatory Sinking Fund Redemption Relating to the 2019 Bonds. The Term Bonds shall also be subject to redemption, by lot, on November 1 in each of the years as set forth in the following table, from deposits made for such purpose pursuant to Section 5.02(b), at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof may be purchased pursuant to the succeeding paragraph of this subsection (c), in the aggregate respective principal amounts and on the respective dates as set forth in the following table; provided, however, that if some but not all of the Term Bonds have been redeemed pursuant to subsections (a) or (b) above, the total amount of all future payments pursuant to this subsection (c) with respect to such Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments in integral multiples of $5,000 as determined by the Authority (written notice of which determination shall be given by the Authority to the Trustee).

2019 Term Bonds Maturing November 1, 20__

Sinking Fund Redemption Date (November 1)	Principal Amount To Be Redeemed

2019 Term Bonds Maturing November 1, 20__

Sinking Fund Redemption Date (November 1)	Principal Amount To Be Redeemed

In lieu of redemption of the Term Bonds pursuant to the preceding paragraph, amounts on deposit in the Bond Fund (to the extent not required to be deposited by the Trustee in the Interest Account or the Principal Account pursuant to Section 5.02 during the current Bond Year) may also be used and withdrawn by the Authority, upon the Written Request of the Authority delivered to the Trustee, at any time for the purchase of such Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Authority may in its discretion determine. The par amount of any of such Term Bonds so purchased by the Authority in any twelve-month period ending on April 1 in any year shall be credited towards and shall reduce the par amount of such Term Bonds required to be redeemed pursuant to this subsection (c) on the next succeeding November 1.

SECTION 4.02. Selection of Bonds for Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the Bonds of a single maturity of the same issue, the Trustee shall select the Bonds of that maturity to be redeemed by lot in any manner which the Trustee in its sole discretion deems appropriate. For purposes of such selection, the Trustee shall treat each Bond as consisting of separate $5,000 portions and each such portion shall be subject to redemption as if such portion were a separate Bond.

SECTION 4.03. Notice of Redemption. The Trustee shall mail notice of redemption of the Bonds by first class mail, postage prepaid, not less than 20 nor more than 60 days before any redemption date, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Bond Registration Books and to one or more Securities Depositories and to the Information Services. Each notice of redemption shall state the date of the notice, the redemption date, the place or places of redemption, whether less than all of the Bonds (or all Bonds of a single maturity) are to be redeemed, the CUSIP numbers and (in the event that not all Bonds within a maturity are called for redemption) Bond numbers of the Bonds to be redeemed and the maturity or maturities of the Bonds to be redeemed, and in the case of

Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed.

Each such notice shall also state that on the redemption date there will become due and payable on each of said Bonds the redemption price thereof, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered.

Each notice relating to a redemption pursuant to Section 4.01(a) or Section 4.01(b) shall further state that such redemption may be rescinded by the Authority on or prior to the date set for redemption. Neither the failure to receive any notice nor any defect therein shall affect the sufficiency of the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date. Notice of redemption of Bonds shall be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

The Authority shall have the right to rescind any redemption pursuant to Section 4.01(a) or Section 4.01(b) by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default hereunder. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

SECTION 4.04. Execution of New Bonds Upon Partial Redemption of Bonds. Upon surrender of any Bonds redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered.

SECTION 4.05. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, including any applicable premium, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

All Bonds redeemed under the provisions of this Article shall be canceled by the Trustee upon surrender thereof and destroyed in accordance with the retention policy of the Trustee then in effect.

ARTICLE V

REVENUES; FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST

SECTION 5.01. Security for the Bonds; Bond Fund.

(a) Pledge of Revenues and Other Amounts. Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Revenues and all amounts held in any fund or account established under this Indenture (other than the Project Fund and Cost of Issuance Fund) are hereby pledged to secure the payment of the principal of and interest and premium (if any) on the Bonds in accordance with their terms and the provisions of this Indenture. Said pledge constitutes a lien on and security interest in the Revenues and such amounts and shall attach, be perfected and be valid and binding from and after the Closing Date, without the need for any physical delivery thereof or further act.

(b) Assignment to Trustee. The Authority hereby irrevocably transfers, assigns and sets over to the Trustee, without recourse to the Authority, all of its rights in the Installment Sale Agreement (excepting only the Authority's rights under Sections 4.7, 5.2 and 6.4 thereof), including but not limited to all of the Authority's rights to receive and collect all of the Installment Payments, and the Trustee hereby accepts such assignment. The Trustee is entitled to collect and receive all of the Installment Payments, and any Installment Payments collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee is also entitled to and shall, subject to the provisions of Article VIII, take all steps, actions and proceedings which the Trustee determines to be reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the City under the Installment Sale Agreement.

(c) Deposit of Revenues in Bond Fund. All Revenues shall be promptly deposited by the Trustee upon receipt thereof in a special fund designated as the "Bond Fund" which the Trustee shall establish, maintain and hold in trust; except that all moneys received by the Trustee and required hereunder or under the Installment Sale Agreement to be deposited in the Redemption Fund shall be promptly deposited in such fund. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in this Indenture. Any surplus remaining in the Bond Fund, after payment in full of (i) the principal of and interest on the Bonds or provision therefore under Article X, and (ii) any applicable fees and expenses of the Trustee, shall be withdrawn by the Trustee and remitted to the City.

SECTION 5.02. Allocation of Revenues. On or before each Interest Payment Date, the Trustee shall transfer from the Bond Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain within the Bond Fund), the following amounts in the following order of priority:

(a) *Deposit to Interest Account*. The Trustee shall deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to be at least equal to the amount of interest becoming due and payable on such Interest Payment Date on all Bonds then Outstanding.

(b) *Deposit to Principal Account*. The Trustee shall deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds coming due and payable on each November 1, including the aggregate principal amount of the Term Bonds (if any) which are subject to mandatory sinking fund redemption on such November 1 pursuant to Section 4.01(c) or any analogous provision in a Supplemental Indenture.

SECTION 5.03. Application of Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it comes due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

SECTION 5.04. Application of Principal Account. All amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal amount of the Bonds on their respective maturity dates, including the aggregate principal amount of the Term Bonds (if any) which are subject to mandatory sinking fund redemption on such November 1 pursuant to Section 4.01(c) or any analogous provision in a Supplemental Indenture.

SECTION 5.05. Application of Redemption Fund. The Trustee shall establish and maintain the Redemption Fund, into which the Trustee shall deposit a portion of the Revenues received representing optional prepayments of the Installment Payments, in accordance with a Written Request of the Authority. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal and premium (if any) of the Bonds to be redeemed under Sections 4.01(a) or (b); *provided, however*, that at any time prior to the selection of Bonds for redemption, the Trustee may apply such amounts to the purchase of Bonds at public or private sale, when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed under a Written Request of the Authority, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the Bonds. The Trustee shall be entitled to conclusively rely on any Written Request of the Authority received under this Section 5.05, and shall be fully protected in relying thereon.

SECTION 5.06. Investments. All moneys in any of the funds or accounts established with the Trustee under this Indenture shall be invested by the Trustee solely in Authorized Investments. Such investments shall be directed by the Authority under a Written Request of the Authority filed with the Trustee at least 2 Business Days in advance of the making of such investments. In the absence of any such directions from the Authority, the Trustee shall invest any such moneys in Authorized Investments described in clause (f) of the definition thereof. Authorized Investments purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. To the extent Authorized Investments are registrable, such Authorized Investments must be registered in the name of the Trustee.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the Bond Fund, provided that interest earnings on amounts on deposit in the Project Fund shall be retained therein unless the Authority otherwise directs in writing. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder. The Trustee or any of its affiliates may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made under this Section 5.06.

The Trustee may make any investments hereunder through its own bond or investment department or trust investment department, or those of its parent or any affiliate. The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder. The Trustee is hereby authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or is dealing as a principal for its own account.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority will not receive such confirmations to the extent permitted by law. The Trustee will furnish the Authority periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

The moneys on deposit in the funds and accounts established under this Indenture shall not be deemed "surplus" under Section 53601 of the Government Code.

SECTION 5.07. Valuation and Disposition of Investments.

(a) Except as otherwise provided in subsection (b) of this Section, the Authority covenants that all investments of amounts deposited in any fund or account created by or under this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Tax Code) shall be acquired, disposed of and valued at the Fair Market Value thereof as such term is defined in subsection (d) below. The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Authority in any Written Request of the Authority.

(b) Except as provided in the preceding subsection (b), for the purpose of determining the amount in any fund or account established hereunder, the value of Authorized Investments credited to such fund shall be valued by the Trustee at least annually on or before November 1. The Trustee may sell or present for redemption, any Authorized Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Authorized Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from any such Authorized Investment.

(d) For purposes of this Section 5.09, the term "Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, or (iii) the investment is a United States Treasury Security -- State and Local Government Series which is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

(e) To the extent of any valuations made by the Trustee hereunder, the Trustee may utilize and rely upon computerized securities pricing services that may be available to it, including those available through its regular accounting system.

ARTICLE VI

COVENANTS OF THE AUTHORITY

SECTION 6.01. Punctual Payment. The Authority shall punctually pay or cause to be paid the principal of and interest and premium (if any) on all the Bonds in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of the Revenues and other amounts pledged for such payment as provided in this Indenture.

SECTION 6.02. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which have not been so extended. Nothing in this Section 6.02 limits the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance does not constitute an extension of maturity of the Bonds.

SECTION 6.03. Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, and reserves the right to issue other obligations for such purposes.

SECTION 6.04. Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized under law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues and other amounts purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding special obligations of the Authority in accordance with their terms, and the Authority and the Trustee shall at all times, subject to the provisions of Article VIII and to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Bond Owners under this Indenture against all claims and demands of all persons whomsoever.

SECTION 6.05. Accounting Records. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of Bonds and all funds and accounts established under this Indenture. The Trustee shall make such books of record and account available for inspection by the Authority and the City during business hours, upon reasonable notice, and under reasonable circumstances.

SECTION 6.06. Limitation on Additional Obligations. The Authority covenants that no additional bonds, notes or other indebtedness, other than Additional Bonds, shall be issued or incurred which are payable out of the Revenues in whole or in part.

SECTION 6.07. Tax Covenants.

(a) Private Business Use Limitation. The Authority shall assure that the proceeds of the 2019 Bonds are not used in a manner which would cause the 2019 Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The Authority may not take any action or permit or suffer any action to be taken if the result of the same would be to cause the 2019 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The Authority may not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the 2019 Bonds or of any other obligations which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date, would have caused the 2019 Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code.

(d) Maintenance of Tax Exemption. The Authority shall take all actions necessary to assure the exclusion of interest on the 2019 Bonds from the gross income of the Owners of the 2019 Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

(e) Rebate of Excess Investment Earnings to United States. The Authority shall calculate or cause to be calculated all amounts of excess investment earnings with respect to the 2019 Bonds which are required to be rebated to the United States of America under Section 148(f) of the Tax Code, at the times and in the manner required under the Tax Code. The Authority shall pay when due an amount equal to excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code, such payments to be made from any source of legally available funds of the Authority. The Authority shall keep or cause to be kept, and retain or cause to be retained for a period of 6 years following the retirement of the 2019 Bonds, records of the determinations made under this subsection (e).

SECTION 6.08. Enforcement of Installment Sale Agreement. The Trustee shall promptly collect all amounts (to the extent any such amounts are available for collection) due from the City under the Installment Sale Agreement. Subject to the provisions of Article VIII, the Trustee shall enforce, and take all steps, actions and proceedings which the Trustee determines to be reasonably necessary for the enforcement of all of its rights thereunder as assignee of the Authority and for the enforcement of all of the obligations of the City under the Installment Sale Agreement.

SECTION 6.09. Waiver of Laws. The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

SECTION 6.10. Further Assurances. The Authority will make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the

better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Indenture.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.01. Events of Default. The following events constitute Events of Default hereunder:

(a) Failure to pay any installment of the principal of any Bonds when due, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.

(b) Failure to pay any installment of interest on the Bonds when due.

(c) Failure by the Authority to observe and perform any of the other covenants, agreements or conditions on its part contained in this Indenture or in the Bonds, if such failure has continued for a period of 60 days after written notice thereof, specifying such failure and requiring the same to be remedied, has been given to the Authority by the Trustee *provided, however*, if in the reasonable opinion of the Authority the failure stated in the notice can be corrected, but not within such 60 day period, such failure shall not constitute an Event of Default if the Authority institutes corrective action within such 60 day period and thereafter diligently and in good faith cures the failure in a reasonable period of time.

(d) The commencement by the Authority of a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

(e) The occurrence and continuation of an event of default under and as defined in the Installment Sale Agreement.

SECTION 7.02. Acceleration; Other Remedies. If any Event of Default occurs, then, and in each and every such case during the continuance of such Event of Default, the Trustee may, and shall, at the written direction of the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding shall, in each case, upon receipt of indemnification satisfactory to Trustee against the costs, expenses and liabilities to be incurred in connection with such action, upon notice in writing to the Authority, declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Bonds contained to the contrary notwithstanding.

The foregoing provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, the Authority shall pay to or shall deposit with the Trustee a sum sufficient to pay all principal of the Bonds maturing prior to such declaration and all matured installments of interest (if any) upon all the Bonds, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee, or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee, on behalf of the Owners of all of the Bonds, shall rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon; provided,

however, that no such rescission and annulment shall extend to or shall affect any subsequent Event of Default, or shall impair or exhaust any right or power consequent thereon.

In addition to declaring the principal of all of the Bonds, and the interest accrued thereon, to be immediately due and payable as set forth above, the Trustee shall have the right to pursue any other remedy provided by law or in equity or otherwise after an Event of Default has occurred.

SECTION 7.03. Application of Revenues and Other Funds After Default. If an Event of Default occurs and is continuing, all Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Indenture shall be applied by the Trustee in the following order of priority:

(a) To the payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its legal counsel including outside counsel and the allocated costs of internal attorneys) incurred in and about the performance of its powers and duties under this Indenture; and

(b) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping or otherwise noting thereon of the payment if only partially paid, or surrender thereof if fully paid) in accordance with the provisions of this Indenture, as follows:

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by acceleration or redemption, with interest on the overdue principal at the rate borne by the respective Bonds (to the extent permitted by law), and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference.

SECTION 7.04. Trustee to Represent Bond Owners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds, this Indenture and applicable provisions of any law. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of this Indenture.

SECTION 7.05. Limitation on Bond Owners' Right to Sue. Notwithstanding any other provision hereof, no Owner of any Bonds has the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Installment Sale Agreement or any other applicable law with respect to such Bonds, unless (a) such Owner has given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding have requested the Trustee in writing to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Owner or Owners have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee has failed to comply with such request for a period of 60 days after such written request has been received by, and said tender of indemnity has been made to, the Trustee; and (e) no direction inconsistent with such written request has been given to the Trustee during such 60 day period by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, this Indenture, the Installment Sale Agreement or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of this Indenture.

SECTION 7.06. Absolute Obligation of Authority. Nothing in Section 7.06 or in any other provision of this Indenture or in the Bonds contained affects or impairs the obligation of the Authority, which is absolute and unconditional, to pay the principal of and interest and premium (if any) on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon acceleration or call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

SECTION 7.07. Termination of Proceedings. In case any proceedings taken by the Trustee or by any one or more Bond Owners on account of any Event of Default have been discontinued or abandoned for any reason or have been determined adversely to the Trustee or the Bond Owners, then in every such case the Authority, the Trustee, the 2019 Bond Insurer, any other such Bond Insurer and the Bond Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Authority, the Trustee and the Bond Owners shall continue as though no such proceedings had been taken.

SECTION 7.08. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or any other Bond Insurer, or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

SECTION 7.09. No Waiver of Default. No delay or omission of the Trustee or any Owner of the Bonds to exercise any right or power arising upon the occurrence of any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient by the Trustee or the Bond Owners.

ARTICLE VIII

THE TRUSTEE

SECTION 8.01. Appointment of Trustee. U.S. Bank National Association is hereby appointed Trustee by the Authority for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture. The Authority will maintain a Trustee which is qualified under the provisions of the foregoing provisions of this Article VIII so long as any Bonds are Outstanding.

SECTION 8.02. Acceptance of Trusts; Removal and Resignation of Trustee. The Trustee hereby accepts the express trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Indenture and no implied duties or covenants shall be read into this Indenture against the Trustee.

(b) The Authority may remove the Trustee at any time, unless an Event of Default has occurred and is then continuing, and shall remove the Trustee (a) if at any time requested to do so by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (b) if at any time the Trustee ceases to be eligible in accordance with Section 8.02, or becomes incapable of acting, or is adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property is appointed, or any public officer takes control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Authority and the City, and by giving the Bond Owners notice of such resignation by mail at the addresses shown on the Bond Registration Books.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee has been appointed and accepted appointment within 45 days of giving notice of removal or notice of resignation as aforesaid, the Authority, upon its own direction or the direction of the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture, must signify its acceptance of such appointment by executing and delivering to the Authority and to its predecessor Trustee a written acceptance thereof, and after payment by the Authority of all unpaid fees and expenses of the predecessor Trustee, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein. At the Written Request of the Authority or the

request of the successor Trustee, such predecessor Trustee shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall promptly mail or cause the successor trustee to mail a notice of the succession of such Trustee to the trusts hereunder to each rating agency which is then rating the Bonds and to the Bond Owners at the addresses shown on the Bond Registration Books. If the Authority fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Authority.

(e) Any Trustee appointed under this Indenture shall be a corporation or association organized and doing business under the laws of any state or the United States of America or the District of Columbia, shall be authorized under such laws to exercise corporate trust powers, shall have (or, in the case of a corporation or association that is a member of a bank holding company system, the related bank holding company has) a combined capital and surplus of at least $50,000,000, and shall be subject to supervision or examination by a federal or state agency, so long as any Bonds are Outstanding. If such corporation or association publishes a report of condition at least annually under law or to the requirements of any supervising or examining agency above referred to, then for the purpose of this subsection (e), the combined capital and surplus of such corporation or association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If the Trustee at any time ceases to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

SECTION 8.03. Merger or Consolidation. Any bank, federal savings association, or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank, federal savings association, or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, federal savings association, or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank, federal savings association, or trust company shall be eligible under subsection (e) of Section 8.02 shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

SECTION 8.04. Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture, the Bonds or the Installment Sale Agreement, nor shall the Trustee incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations of Trustee herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on

the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence. The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

(b) The Trustee is not liable for any error of judgment made by a responsible officer, unless it is proved that the Trustee was grossly negligent in ascertaining the pertinent facts.

(c) The Trustee is not liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture or assigned to it hereunder.

(d) The Trustee is not liable for any action taken by it and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

(e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder, or any other event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default hereunder unless and until it shall have actual knowledge thereof, or a corporate trust officer shall have received written notice thereof at its Principal Corporate Trust Office from the City, the Authority or the Owners of at least 25% in aggregate principal amount of the Outstanding Bonds. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by the Authority or the City of any of the terms, conditions, covenants or agreements herein, under the Installment Sale Agreement or the Bonds or of any of the documents executed in connection with the Bonds, or as to the existence of a default or an Event of Default or an event which would, with the giving of notice, the passage of time, or both, constitute an Event of Default. The Trustee is not responsible for the validity, effectiveness or priority of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee shall not be required to ascertain or inquire as to the performance or observance by the City or the Authority of the terms, conditions, covenants or agreements set forth in the Installment Sale Agreement, other than the covenants of the City to make Installment Payments to the Trustee when due and to file with the Trustee when due, such reports and certifications as the City is required to file with the Trustee thereunder.

(f) No provision of this Indenture requires the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, receivers or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent, receiver or attorney appointed with due care by it hereunder.

(h) The Trustee has no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of the Bond Owners under this Indenture, unless the such Owners have offered to the Trustee reasonable security or indemnity against the costs,

expenses and liabilities (including but not limited to fees and expenses of its attorneys) which might be incurred by it in compliance with such request or direction. No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy.

(i) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee is subject to the provisions of Section 8.02(a), this Section 8.04 and Section 8.05, and shall be applicable to the assignment of any rights to the Trustee hereunder.

(j) The Trustee is not accountable to anyone for the subsequent use or application of any moneys which are released or withdrawn in accordance with the provisions hereof.

(k) The Trustee makes no representation or warranty, expressed or implied as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the Authority or the City of the 2019 Wastewater Project. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Installment Sale Agreement or this Indenture for the existence, furnishing or use of the 2019 Wastewater Project.

(l) The Trustee has no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(m) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources or energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(n) The Trustee agrees to accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Indenture of Trust, provided, however, that: (a) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, (b) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions, and (c) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person.

SECTION 8.05. Right to Rely on Documents. The Trustee shall be protected and shall incur no liability in acting or refraining from acting in reliance upon any notice, resolution, request, consent, order, certificate, report, opinion, bonds, requisition, facsimile transmission, electronic mail or other paper or document believed by them to be genuine and to have been signed or presented by the proper party or parties. The Trustee is under no duty to make any

investigation or inquiry as to any statements contained or matter referred to in any paper or document but may accept and conclusively rely upon the same as conclusive evidence of the truth and accuracy of any such statement or matter and shall be fully protected in relying thereon. The Trustee may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee may treat the Owners of the Bonds appearing in the Bond Registration Books as the absolute owners of the Bonds for all purposes and the Trustee shall not be affected by any notice to the contrary.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate, Written Request or Written Requisition of the Authority or the City, and such Written Certificate, Written Request or Written Requisition shall be full warrant to the Trustee for any action taken or suffered under the provisions of this Indenture in reliance upon such Written Certificate, Written Request or Written Requisition, and the Trustee shall be fully protected in relying thereon, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

SECTION 8.06. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its respective possession and in accordance with its retention policy then in effect and shall, upon reasonable notice to Trustee, be subject to the inspection of the Authority, the City, and any Bond Owner, and their agents and representatives duly authorized in writing, during business hours and under reasonable conditions as agreed to by the Trustee.

SECTION 8.07. Compensation and Indemnification. The Authority shall pay to the Trustee from time to time, on demand, the compensation for all services rendered under this Indenture and also all reasonable expenses, advances (including any interest on advances), charges, legal (including outside counsel and the allocated costs of internal attorneys) and consulting fees and other disbursements, incurred in and about the performance of its powers and duties under this Indenture.

The Authority shall indemnify the Trustee, its officers, directors, employees and agents against any cost, loss, liability or expense whatsoever (including but not limited to fees and expenses of its attorneys) incurred without negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of this trust and this Indenture, including costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder or under the Installment Sale Agreement. As security for the performance of the obligations of the Authority under this Section 8.07, the Trustee shall have a lien prior to the lien of the Bonds upon all property and funds held or collected by the Trustee as such. The rights of the Trustee and the obligations of the Authority under this Section 8.07 shall survive the resignation or removal of the Trustee or the discharge of the Bonds and this Indenture and the Installment Sale Agreement.

ARTICLE IX

MODIFICATION OR AMENDMENT HEREOF

SECTION 9.01. Amendments Permitted.

(a) Amendments With Bond Owner Consent. This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time by Supplemental Indenture, which the Authority and the Trustee may enter into when the written consents of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding are filed with the Trustee. No such modification or amendment may (i) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture except as permitted herein, or deprive the Owners of the Bonds of the lien created by this Indenture on such Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Owners of all of the Bonds then Outstanding. It is not necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it is sufficient if such consent approves the substance thereof.

(b) Amendments Without Owner Consent. This Indenture and the rights and obligations of the Authority, of the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority and the Trustee may enter into without the consent of any Bond Owners if the Trustee has been furnished an opinion of counsel that the provisions of such Supplemental Indenture shall not materially adversely affect the interests of the Owners of the Bonds, including, without limitation, for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Authority in this Indenture contained, other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority;

(ii) to cure any ambiguity, inconsistency or omission, or to cure or correct any defective provision, contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the Authority deems necessary or desirable, provided that such modification or amendment does not materially adversely affect the interests of the Bond Owners;

(iii) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute;

(iv) to modify, amend or supplement this Indenture in such manner as to assure that the interest on the Bonds remains excluded from gross income under the Tax Code; or

(v) to provide for the issuance of Additional Bonds pursuant to Section 3.06 hereof, including the addition of or revision to any provisions required with respect to Variable Rate Bonds.

(c) Limitation. The Trustee is not obligated to enter into any Supplemental Indenture authorized by subsections (a) or (b) of this Section 9.01 which materially adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

(d) Notice of Amendments. The Authority shall deliver or cause to be delivered a draft of any Supplemental Indenture to each rating agency which then maintains a rating on the Bonds, at least 10 days prior to the effective date of such Supplemental Indenture under this Section 9.01.

SECTION 9.02. Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture under this Article IX, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Authority, the Trustee, and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Indenture under this Article may, and if the Authority so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand on the Owner of any Bonds Outstanding at the time of such execution and presentation of his Bonds for the purpose at the Principal Corporate Trust Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Authority, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Authority and authenticated by the Trustee, and upon demand on the Owners of any Bonds then Outstanding shall be exchanged at the Principal Corporate Trust Office of the Trustee, without cost to any Bond Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same maturity.

SECTION 9.04. Amendment of Particular Bonds. The provisions of this Article IX do not prevent any Bond Owner from accepting any amendment as to the particular Bonds held by such Owner.

ARTICLE X

DEFEASANCE

SECTION 10.01. Discharge of Indenture. If the Authority shall pay and discharge any or all of the Outstanding Bonds in any one or more of the following ways:

(a) by well and truly paying or causing to be paid the principal of and interest and premium (if any) on such Bonds, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to this Indenture, is fully sufficient to pay such Bonds, including all principal, interest and redemption premiums; or

(c) by depositing with a qualified escrow holder, in escrow, Defeasance Obligations in such amount as the Authority (verified by an Independent Certified Public Accountant) shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to this Indenture and/or the Installment Sale Agreement, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums, if any) at or before their respective maturity dates;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption has been mailed pursuant to Section 4.03 or provision satisfactory to the Trustee has been made for the mailing of such notice, then, at the election of the Authority, and notwithstanding that any of such Bonds have not been surrendered for payment, the pledge of the Revenues and other funds provided for in this Indenture with respect to such Bonds, and all other pecuniary obligations of the Authority under this Indenture with respect to all such Bonds, shall cease and terminate, except only the obligation of the Authority to pay or cause to be paid to the Owners of such Bonds not so surrendered and paid all sums due thereon from amounts set aside for such purpose as aforesaid, and all expenses and costs of the Trustee. Notice of such election shall be filed with the Trustee.

Any funds thereafter held by the Trustee, which are not required for said purposes, shall be paid over to the Authority or the City.

Refunding bonds may be issued at any time without regard to whether an Event of Default exists.

To accomplish defeasance, the Authority shall cause to be delivered (i) a report of an Independent Certified Public Accountant verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or earlier redemption date ("Verification"), (ii) an escrow deposit agreement, and (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under this Indenture; each Verification and defeasance opinion shall be acceptable in form and substance to the Authority, and addressed, to the Authority and the Trustee.

SECTION 10.02. Unclaimed Funds. Notwithstanding any provisions of this Indenture, any moneys held by the Trustee in trust for the payment of the principal of, or interest on, any Bonds and remaining unclaimed for 2 years after the principal of all of the Bonds has become

due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Indenture), if such moneys were so held at such date, or 2 years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to the Authority free from the trusts created by this Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the Authority as aforesaid, the Trustee shall (at the cost of the Authority) first mail to the Owners of Bonds which have not yet been paid, at the addresses shown on the Bond Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Liability of Authority Limited to Revenues. Notwithstanding anything in this Indenture or in the Bonds contained, the Authority is not required to advance any moneys derived from any source other than the Revenues and other assets pledged under this Indenture for any of the purposes in this Indenture mentioned, whether for the payment of the principal of or interest on the Bonds or for any other purpose of this Indenture. Nevertheless, the Authority may, but is not required to, advance for any of the purposes hereof any funds of the Authority which may be made available to it for such purposes.

SECTION 11.02. Limitation of Rights to Parties and Bond Owners. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Authority, the Trustee, the City and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the City and the Owners of the Bonds.

SECTION 11.03. Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with corporate trust industry standards to the extent practicable, and with due regard for the requirements of Section 6.05 and for the protection of the security of the Bonds and the rights of every Owner thereof. The Trustee may establish such funds and accounts as it deems necessary or appropriate to perform its obligations under this Indenture.

SECTION 11.04. Waiver of Notice; Requirement of Mailed Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in this Indenture any notice is required to be given by mail, such requirement may be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

SECTION 11.05. Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee, and the delivery to the Authority, of any Bonds, the Trustee may, in lieu of such cancellation and delivery, destroy such Bonds as may be allowed by law, and at the written request of the Authority the Trustee shall deliver a certificate of such destruction to the Authority.

SECTION 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained

herein. The Authority hereby declares that it would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

SECTION 11.07. Notices. All notices or communications to be given under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, confirmed by telephone, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority, the City or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the City or the Authority:	City of Milpitas 455 East Calaveras Blvd. Milpitas, CA 95035 Attention: Finance Director Telephone: (408) 586-3111 Fax: (408) 586-3110
If to the Trustee:	U.S. Bank National Association One California Street, Suite 1000 San Francisco, California 94111 Attention: Global Corporate Trust Services Telephone: (415) _____ Fax: (415) _____

SECTION 11.08. Evidence of Rights of Bond Owners. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Bond Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bond Owners in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and the Authority if made in the manner provided in this Section 11.08.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the Bond Registration Books.

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor

or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in accordance therewith or reliance thereon.

SECTION 11.09. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are known by the Trustee to be owned or held by or for the account of the Authority or the City, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City or any other obligor on the Bonds. In case of a dispute as to such right, the Trustee shall be entitled to rely upon the advice of counsel in any decision by Trustee and shall be fully protected in relying thereon.

Upon request, the Authority shall specify to the Trustee those Bonds disqualified under this Section 11.09.

SECTION 11.10. Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, premium, if any, or principal due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, *subject, however*, to the provisions of Section 10.04 but without any liability for interest thereon.

SECTION 11.11. Waiver of Personal Liability. No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal of or interest or premium (if any) on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

SECTION 11.12. Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the Authority, the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Authority, the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 11.13. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 11.14. Payment on Non-Business Day. In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and with the same effect as if made on such preceding non-Business Day.

SECTION 11.15. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the MILPITAS MUNICIPAL FINANCING AUTHORITY has caused this Indenture to be signed in its name by its Executive Director and attested to by its Secretary, and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

MILPITAS MUNICIAPL FINANCING AUTHORITY,
as Seller

By _____
Name: _____
Title: _____

U.S. BANK NATIONAL ASSOCIATION, *as Trustee*

By _____
Authorized Officer

APPENDIX A

BOND FORM

NO. R-_____ ***$_____***

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

MILPITAS MUNICIPAL FINANCING AUTHORITY
2019 WASTEWATER REVENUE BONDS

INTEREST RATE:	MATURITY DATE:	ORIGINAL ISSUE DATE:	CUSIP:
_____%	November 1, ____	_____ __, 2019	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: *** ***

The MILPITAS MUNICIPAL FINANCING AUTHORITY, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the "Authority"), for value received, hereby promises to pay to the Registered Owner specified above or registered assigns (the "Registered Owner"), on the Maturity Date specified above (subject to any right of prior redemption hereinafter provided for), the Principal Amount specified above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the 15th day of the month preceding such interest payment date, in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before April 15, 2020, in which event it shall bear interest from the Original Issue Date specified above; *provided, however*, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, at the Interest Rate per annum specified above, payable semiannually on November 1 and May 1 in each year, commencing May 1, 2020 (the "Interest Payment Dates"), calculated on the basis of a 360-day year composed of twelve 30-day months.

Principal hereof and premium, if any, upon early redemption hereof are payable upon presentation and surrender hereof at the corporate trust office of U.S. Bank National Association, in St. Paul, Minneapolis, (the "Trust Office"), as trustee (the "Trustee"). Interest hereon is payable by check of the Trustee mailed to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books of the Trustee as of the close of business on the fifteenth day of the month preceding each Interest Payment Date (a "Record Date"), or, upon written request filed with the Trustee as of such Record Date by a

registered owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to an account in the United States designated by such registered owner in such written request.

This Bond is not a debt of the City of Milpitas (the "City"), the County of Santa Clara, the State of California, or any of its political subdivisions, and neither the City, said County, said State, nor any of its political subdivisions, is liable hereon nor in any event shall this Bond be payable out of any funds or properties of the Authority other than the Revenues.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "Milpitas Municipal Financing Authority 2019 Wastewater Revenue Bonds (the "Bonds"), in an aggregate principal amount of $_____, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions) and all issued pursuant to the provisions of Articles 4 of Chapter 5, Division 7, Title 1 of the California Government Code, commencing with Section 6584 of said Code, and under an Indenture of Trust dated as of _____ 1, 2019 (the "Indenture"), between the Authority and the Trustee, and a resolution of the Authority adopted on _____, 2019, authorizing the issuance of the Bonds. Reference is hereby made to the Indenture (copies of which are on file at the office of the Authority) and all supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Authority thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Authority to finance certain improvement to the City's Wastewater System. This Bond and the interest and premium, if any, hereon are special obligations of the Authority, payable from the Revenues, and secured by a charge and lien on the Revenues as defined in the Indenture, consisting principally of installment payments made by the City under an Installment Sale Agreement dated as of _____ 1, 2019, between the Authority and the City (the "Installment Sale Agreement"), which installment payments are secured by the Net Revenues of the Wastewater System. As and to the extent set forth in the Indenture, all of the Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, to the payment of the principal of and interest and premium (if any) on the Bonds and any Additional Bonds, which may be issued only in accordance with the terms of the Indenture.

The rights and obligations of the Authority and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the owner of each Bond so affected.

The Bonds maturing on or before November 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The Bonds maturing on or after November 1, 20__, are subject to redemption in whole, or in part at the Written Request of the Authority among maturities on such basis as the Authority may designate and by lot within a maturity, at the option of the Authority, on any Interest Payment Date on or after November 1, 20__, from any available source of funds, at a redemption price equal the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

The Bonds are also subject to redemption as a whole, or in part by lot, on any date, to the extent of any net proceeds of hazard or title insurance with respect to the Wastewater System or any portion thereof which are not used to repair or replace the Wastewater System pursuant to the Installment Sale Agreement, or to the extent of any net proceeds arising from the disposition of the Wastewater System or any portion thereof in eminent domain proceedings which the City elects to be used for such purpose pursuant to the Installment Sale Agreement, at a redemption price equal to the principal amount thereof plus interest accrued thereon to the date fixed for redemption, without premium.

The Bonds maturing November 1, 20__ and November 1, 20__ (the "Term Bonds") shall also be subject to redemption in whole, or in part by lot, on November 1 in each of the years as set forth in the following table, from deposits made for such purpose pursuant to the Indenture, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall be purchased pursuant to the Indenture, in the aggregate respective principal amounts and on the respective dates as set forth in the following table; provided, however, that if some but not all of the Term Bonds have been redeemed pursuant to the optional or mandatory redemption provisions described above, the total amount of all future payments with respect to such Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of $5,000 as determined by the Authority (written notice of which determination shall be given by the Authority to the Trustee).

Term Bonds Maturing November 1, 20__

Sinking Fund Redemption Date (November 1)	Principal Amount To Be Redeemed

Term Bonds Maturing November 1, 20__

Sinking Fund Redemption Date (November 1)	Principal Amount To Be Redeemed

As provided in the Indenture, notice of redemption will be mailed by the Trustee by first class mail not less than 20 nor more than 60 days prior to the redemption date to the respective owners of any Bonds designated for redemption at their addresses appearing on the registration books of the Trustee, but neither failure to receive such notice nor any defect in the notice so

mailed shall affect the sufficiency of the proceedings for redemption or the cessation of accrual of interest thereon from and after the date fixed for redemption.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Trust Office, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer, a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. This Bond may be exchanged at the Trust Office for Bonds of the same tenor, aggregate principal amount, interest rate and maturity, of other authorized denominations.

The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Authority or the Trustee for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

It is hereby certified by the Authority that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Indenture and the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Indenture or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Milpitas Municipal Financing Authority has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Executive Director and attested to by the facsimile signature of its Secretary, all as of the Original Issue Date specified above.

MILPITAS MUNICIPAL FINANCING AUTHORITY

By _____
Executive Director

Attest:

_____
Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

Dated:

U.S. BANK NATIONAL ASSOCIATION, *as Trustee*

By _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

_____

Note: Signature(s) must be guaranteed by an eligible guarantor institution.

_____

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

APPENDIX B

FORM OF
PROJECT FUND WRITTEN REQUISITION

WRITTEN REQUISITION NO.: _____

U.S. Bank National Association
One California Street, Suite 1000
San Francisco, California 94111
Attention: Global Corporate Trust Services

Re: $_____ Milpitas Municipal Financing Authority
2019 Wastewater Revenue Bonds

Ladies and Gentlemen:

In accordance with the terms of an Indenture, dated as of _____ 1, 2019 (the "Indenture"), by and between you and the Milpitas Municipal Financing Authority, you are hereby authorized and requested to make immediate disbursement of funds held by you in the Project Fund for Project Costs (as defined in the Indenture) pursuant to Section 3.04 of the Indenture.

You are hereby requested to pay from the Project Fund established by the Indenture, to the person(s), corporation(s) or other entity(ies) designated on Schedule A attached hereto, in payment of all or a portion of the Project Costs, as described on said Schedule.

The undersigned hereby certifies that (i) no part of the amount requested herein has been included in any other request previously filed with you; (ii) to the knowledge of the undersigned, there has not been filed with or served upon the City any notice of any lien or attachment upon or claim (except for any preliminary notice of lien as may be filed in accordance with law) affecting the right of the person, corporation or other entity stated below to receive payment of the amount stated below, which lien has not been released or will not be released simultaneously with the payment requested hereunder; and (iii) the labor, services and/or materials covered hereby have been performed upon or furnished relating to the Project Costs and the payment requested herein is due and payable under a purchase order, contract or other authorization;

Dated**:** _____, 20__.

CITY OF MILPITAS

By:_____
Authorized Official

SCHEDULE A

Payee (include address)	Description of Costs	Amount

BOND PURCHASE AGREEMENT

$_____
MILPITAS MUNICIPAL FINANCING AUTHORITY
2019 WASTEWATER REVENUE BONDS

_____, 2019

Milpitas Municipal Financing Authority
455 E. Calaveras Blvd.
Milpitas, CA 95035

City of Milpitas, California
455 E. Calaveras Blvd.
Milpitas, CA 95035

Ladies and Gentlemen:

BofA Securities, Inc. (the "***Underwriter***"), hereby offers to enter into this bond purchase agreement (this "***Bond Purchase Agreement***") with the Milpitas Municipal Financing Authority (the "***Authority***") and the City of Milpitas, California (the "***City***"). Upon the acceptance hereof by the Authority and the City, this offer will be binding upon the Authority, the City and the Underwriter. This offer is made subject to (a) the written acceptance hereof by the Authority and the City, and (b) withdrawal by the Underwriter upon written notice (given electronically or otherwise) delivered to the Authority and the City at any time prior to the acceptance hereof by each of the Authority and the City.

The City and the Authority acknowledge and agree that: (a) the Underwriter is not acting as a municipal advisor within the meaning of Section 15B of the Securities Exchange Act, as amended; (b) the primary role of the Underwriter, as an underwriter, is to purchase securities, for resale to investors, in an arm's length commercial transaction among the City, the Authority and the Underwriter and the Underwriter has financial and other interests that differ from those of the City and the Authority; (c) the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the City or the Authority and has not assumed any advisory or fiduciary responsibility to the City and the Authority with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City or the Authority on other matters); (d) the only obligations the Underwriter has to the City and the Authority with respect to the transaction contemplated hereby expressly are set forth in this Bond Purchase Agreement; and (e) the City and the Authority have consulted their own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent they have deemed appropriate.

The Authority and the City hereby acknowledge receipt from the Underwriter of disclosures required by Municipal Securities Rulemaking Board ("***MSRB***") Rule G-17 (as set forth in MSRB Notice 2012-25 (May 7, 2012)), relating to disclosures concerning the Underwriter's

role in the transaction, disclosures concerning the Underwriter's compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

The Issuer hereby acknowledges and agrees that BofA Securities, Inc. will transfer by assignment all of its rights and obligations under this Purchase Agreement to BofA Securities, Inc., a registered municipal securities dealer with the Municipal Securities Rulemaking Board.

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase on the Closing Date (as hereinafter defined), and the Authority hereby agrees to sell and deliver to the Underwriter on the Closing Date, all of its Milpitas Municipal Financing Authority $_____ 2019 Wastewater Revenue Bonds (the "***Bonds***").

The Bonds shall be dated their date of delivery, and shall mature on the dates and in the principal amounts, bear interest at the rates, have reoffering yields and prices, and be subject to redemption, as shown on Exhibit A hereto.

The purchase price to be paid by the Underwriter for the Bonds is hereby agreed to be $_____, which amount represents the principal amount of the Bonds of $_____, less $_____ representing the Underwriter's discount, plus $_____ representing net original issue premium (the "***Purchase Price***"). Such payment and delivery of the Bonds and the other actions contemplated hereby to take place at the time of such payment and delivery being herein sometimes called the "***Closing***" and the date on which they are to occur on _____, 2019, being sometimes called the "***Closing Date***."

The Bonds are being issued pursuant to the provisions of Article 4 of Chapter 5 of Division 7 of Title 1 (commencing with section 6584) of the California Government Code. The Bonds are also being issued pursuant to a resolution of the Authority, adopted on _____, 2019 (the "***Authority Resolution***"), and an Indenture of Trust, dated as of _____, 2019 (the "***Indenture***"), by and between the Authority and U.S. Bank National Association, as trustee (the "***Trustee***").

All capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

The Bonds are being issued by the Authority to provide funds to (i) assist the City with financing certain improvements to the City's wastewater system, including the City's share of the capital improvement costs of the San Jose/Santa Clara Water Pollution Control Plant, and (ii) pay the costs of issuing the Bonds.

The Bonds are limited obligations of the Authority payable solely from and secured by the "Revenues" pledged under the Indenture, which consist primarily of installment payments (the ***"Installment Payments"***) payable by the City to the Authority under the Installment Sale Agreement, dated as of _____, 2019 (the "***Installment Sale Agreement***") pursuant to which the City is purchasing the Wastewater System Improvements being financed.

Under the Installment Sale Agreement, the City has irrevocably pledged, charged and assigned all of the Net Revenues of the Wastewater System to the punctual payment of the Installment Payments. Under the Indenture, the Authority has irrevocably transferred, assigned,

and set over to the Trustee, without recourse to the Authority, all of its rights in the Installment Sale Agreement (excepting only the Authority's rights relating to indemnification and related matters), including but not limited to all of the Authority's rights to receive and collect all of the Installment Payments for the benefit of the Owners of the Bonds.

A preliminary official statement of the Authority and the City, dated _____, 2019 (together with the Appendices thereto and any supplements or amendments thereto, the "***Preliminary Official Statement***"), has been prepared for use in marketing the Bonds. The Authority and the City will prepare a final official statement to be dated the date hereof (together with the Appendices thereto, and any supplements or amendments thereto, the "***Official Statement***"). The Official Statement shall be in substantially the form of the Preliminary Official Statement, with only such changes and amendments thereto as are necessary to reflect the terms of this Bond Purchase Agreement or as may be mutually agreed upon by the Underwriter, the Authority and the City.

It shall be a condition to the Authority's obligation to sell and to deliver the Bonds to the Underwriter and to the obligation of the Underwriter to purchase, to accept delivery of and to pay for the Bonds that the entire aggregate principal amount of the Bonds, as authorized by the Indenture, shall be sold and delivered by the Authority and accepted and paid for by the Underwriter at the Closing. The obligation of the Authority to sell and deliver the Bonds to the Underwriter shall also be conditioned upon the delivery by Jones Hall, A Professional Law Corporation, Bond Counsel ("***Bond Counsel***"), of its approving legal opinions with respect to the Bonds.

The Authority and the City hereby authorize the Underwriter to use and distribute the Installment Sale Agreement, the Indenture, the Preliminary Official Statement and the Official Statement and the information contained in such documents in connection with the public offering and sale of the Bonds. The Authority and the City have authorized the use of the Preliminary Official Statement in connection with the public offering of the Bonds by the Underwriter prior to the date hereof.

Section 2. Offering; Establishment of Issue Price. The Underwriter agrees to make an initial bona fide public offering of the Bonds at a price or prices not in excess of the initial offering price or prices or yields not less than the yields set forth in Exhibit A hereto, which prices may be changed from time to time by the Underwriter after such initial offering as the Underwriter deems necessary or desirable, in its sole discretion, in connection with the marketing of the Bonds (but in all cases subject to the requirements of this Section 2), and may offer and sell the Bonds to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by the Underwriter at prices lower than the public offering prices or yields greater than the yields set forth in Exhibit A (but in all cases subject to the requirements of this Section 2). The Underwriter agrees to assist the Authority and the City in establishing the issue price of the Bonds and shall execute and deliver to the Authority and the City at Closing an "issue price" certificate, together with supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority, the City and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

[Except as otherwise set forth in Exhibit A attached hereto,] [T]he Authority and the City will treat the first price at which 10% of each maturity of Bonds (the "10% test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Authority and the City the price or prices at which the Underwriter has sold to the public each maturity of Bonds. For purposes of this Section, if the Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has been satisfied (the "10% Test Maturities"). [Exhibit A also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied (the "Hold-the-Price Maturities") and for which the Authority, the City and the Underwriter, agrees that the restrictions set forth in the next sentence shall apply, which will allow the Authority and the City to treat the initial offering price to the public of each such Hold-the-Price Maturities as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Hold-the-Price Maturities of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Price Maturities to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Authority and the City promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that Hold-the-Price Maturities to the public at a price that is no higher than the initial offering price to the public.]

The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Purchase Contract by all parties.

Section 3. The Bonds. The Bonds will be issued, executed and delivered pursuant to the Indenture. The City Council of the City adopted a resolution on _____, 2019, relating to the Bonds and approving the form and authorizing the execution of related documents, including the Installment Sale Agreement (the "***City Resolution***"). This Bond Purchase Agreement, the Installment Sale Agreement and the Continuing Disclosure Certificate (as hereinafter defined), are collectively referred herein to as the "***City Documents***." This Bond Purchase Agreement, the Indenture and the Installment Sale Agreement are collectively referred to herein as the "***Authority Documents***."

Section 4. Official Statement, Continuing Disclosure.

(a) The Authority and the City represent that they have deemed the Preliminary Official Statement to be final as of its date, except for any information that is permitted to be omitted therefrom in accordance with paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "***Rule***"), including revisions or additions to the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to the Rule.

(b) The Authority agrees to deliver to the Underwriter, at such addresses as the Underwriter shall specify, as many copies of the Official Statement as the Underwriter shall reasonably request as necessary to comply with the Rule, MSRB Rule G-32 and all other applicable rules of the MSRB. The Authority agrees to deliver the Official Statement within seven business days after the execution hereof, and in any event not later than two business days before the Closing Date. The Underwriter agrees to give notice to the Authority on the date after which the Underwriter shall no longer be obligated to deliver the Official Statements pursuant to paragraph (b)(4) of the Rule, which date shall be no earlier than 25 days after the "end of the underwriting period," as determined in accordance with Section 13 hereof.

(c) The Authority and the City agree that, for a period between the date hereof and the date which is 25 days after the "end of the underwriting period" (as defined in the Rule), if any event of which they have actual knowledge occurs as a result of which the information in the Official Statement as then in existence would include any untrue or

misleading statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading, the Authority and the City shall promptly prepare, or cooperate in the preparation of, an amendment or supplement to the Official Statement which will correct such statement or omission. The Authority and the City shall advise the Underwriter promptly of any proposal to so amend or supplement the Official Statement and shall effect such amendment or supplement in a form reasonably approved by the Underwriter. The Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which made, not misleading. The Authority and the City shall promptly advise the Underwriter of the commencement of any action, suit, proceeding, inquiry or investigation seeking to prohibit, restrain or otherwise affect the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(d) In order to assist the Underwriter in complying with the Rule, the City hereby covenants and agrees that it will, on or prior to the Closing Date, enter into a continuing disclosure certificate for the Bonds to provide annual financial and operating information and notices of the occurrence of specified events in the forms attached as Appendix C to the Official Statement (the "***Continuing Disclosure Certificate***").

(e) The Underwriter agrees to file the Official Statement with the MSRB through the MSRB's Electronic Municipal Market Access system or as otherwise provided by the Securities and Exchange Commission or the MSRB within one business day after receipt thereof from the Authority and the City, but in no event later than the Closing Date.

Section 5. Representations, Warranties and Agreements of the City. The City represents, warrants to, and agrees with the Authority and the Underwriter, as follows:

(a) The City is a municipal corporation and general law city duly organized and validly existing under the Constitution and laws of the State of California (the "***State***").

(b) The City has full legal right, power and authority (i) to enter into, execute and deliver the City Documents; and (ii) to carry out and consummate the transactions on its part contemplated by the City Documents, the Preliminary Official Statement and the Official Statement.

(c) By all necessary official action, the City has duly authorized and approved the City Documents, has duly authorized and approved the Preliminary Official Statement and the Official Statement and approved the distribution thereof, has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in the City Documents, and the consummation by it of all other transactions on its part contemplated by the City Documents, all pursuant to the City Resolution adopted at a meeting duly called and held in accordance with the requirements of all applicable laws and at which a quorum of the members of the City Council of the City was continuously present. The City Resolution has not been modified, amended or rescinded since the date of its adoption.

(d) The City has executed and delivered, or will execute and deliver on or before the Closing Date, each of the City Documents. Each of the City Documents constitutes, or will, as of the Closing Date, constitute, a legal, valid and binding obligation of the City enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Each of the City Documents has been executed and delivered, or will be executed and delivered on or before the Closing Date, by each respective signatory and is currently in full force and effect or, as of the Closing Date, will be in full force and effect.

(e) The City is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the City Documents) or other instrument to which the City is a party which breach or default has or may have an adverse effect on the ability of the City to perform its obligations under the City Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the execution and delivery by the City of the City Documents, and compliance with the provisions on the City's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City or under the terms of any such law, regulation or instrument, except as provided by the City Documents.

(f) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the City of its obligations under the City Documents or the consummation by it of all other transactions on its part contemplated by the City Documents have been duly obtained, except for such approvals, consents and orders as may be required under the "blue sky" or securities laws of any state in connection with the offering and sale of the Bonds; except as described in or contemplated by the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the City of its obligations under the City Documents have been duly obtained.

(g) There is no action, suit, proceeding, inquiry or investigation, notice of which has been duly served on the City, at law or in equity before or by any court, government agency, public board or body, pending or to the best knowledge of the officer of the City executing this Bond Purchase Agreement, threatened against the City, affecting the

existence of the City or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, execution or delivery of the Bonds pursuant to the Indenture, or contesting or affecting as to the City the validity or enforceability of the Bonds or the City Documents, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the City to cause the execution and delivery by the City of the City Documents, or in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby; nor, to the best knowledge of the officer of the City executing this Bond Purchase Agreement, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the Bonds or the authorization, execution, delivery or performance by the City of the City Documents.

(h) The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the "blue sky" or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the City shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction, and the Underwriter shall bear all costs in connection with the foregoing.

(i) As of the date thereof and at all times up to the City's acceptance of this Bond Purchase Agreement, the information in the Preliminary Official Statement (other than information relating to the Underwriter and DTC and its book-entry system, as to which no representation is made) was and is true and correct, and the Preliminary Official Statement (other than information relating to the Underwriter and DTC and its book-entry system, as to which no representation is made) did not and does not, except for the omission of certain information permitted to be omitted in accordance with the Rule, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) At the time of the City's acceptance hereof, and (unless an event occurs of the nature described in Section 5(k) hereof) at all times subsequent thereto up to and including the Closing Date, the information in the Official Statement (other than information relating to the Underwriter and DTC and its book-entry system, as to which no representation is made) is and will be true and correct, and the Official Statement (other than information relating to the Underwriter and DTC and its book-entry system, as to which no representation is made) does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) If the Official Statement is supplemented or amended pursuant to Section 5(k) hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Date, the Official Statement (other than information relating to the Underwriter and DTC and its book-entry system) as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) If between the date of this Bond Purchase Agreement and that date which is 25 days after the end of the underwriting period (as determined in accordance with Section 13 hereof) any event shall occur affecting the City which might adversely affect the marketability of the Bonds or the market prices thereof, or which might cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City shall notify the Underwriter thereof, and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will at its expense prepare and furnish to the Underwriter a reasonable number of copies of such supplement to, or amendment of, the Official Statement in a form reasonably approved by the Underwriter and the Authority.

(m) Any certificate signed by any officer of the City and delivered to the Underwriter pursuant to the City Documents or any document contemplated thereby shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein.

(n) So long as any of the Bonds are outstanding, the City will not issue or sell, or cause to be issued or sold, any bonds or other obligations the interest on or principal of which will be payable in priority out of the Gross Revenues over the Installment Payments.

(o) The City shall honor all covenants on its part contained in the Installment Sale Agreement.

(p) Except as otherwise described in the Preliminary Official Statement in the last five years, the City has not failed to comply in all material respects with any undertaking of the City pursuant to the Rule.

(q) The audited financial statements of the City appended to the Preliminary Official Statement and the Official Statement for the City's fiscal year ended June 30, 2018, and any stub financial information presented in the body thereof, fairly present the financial position and results of the City as of the dates and for the periods set forth therein. Prior to the Closing Date, there will have been no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the City. The City is not a party to any litigation or other proceeding pending with respect to which the City has been served with process, or to the knowledge of the officer of the City

executing this Bond Purchase Agreement, threatened, which if, decided adversely to the City, would have a materially adverse effect on the financial condition of the City.

Section 6. Representations, Warranties and Agreements of the Authority. The Authority represents, warrants to, and agrees with the City and the Underwriter, as follows:

(a) The Authority is a joint exercise of powers entity duly organized and validly existing under the laws of the State pursuant to a Joint Exercise of Powers Agreement, dated as of March 1, 2016 (the "***JPA Agreement***"), by and between the City and the City of Milpitas Housing Authority.

(b) The Authority has full legal right, power and authority (i) to enter into, execute and deliver the Authority Documents and to sell and deliver the Bonds to the Underwriter as provided herein; and (ii) to carry out and consummate the transactions on its part contemplated by the Authority Documents, the Preliminary Official Statement and the Official Statement.

(c) By all necessary official action, the Authority has duly authorized and approved the issuance of the Bonds and the execution and delivery by it of the Authority Documents, has duly authorized and approved the Preliminary Official Statement and approved the distribution thereof, has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations in connection with the execution and delivery of the Bonds on its part contained in the Bonds and the Authority Documents, and the consummation by it of all other transactions on its part contemplated by the Authority Documents in connection with the execution and delivery of the Bonds, all pursuant to the Authority Resolutions adopted at a meeting of its Board of Directors duly called and held in accordance with the requirements of all applicable laws and at which a quorum of the Board of Directors of the Authority was continuously present. The Authority Resolutions have not been modified, amended or rescinded since the date of their adoption and each Authority Document is the valid and binding obligation of the Authority.

(d) The Authority is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or the JPA Agreement, or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the Authority Documents) or other instrument to which the Authority is a party which breach or default has or may have an adverse effect on the ability of the Authority to perform its obligations under the Bonds or the Authority Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the execution and delivery by the Authority of the Bonds and the Authority Documents, and compliance with the provisions on the Authority's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security

interest or encumbrance of any nature whatsoever upon any of the property or assets of the Authority or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Authority Documents.

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Authority of its obligations in connection with the execution and delivery of the Bonds under the Authority Documents or the consummation by it of all other transactions on its part contemplated by the Authority Documents have been duly obtained, except for such approvals, consents and orders as may be required under the "blue sky" or securities laws of any state in connection with the offering and sale of the Bonds; except as described in or contemplated by the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Authority of its obligations under the Bonds and the Authority Documents have been duly obtained.

(f) The Indenture and the Bonds conform to the descriptions thereof contained in the Official Statement and the Bonds, when executed, issued, authenticated and delivered in accordance with the Indenture, and sold to the Underwriter as provided herein, will be validly executed and outstanding limited obligations of the Authority, entitled to the benefits of the Indenture, and upon such execution and delivery, the Indenture will provide, for the benefit of the Owners from time to time of the Bonds, the legally valid and binding security interest it purports to create.

(g) The Authority has executed and delivered, or will execute and deliver on or before the Closing Date, each of the Authority Documents. Each of the Authority Documents constitutes, or will, as of the Closing Date, constitute, a legal, valid and binding obligation of the Authority enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Each of the Authority Documents has been executed and delivered, or will be executed and delivered on or before the Closing Date, by each respective signatory and is currently in full force and effect or, as of the Closing Date, will be in full force and effect.

(h) There is no action, suit, proceeding, inquiry or investigation, notice of which has been duly served on the Authority, at law or in equity before or by any court, government agency, public board or body, pending or to the best knowledge of the officer of the Authority executing this Bond Purchase Agreement, threatened against the Authority, affecting the existence of the Authority or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance, execution or delivery of the Bonds pursuant to the Indenture, or contesting or affecting as to the Authority the validity or enforceability of the Bonds or the Authority Documents, or contesting the completeness or accuracy of the Preliminary Official Statement or the

Official Statement, or contesting the powers of the Authority to cause the execution and delivery of the Bonds, or the execution and delivery or adoption by the Authority of the Authority Documents, or in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby; nor, to the best knowledge of the officer of the Authority executing this Bond Purchase Agreement, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the Bonds or the authorization, execution, delivery or performance by the Authority of its obligations under or with respect to the Bonds or the Authority Documents.

(i) The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the "blue sky" or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Authority shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction, and the Underwriter shall bear all costs in connection with the foregoing.

(j) As of the date thereof and at all times up to the Authority's acceptance of this Bond Purchase Agreement, the information regarding the Authority in the Preliminary Official Statement was and is true and correct and did not, except for the omission of certain information permitted to be omitted in accordance with the Rule, contain any untrue statement of a material fact with respect to the Authority or omit to state a material fact necessary to make the statements therein with respect to the Authority, in the light of the circumstances under which they were made, not misleading.

(k) At the time of the Authority's acceptance hereof, and (unless an event occurs of the nature described in Section 6(l) hereof) at all times subsequent thereto up to and including the Closing Date, the information regarding the Authority in the Official Statement is and will be true and correct and does not and will not contain any untrue statement of a material fact with respect to the Authority or omit to state a material fact necessary to make the statements therein with respect to the Authority, in the light of the circumstances under which they were made, not misleading.

(l) If the Official Statement is supplemented or amended pursuant to Section 6(l) hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Date, the information regarding the Authority in the Official Statement as so supplemented or amended will be true and correct and will not contain any untrue statement of a material fact with respect to the Authority or omit to state a material fact necessary to make the statements therein with respect to the Authority, in the light of the circumstances under which they were made, not misleading.

(m) If between the date of this Bond Purchase Agreement and that date which is 25 days after the end of the underwriting period (as determined in accordance with Section 13 hereof) any event shall occur affecting the Authority which might adversely affect the marketability of the Bonds or the market prices thereof, or which might cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority shall notify the Underwriter, and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will, at the expense of the City, cooperate with the City in the preparation of, and furnish to the Underwriter a reasonable number of copies of, such supplement to, or amendment of, the Official Statement in a form reasonably approved by the Underwriter and the City.

(n) Any certificate signed by any officer of the Authority and delivered to the Underwriter pursuant to the Authority Documents or any document contemplated thereby shall be deemed a representation and warranty by the Authority to the Underwriter as to the statements made therein.

(o) The Authority will cause the proceeds from the sale of the Bonds to be paid to the Trustee for the purposes specified in the Indenture and the Official Statement. So long as any of the Bonds are outstanding and except as may be authorized by the Indenture, the Authority will not issue or sell any Bonds or other obligations, other than the Bonds delivered thereunder, the interest on and premium, if any, or principal of which will be payable from the Revenues.

(p) The Authority shall honor all covenants on its part contained in the Indenture and the Installment Sale Agreement.

Section 7. Closing. At 8:00 a.m., California time, on the Closing Date the Authority will, subject to the terms and conditions hereof, deliver to the Underwriter, through the facilities of The Depository Trust Company ("***DTC***"), the Bonds in definitive, fully registered form (one Bond for each maturity of each series of the Bonds), duly executed and registered in the name of Cede & Co. as nominee of DTC; and, subject to the terms and conditions hereof, the Underwriter shall wire to the Trustee Federal Reserve Bank Funds in the amount of the Purchase Price. Physical delivery of the Bonds shall be made to the Trustee, as agent for DTC under the Fast Automated Securities Transfer System.

Section 8. Closing Conditions. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations and warranties of the Authority and the City contained herein, and in reliance upon the representations and warranties to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Authority and the City of their obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter's obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Authority and the City of their respective obligations to be performed hereunder and under such documents and instruments at or prior to the Closing Date, shall be

subject, at the option of the Underwriter, to the accuracy in all material respects of the statements made by the officers and other officials of the Authority and of the City, Bond Counsel, the Trustee, and counsel to the Authority and the City in any certification or other documents furnished pursuant to the provisions hereof, and shall also be subject to the following additional conditions:

(a) The respective representations and warranties of the Authority and the City contained herein shall be true and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date.

(b) At the time of Closing, the City Documents and the Authority Documents shall be in full force and effect and shall not have been amended, modified or supplemented and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter.

(c) All necessary official action of the Authority and the City relating to the City Documents and the Authority Documents shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(d) Subsequent to the date hereof, there shall not have occurred any change in or affecting particularly the Authority, the City or the Bonds, as the foregoing are described in the Official Statement, which in the reasonable opinion of the Underwriter materially impairs the investment quality of the Bonds.

(e) At or prior to the Closing Date, the Underwriter shall have received each of the following documents:

(i) specimen copies of the Bonds;

(ii) the Official Statement and each supplement or amendment, if any, thereto, executed by authorized officers of the Authority and the City;

(iii) a copy of the Indenture, executed by the parties thereto;

(iv) a copy of the Installment Sale Agreement, executed by the parties thereto;

(v) a copy of the Continuing Disclosure Certificate, executed by the City;

(vi) a certified copy of the JPA Agreement;

(vii) a receipt from the Trustee for the proceeds of the Bonds;

(viii) a certificate or certificates of the City, dated the Closing Date, to the effect that:

(A) the representations and warranties of the City contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date and the City has complied with all of the terms and conditions of this Bond Purchase Agreement required to be complied with by the City at or prior to the Closing Date;

(B) none of the proceedings or authority for (1) the authorization, sale, execution and delivery of the Bonds; (2) the adoption of the City Resolution; or (3) the execution and delivery by the City of the City Documents and performance of its obligations thereunder, has been repealed, modified, amended, revoked or rescinded;

(C) subsequent to June 30, 2018, and prior to Closing, there has been no material adverse change in the financial position of the City;

(D) no event affecting the City has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purposes for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect;

(E) the information and statements contained in the Official Statement (other than information relating to the Underwriter and DTC and its book-entry system) do not contain an untrue statement of a material fact or omit to state a material fact necessary to make such statements therein, in the light of the circumstances under which they were made, not misleading; and to the best knowledge of the officers of the City executing the certificate after reasonable investigation, the City is not in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, which would have a material adverse impact on the City's ability to perform its obligations under the City Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument;

(F) no consent is required for the inclusion of the City's audited financial statements for the Fiscal Year ending June 30, 2018 in the Preliminary Official Statement and the Official Statement;

(G) the City is in compliance in all material respects, with the terms of the City Documents;

(H) the Bonds conform to the descriptions thereof contained in the Official Statement under the caption "THE 2019 BONDS" and the proceeds of sale of the Bonds will be applied as described in the Official

Statement under the captions "Estimated Sources and Uses of Funds" and "FINANCING PLAN"; and

(I) there is no lawsuit, regulatory or other action now pending with respect to which the City has been given notice, or, to the best knowledge of the officer of the City executing the certificate, threatened, to attempt to limit, enjoin or otherwise restrict or prevent the City from making the Installment Payments under the Installment Sale Agreement;

(ix) a certificate or certificates of the Authority, dated the Closing Date, to the effect that:

(A) the representations and warranties of the Authority contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date and the Authority has complied with all of the terms and conditions of this Bond Purchase Agreement required to be complied with by the Authority at or prior to Closing Date;

(B) none of the proceedings or authority for (1) the authorization, sale, execution and delivery of the Bonds; (2) the adoption of the Authority Resolution; or (3) the execution and delivery by the Authority of the Authority Documents, has been repealed, modified, amended, revoked or rescinded;

(C) no event affecting the Authority has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purposes for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein with respect to the Authority not misleading in any material respect; and

(D) the information and statements contained in the Official Statement with respect to the Authority do not contain any untrue statement of a material fact with respect to the Authority or omit to state a material fact necessary to make such statements therein with respect to the Authority, in the light of the circumstances under which they were made, not misleading; and to the best of the knowledge of the officer of the Authority executing the certificate after reasonable investigation, the Authority is not in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, which would have a material adverse impact on the Authority's ability to perform its obligations under the Authority Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument;

(x) an opinion, dated the Closing Date and addressed to the Underwriter and the Authority, of the City Attorney, to the effect that:

(A) the City is a municipal corporation and general law city duly organized and validly existing under the Constitution and laws of the State;

(B) the City Documents have been duly approved by the City Resolution, which City Resolution was adopted at a meeting duly called and held in accordance with the requirements of all applicable laws, with all public notice required by law, and at which a quorum of the members of the City Council of the City was continuously present and the City Resolution has not been modified, amended or rescinded since the date of their adoption;

(C) except as described in the Official Statement, there is no litigation, inquiry, or investigation pending with respect to which the City has been served with process or to the best of such counsel's knowledge after due inquiry, threatened, which: (1) challenges the right or title of any member of the City Council of the City or officer of the City to hold his or her office or exercise or perform the powers and duties pertaining thereto; (2) challenges the validity or enforceability of the Bonds or the City Documents; (3) seeks to restrain or enjoin the sale of the Bonds or the execution and delivery by the City of, or the performance by the City of its obligations under, the City Documents or in which a final adverse decision could materially adversely affect the operations of the City; or (4) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, nor, to the best of such counsel's knowledge, is there any basis therefor;

(D) the execution and delivery by the City of, and the performance by the City of its obligations under, the City Documents, do not conflict with, violate or constitute a default under any provision of any law, court order or decree or any contract, instrument or agreement to which the City is a party or by which it is bound and of which such counsel has knowledge;

(E) the City Documents have been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery of the City Documents by the other parties thereto, the City Documents constitute legal, valid and binding agreements of the City, enforceable against the City in accordance with their respective terms except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights and remedies in general, or by the application of equitable principles if equitable remedies are sought;

(F) except as may be required under the "blue sky" or securities laws of the United States or any state, there is no authorization, approval, consent or other order of, or filing with, or certification by, the State or any other governmental authority or agency within the State having jurisdiction over the City required for the issuance of the Bonds or the consummation by the City of the transactions on its part contemplated by the Official Statement and the City Documents; and

(G) based on the information made available to the City Attorney, and without having undertaken to determine independently or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement, nothing has come to his attention which would lead him to believe that the Official Statement as of its date and as of the date of Closing (excluding therefrom the financial and statistical data and forecasts included therein, and the information with respect to the Underwriter or DTC and its book entry system as to all of which no opinion is expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xi) an opinion or opinions, dated the Closing Date and addressed to the Underwriter, of the City Attorney in his capacity as counsel for the Authority, to the effect that:

(A) the Authority is a joint exercise of powers authority duly organized and validly existing under the laws of the State pursuant to the JPA Agreement;

(B) the Authority Documents have been duly approved by the Authority Resolution which was adopted at a meeting of the Board of Directors of the Authority duly called and held in accordance with the requirements of all applicable laws, with all public notice required by law, and at which a quorum of the members of the Board of Directors of the Authority was continuously present and the Authority Resolution has not been modified, amended or rescinded since the date of its adoption;

(C) except as described in the Official Statement, there is no litigation, inquiry, or investigation pending with respect to which the Authority has been served with process or to the best of such counsel's knowledge after due inquiry, threatened, which: (1) challenges the right or title of any member of the Board of Directors of the Authority or officer of the Authority to hold his or her office or exercise or perform the powers and duties pertaining thereto; (2) challenges the validity or enforceability of the Bonds or the Authority Documents; (3) seeks to restrain or enjoin the sale of the Bonds or the execution and delivery by the Authority of, or the performance by the Authority of its obligations under, the Authority

Documents or in which a final adverse decision could materially adversely affect the operations of the Authority; or (4) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, nor, to the best of such counsel's knowledge, is there any basis therefor;

(D) the execution and delivery by the Authority of, and the performance by the Authority of its obligations under, the Authority Documents, do not conflict with, violate or constitute a default under any provision of any law, court order or decree or any contract, instrument or agreement to which the Authority is a party or by which it is bound and of which such counsel has knowledge;

(E) the Authority Documents have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery of the Authority Documents by the other parties thereto, the Authority Documents constitute legal, valid and binding agreements of the Authority, enforceable against the Authority in accordance with their respective terms except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights and remedies in general, or by the application of equitable principles if equitable remedies are sought;

(F) except as may be required under the "blue sky" or securities laws of the United States or any state, there is no authorization, approval, consent or other order of, or filing with, or certification by, the State or any other governmental authority or agency having jurisdiction over the Authority required for the issuance of the Bonds or the consummation by the Authority of the transactions on its part contemplated by the Official Statement and the Authority Documents; and

(G) based on the information made available to counsel to the Authority, and without having undertaken to determine independently or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement under the captions entitled "INTRODUCTION—The Authority and the City," "THE AUTHORITY AND THE CITY – The Authority" and "NO MATERIAL LITIGATION," nothing has come to such counsel's attention that would lead such counsel to believe that the statements contained under the above-referenced captions as of the date of the Official Statement and as of the date of Closing contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xii) opinions, dated the Closing Date and addressed to the Authority, of Bond Counsel, substantially in the forms set forth in Appendix E to the Official Statement, together with a letter from such counsel, dated the Closing Date and

addressed to the Underwriter, to the effect that the foregoing opinions may be relied upon by the Underwriter to the same extent as if such opinions were addressed to the Underwriter;

(xiii) a supplemental opinion, dated the Closing Date and addressed to the Underwriter, of Bond Counsel, to the effect that:

(A) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(B) the Bond Purchase Agreement has been duly executed and delivered by the Authority and the City and is a valid and binding agreement of the Authority and the City, subject to customary exceptions;

(C) the statements contained in the Official Statement under the captions "THE 2019 BONDS," "SECURITY FOR THE 2019 BONDS," "TAX MATTERS," and in "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS" and "APPENDIX E – FORM OF OPINION OF BOND COUNSEL," are accurate in all material respects insofar as such statements expressly summarize certain provisions of the Indenture, the Installment Sale Agreement, certain tax matters relating to the Bonds and the final opinion of Bond Counsel;

(xiv) a letter, dated the Closing Date and addressed to the Authority and the Underwriter of Jones Hall, A Professional Law Corporation, Disclosure Counsel ("***Disclosure Counsel***"), to the effect that based upon its participation in the preparation of the Official Statement as Disclosure Counsel, without assuming any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Official Statement nor making any representation regarding independent verification of the accuracy, completeness or fairness of any of the statements contained in the Official Statement, such counsel advises that during the course of such representation of the City and the Authority as disclosure counsel on this matter, no information came to the attention of the attorneys in such firm rendering legal services in connection with such representation which caused them to believe that the Official Statement as of its date or as of the Closing Date (except for any financial, statistical or economic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, the information in Appendices A, B, D, E and F to the Official Statement or any information about book-entry or DTC included therein, as to which no opinion or view is expressed) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xv) an opinion of Nixon Peabody LLP, Underwriter's counsel, satisfactory to the Underwriter;

(xvi) a certificate of an authorized officer of the Trustee satisfactory to the Underwriter and the City, certifying substantially as follows:

(A) the Trustee is a national banking association duly organized and in good standing under the laws of the United States of America and has all necessary power and authority to enter into the Indenture and to perform its duties under the Indenture;

(B) the Trustee is duly authorized to enter into the Indenture and to authenticate and deliver the Bonds to the Underwriter pursuant to the terms of the Indenture and, when executed by the Authority, the Indenture will constitute a legal, valid and binding obligation of the Trustee enforceable in accordance with its terms;

(C) the Bonds have been duly authenticated and delivered to the Underwriter pursuant to direction from the Authority;

(D) the Trustee is not in breach of or default under any law or administrative rule or regulation of the State or of any department, division, agency or instrumentality thereof, of any applicable court or administrative decree or order, or any other material instrument to which the Trustee is a party or is otherwise subject or bound and which would materially impair the ability of the Trustee to perform its obligations under the Indenture;

(E) to the knowledge of the Trustee, there is no action, litigation, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending and served on or threatened against or affecting the existence of the Trustee, seeking to restrain or enjoin the authentication of any of the Bonds by the Trustee, or contesting or affecting the powers of the Trustee or its authority to execute, deliver, enter into and perform its obligations under the Indenture to which it is a party or its authority to authenticate the Bonds, wherein an unfavorable decision, ruling or finding would adversely affect the validity of the Bonds or the Indenture to which it is a party;

(F) the execution and delivery of the Indenture will not conflict with or constitute a breach of or default under the Trustee's duties under such documents, or any law, administrative regulation, court decree, resolution, articles of association, bylaws or other material agreement to which the Trustee is subject or by which it is bound; and

(G) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the authentication and delivery of the Bonds, the execution and delivery of the Indenture, the

performance of the Trustee's duties under the Indenture or the consummation by the Trustee of the other transactions contemplated by the Indenture, except as such may be required under the state securities or "blue sky" laws in connection with the distribution of the Bonds by the Underwriter;

(xvii) an opinion of counsel to the Trustee in form and substance acceptable to the Underwriter and Bond Counsel;

(xviii) 15c2-12 certificates, dated the date of the Preliminary Official Statement, of the City and the Authority;

(xix) certified copies of the City Resolution and the Authority Resolution;

(xx) evidence that S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, have assigned a rating of "[___]" to the Bonds;

(xxi) an Arbitrage Certificate relating to the Bonds in a form satisfactory to Bond Counsel;

(xxii) a copy of the Blanket Letter of Representations from the Authority to DTC;

(xxiii) a transcript of the proceedings relating to the authorization, issuance, execution and delivery of the Bonds; and

(xxiv) such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the City's and the Authority's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the City and the Authority on or prior to the date of the Closing of all the agreements then to be performed and conditions then to be satisfied by each of them.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Bond Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to Bond Counsel, Disclosure Counsel and the Underwriter.

If the Authority and the City shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Bond Purchase Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and none of the Underwriter, the Authority or the City shall be under any further obligation hereunder.

Section 9. Termination. The Underwriter shall have the right to terminate its obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds by notifying the Authority and the City in writing, of its election to do so, if, after the execution hereof and prior to the Closing:

(a) an amendment to the Constitution of the United States or the State shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter or legislation pending in the Congress of the United States shall have been amended or legislation shall have been recommended to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such Committee by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee or by the staff of the joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State authority, with respect to federal or State taxation upon revenues or other income of the general character to be derived by the City or the Authority or upon interest received on obligations of the general character of the Bonds which, in the judgment of the Underwriter, may have the purpose or effect, directly or, indirectly, of affecting the tax status of the City, the Authority, its property or income, their securities (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by State legislation; or

(b) legislation shall have been introduced in or enacted, resolution passed, or considered for enactment with an effective date prior to the Closing Date, or a decision by a court of the United States shall have been rendered, the effect of which is that the Bonds, including any underlying obligations, or the Indenture, as the case may be, are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(c) a stop order, ruling, regulation or offering circular by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, including any underlying obligations, or the execution of the Indenture, as contemplated hereby or by the Official Statement, is or would be in violation of any provisions of the federal securities laws, including the

Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(d) there shall have occurred any outbreak or escalation of hostilities or any national or international calamity or crisis, including a financial crisis, a material disruption in commercial banking or securities settlement or clearance services, or a material disruption or deterioration in the fixed income or municipal securities market; the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds; or

(e) there shall be in force a general suspension of trading on the New York Stock Exchange, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds; or

(f) a general banking moratorium shall have been declared by federal, New York or California authorities; or

(g) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the Authority or the City; or

(h) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or

(i) the New York Stock Exchange or other national securities exchange, or any governmental or regulatory authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of the Underwriter; or

(j) a rating on the Bonds or on any other general fund secured bonds or notes or other obligations of the City, shall have been placed on review, downgraded, suspended, withdrawn or changed to negative watch in credit watch status by a national rating service which, in the opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(k) any amendment to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the City or the Authority, or their property, income, or securities (or interest thereon); or

(l) any event shall occur, or information become known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated

therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; or

(m) any fact or event shall exist or have existed that, in the Underwriter's judgment, requires or has required an amendment of or supplement to the Official Statement; or

(n) there shall have occurred any materially adverse change in the affairs or financial condition of the City, other than as disclosed in the Official Statement; or

(o) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided, shall be prohibited by any applicable law, governmental authority, board, agency or commission.

If this Bond Purchase Agreement shall be terminated pursuant to Section 8 hereof or this Section 9, or if the purchase of the Bonds provided for herein is not consummated because any condition to the Underwriter's obligations hereunder is not satisfied or because of any refusal, inability or failure on the part of the City or the Authority to comply with any of the terms or to fulfill any of the conditions of this Bond Purchase Agreement, or if for any reason the City or the Authority shall be unable to perform all of its respective obligations under this Bond Purchase Agreement, none of the City or the Authority shall be liable to the Underwriter for damages on account of loss of anticipated profits arising out of the transactions covered by this Bond Purchase Agreement. The Underwriter may, in its sole discretion, waive any of the conditions set forth in Section 8 hereof or this Section 9.

Section 10. Payment of Costs and Expenses.

(a) All costs and expenses incident to the sale and delivery of the Bonds to the Underwriter shall be payable by the Authority from the proceeds of the Bonds, including, but not limited to: (i) all advertising expenses in connection with the offering of the Bonds; (ii) the fees and expenses of the City, its counsel, municipal advisor and consultants; (iii) the fees and expenses of the Authority, its counsel and consultants; (iv) the fees and expenses of Bond Counsel; (v) the fees and expenses of Disclosure Counsel; (vi) all expenses in connection with the preparation and printing of the Bonds; (vii) all expenses in connection with the preparation, printing, distribution and delivery of the Preliminary Official Statement, the Official Statement and any amendment or supplement thereto; (viii) the initial fees and expenses of the Trustee, including the reasonable fees and expenses of its counsel; and (ix) the fees and expenses of any rating agency rating the Bonds.

(b) The Underwriter shall pay all expenses incurred by it in connection with the public offering and distribution of the Bonds including, but not limited to: (i) the fees and disbursements of Underwriter's Counsel, and (ii) all out-of-pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds, including, air travel and hotel accommodations in connection with the pricing of the Bonds; investor meetings, rating agency trips and meetings; the Closing; meals and transportation for the City, the Underwriter and other working group personnel during rating agency, investor meetings; pricing and Closing trips; expenses related to attending

working group meetings, such as parking, meals and transportation and any other miscellaneous costs associated with the Closing; (iii) all other expenses incurred by the Underwriter in connection with the public offering and distribution of Bonds, except as provided in Section 10(a) hereof or as otherwise agreed to by the Underwriter, the Authority and the City; and (iv) the fees of the California Debt and Investment Advisory Commission. Such items may be included as an expense component of the Underwriter's discount.

The Authority and the City acknowledge that they have had an opportunity, in consultation with such advisors as they may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

Section 11. Notices. Any notice or other communication to be given under this Bond Purchase Agreement to a party hereto may be given by delivering the same in writing:

to the Authority:	Milpitas Municipal Financing Authority 455 E. Calaveras Blvd. Milpitas, CA 95035 Attention: Treasurer/Auditor
to the City:	City of Milpitas 455 E. Calaveras Blvd. Milpitas, CA 95035 Attention: Treasurer
to the Underwriter:	BofA Securities, Inc. 555 California Street, Suite 1160 San Francisco, California 94104 Attention: Holly Vocal,

Section 12. Parties in Interest. This Bond Purchase Agreement is made solely for the benefit of the Authority, the City and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the Authority's and the City's representations, warranties and agreements contained in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of: (a) any investigations made by or on behalf of the Underwriter, (b) delivery of and payment for the Bonds pursuant to this Bond Purchase Agreement, and (c) any termination of this Bond Purchase Agreement.

Section 13. Determination of End of the Underwriting Period. For purposes of this Bond Purchase Agreement, the end of the underwriting period for the Bonds shall mean the earlier of (a) the Closing Date unless the City and the Authority have been notified in writing by the Underwriter, on or prior to the Closing Date, that the "end of the underwriting period" for the Bonds for all purposes of the Rule will not occur on the Closing Date; or (b) the date on which notice is given to the City and the Authority by the Underwriter in accordance with the following sentence. In the event that the Underwriter has given notice to the City and the Authority pursuant to clause (a) above that the "end of the underwriting period" for the Bonds will not occur on the

Closing Date, the Underwriter agrees to notify the City and the Authority in writing as soon as practicable following the "end of the underwriting period" for the Bonds for all purposes of the Rule.

Section 14. No Assignment. This Bond Purchase Agreement is entered into among the City, the Authority and the Underwriter, and none of them shall assign any right or obligation hereunder without the prior written consent of the other parties hereto.

Section 15. Effectiveness. This Bond Purchase Agreement shall become effective upon the execution of the acceptance hereof by an authorized representative of the City and an authorized representative of the Authority, and shall be valid and enforceable at the time of such acceptance.

Section 16. Headings. The headings of the sections of this Bond Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

Section 17. Governing Law. This Bond Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State applicable to contracts made and performed in California.

Section 18. Counterparts. This Bond Purchase Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

[Remainder of page intentionally left blank; signature page follows]

If the foregoing is in accordance with your understanding of this Bond Purchase Agreement please sign and return to us the enclosed duplicate copies hereof, whereupon it will become a binding agreement among the City, the Authority and the Underwriter in accordance with its terms.

Very truly yours,

BOFA SECURITIES, INC., as Underwriter

By _____
Authorized Representative

Accepted by:

MILPITAS MUNICIPAL FINANCING AUTHORITY

By _____
Walter Rossman, Treasurer

CITY OF MILPITAS, CALIFORNIA

By _____
Walter Rossman, Director of
Financial Services

[Signature page to Bond Purchase Agreement]

EXHIBIT A

$_____
Milpitas Municipal Financing Authority
2019 Wastewater Revenue Bonds

MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND PRICES

Maturity Date (November 1)	Principal Amount	Interest Rate	Yield	Price	10% Test Met	[Subject to Hold-the-Price Rule]
	$	%	%	%		

[C] [Priced to par call on November 1, 20__.]

REDEMPTION PROVISIONS

Optional Redemption

The Bonds maturing on or before November 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The Bonds maturing on or after November 1, 20__, are subject to redemption in whole, or in part at the Written Request of the Authority among maturities on such basis as the Authority may designate and by lot within a maturity, at the option of the Authority, on any date on or after November 1, 20__, from any available source of funds, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

Special Mandatory Redemption from Insurance and Sale Proceeds

The Bonds are subject to mandatory redemption, on any date, in whole, or in part on a pro rata basis among maturities, from the net proceeds of insurance, sale or condemnation credited towards the prepayment of the Installment Payments by the City under the Installment Sale Agreement, at a redemption price equal to the principal amount represented thereby to be prepaid, without premium, together with accrued interest represented thereby to the redemption date.

Mandatory Sinking Fund Redemption

The Bonds maturing on November 1, 20__ and November 1, 20__ (the "**2019 Term Bonds**") are also be subject to redemption, by lot, on November 1 in each of the years as set forth in the following tables, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof may be purchased, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, that if some but not all of the 2019 Term Bonds have been redeemed pursuant to paragraphs described above, the total amount of all future payments with respect to such 2019 Term Bonds shall be reduced by the aggregate principal amount of such 2019 Term Bonds so redeemed, to be allocated among such payments in integral multiples of $5,000 as determined by the Authority (written notice of which determination shall be given by the Authority to the Trustee).

2019 Term Bonds Maturing November 1, 20__

Sinking Fund Redemption Date (November 1)	Principal Amount To Be Redeemed

2019 Term Bonds Maturing November 1, 20__

Sinking Fund Redemption Date (November 1)	Principal Amount To Be Redeemed

In lieu of mandatory sinking fund redemption of the 2019 Term Bonds, amounts on deposit in the Bond Fund (to the extent not required to be deposited by the Trustee in the Interest Account or the Principal Account pursuant to the Indenture during the current Bond Year) may also be used and withdrawn by the Authority, upon the Written Request of the Authority delivered to the Trustee, at any time for the purchase of such 2019 Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Authority may in its discretion determine. The par amount of any of such 2019 Term Bonds so purchased by the Authority in any twelve-month period ending on April 1 in any year shall be credited towards and shall reduce the par amount of such 2019 Term Bonds required to be redeemed pursuant to this provision on the next succeeding November 1.

EXHIBIT B

FORM OF ISSUE PRICE CERTIFICATE OF THE UNDERWRITER

The undersigned, on behalf of BofA Securities, Inc. or its affiliate (the "Underwriter"), hereby certifies as set forth below with respect to the sale and issuance of the [$_____ Milpitas Municipal Financing Authority 2019 Wastewater Revenue Bonds) (the "Bonds")]. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Tax Certificate relating to the Bonds, to which this certificate is attached.

1. ***Sale of the General Rule Maturities***. As of the date of this certificate, for each Maturity of the [Bonds][General Rule Maturities], the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities***.

[The Underwriter offered the Hold-the-Offering Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "*Initial Offering Prices*") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.]

As set forth in the Bond Purchase Agreement, the Underwriter has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the unsold Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule") nor would they permit a related party to do so, and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreements, no Underwriter has offered or sold any unsold Bonds of any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

Defined Terms.

General Rule Maturities means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

Hold-the-Offering-Price Maturities means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriters have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold the Offering Price Maturity.

Issuer means Milpitas Municipal Financing Authority.

Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2019.

Underwriter means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

Other Certifications.

(a) The aggregate of the Initial Offering Prices of the Bonds is $_____.

(b) We have provided the attached schedules, at the direction of Bond Counsel, relating to the calculation of the arbitrage yield with respect to the Bonds.

(c) We have provided the attached schedules, at the direction of Bond Counsel, relating to the calculation of the weighted average maturity of the Bonds. We have performed this calculation using the following formula: we calculated the total number of bond years and divided that number into the total initial offering price of the bonds of the offering. For purposes of calculating the total bond years, we calculated the sum of the products of each respective maturity's initial offering price and the number of years from the dated date to each respective maturity, doing so on a 12-month, 360-day year basis.

We express no view regarding the legal sufficiency of the above computations or the correctness of any legal interpretation made by Bond Counsel. Further, notwithstanding the Underwriter having performed the calculations as set forth in the Statistics using the DBC Software, we remind you that we are not accountants or actuaries, nor are we engaged in the practice of law.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones

Hall, A Professional Law Corporation, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

BOFA SECURITIES, INC., as Underwriter

By:_____
Authorized Representative

Dated: _____, 2019

SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(Attached)

MATURITY SCHEDULE

Maturity Date (November 1)	Principal Amount	Interest Rate	Yield	Price
	$	%	%	%

[* General Rule Maturities
**** Hold-the-Offering-Price Maturities]**

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER__, 2019

NEW ISSUE - FULL BOOK-ENTRY **S&P RATING: "____"**
See "Rating"

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the 2019 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. In the further opinion of Bond Counsel, interest on the 2019 Bonds is exempt from California personal income taxes. See "TAX MATTERS."

$_____*
Milpitas Municipal Financing Authority
2019 Wastewater Revenue Bonds

Dated: Date of Delivery **Due: November 1, as shown on inside cover**

Authority for Issuance. The bonds captioned above (the "2019 Bonds") are being issued by the Milpitas Municipal Financing Authority (the "Authority") under a resolution adopted by the governing body of the Authority, the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Bond Law"), and an Indenture of Trust dated as of November 1, 2019 (the "Indenture"), by and between the Authority and U.S. Bank National Association, as trustee. See "THE 2019 BONDS – Authority for Issuance."

Use of Proceeds. The 2019 Bonds are being issued to provide funds to (i) assist the City of Milpitas (the "City") with financing certain improvements to the City's wastewater system (as further defined herein, the "Wastewater System"), including costs billed to the City for the San José/Santa Clara Regional Wastewater Facility (the "**Treatment Facility**"), and (ii) pay the costs of issuing the 2019 Bonds. See "FINANCING PLAN."

Security for the 2019 Bonds. The 2019 Bonds are special obligations of the Authority, payable from the "Revenues" pledged under the Indenture, which consist primarily of installment payments (the "Installment Payments") payable by the City to the Authority under an Installment Sale Agreement, dated as of November 1, 2019 (the "Installment Sale Agreement") pursuant to which the City is purchasing the Wastewater System improvements being financed. Repayment of the Installment Payments is secured by a pledge of the "Net Revenues" of the Wastewater System. Neither the Authority nor the City will fund a debt service reserve fund in connection with the 2019 Bonds. See "SECURITY FOR THE 2019 BONDS."

Parity Debt. The pledge of the Net Revenues under the Installment Sale Agreement is on parity with the pledge of Net Revenues in favor of the holders of the City of Milpitas Wastewater Revenue Refunding Bonds, Series 2017 (the "2017 Bonds"), which were issued in the original principal amount of $4,725,000 and are currently outstanding in the amount of $4,245,000. In addition, additional series of bonds or other debt may be issued in the future that are payable from Net Revenues on a parity with the 2017 Bonds and the Installment Payments, subject to the conditions contained in the Installment Sale Agreement. See "SECURITY FOR THE 2019 BONDS – Parity Debt."

Bond Terms; Book-Entry Only. The 2019 Bonds will bear interest at the rates shown on the inside cover, payable semiannually on May 1 and November 1 of each year, commencing on May 1, 2020, and will be issued in fully registered form without coupons in the denomination of $5,000 or any integral multiple of $5,000. The 2019 Bonds will be issued in book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Purchasers of the 2019 Bonds will not receive certificates representing their interests in the 2019 Bonds. Payments of the principal of, premium, if any, and interest on the 2019 Bonds will be made to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the 2019 Bonds. See "THE 2019 BONDS – General Bond Terms."

Redemption. **The 2019 Bonds are subject to redemption prior to maturity. See "THE 2019 BONDS – Redemption."**

THE 2019 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED BY THE REVENUES, WHICH CONSIST PRIMARILY OF THE INSTALLMENT PAYMENTS. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY IS PLEDGED TO THE PAYMENT OF THE INSTALLMENT PAYMENTS. THE 2019 BONDS ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE, OR LIEN, OR ENCUMBRANCE UPON, ANY OF THE PROPERTY OF THE AUTHORITY OR ANY OF ITS INCOME OR RECEIPTS, EXCEPT THE REVENUES AS DESCRIBED HEREIN.

MATURITY SCHEDULE
(see inside cover)

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE OF BONDS. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION WITH RESPECT TO THE PURCHASE OF THE 2019 BONDS. INVESTMENT IN THE BONDS INVOLVES RISKS THAT MAY NOT BE APPROPRIATE FOR SOME INVESTORS. SEE "BOND OWNERS' RISKS."

The 2019 Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Certain legal matters will also be passed upon for the City by Jones Hall, A Professional Law Corporation, as Disclosure Counsel, and by the City Attorney. Certain legal matters will be passed upon for the Underwriter by its counsel, Nixon Peabody LLP, Los Angeles, California. It is anticipated that the 2019 Bonds, in book-entry only form, will be available through the facilities of DTC on or about November ___, 2019.

Bank of America Merrill Lynch

The date of this Official Statement is: _____, 2019.

* Preliminary; subject to change.

MATURITY SCHEDULE

$_____ Serial Bonds
(Base CUSIP†: _____)

Maturity (November 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†

$_____ % Term Bond Due November 1, 20___; Yield ____%; Price: ____%
CUSIP†: _____

† *Copyright S&P Global Services, managed by Standard & Poor's Capital IQ. CUSIP® numbers are provided for convenience of reference only. Neither the City nor the Underwriter takes any responsibility for the accuracy of such CUSIP® numbers.*

MILPITAS MUNICIPAL FINANCING AUTHORITY
(Santa Clara County, California)

GOVERNING BOARD OF THE AUTHORITY AND CITY COUNCIL OF THE CITY

Richard Tran, *Chair/Mayor*
Karina R. Dominguez, *Vice-Chair/Vice-Mayor*
Carmen Montano, *Boardmember/Councilmember*
Bob Nuñez, *Boardmember/Councilmember*
Anthony Phan, *Boardmember/Councilmember*

AUTHORITY/CITY OFFICIALS

Steve McHarris, *Interim Executive Director/Interim City Manager**
Walter C. Rossmann, *Treasurer/ Director of Finance*
Tony Ndah, *Public Works Director*
Christopher J. Diaz, *Authority General Counsel/City Attorney*
Mary Lavelle, CMC, *Secretary/City Clerk*

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Municipal Advisor

Fieldman, Rolapp & Associates, Inc.
Irvine, California

Trustee

U.S. Bank National Association
San Francisco, California

* Steve McHarris was appointed Interim City Manager in June 2019. He most recently served as Deputy City Manager.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the 2019 Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the 2019 Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the City or the Wastewater System since the date of this Official Statement.

Use of this Official Statement. This Official Statement is submitted in connection with the sale of the 2019 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the 2019 Bonds.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Document References and Summaries. All references to and summaries of the Indenture or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

Stabilization of and Changes to Offering Prices. The Underwriter may over allot or take other steps that stabilize or maintain the market price of the 2019 Bonds at a level above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the 2019 Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of the 2019 Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

Estimates and Projections. Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

Internet Site. The City maintains an internet site; however, none of the information contained on that internet site is incorporated by reference in this Official Statement.

[REGIONAL MAP]

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OFFICIAL STATEMENT

**$_____*
Milpitas Municipal Financing Authority
2019 Wastewater Revenue Bonds**

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. Capitalized terms used but not defined in this Official Statement have the meanings given in the Indenture (as defined below). See "APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents."

The Authority and the City. The Milpitas Municipal Financing Authority (the "**Authority**") is a joint exercise of powers authority established by the City of Milpitas (the "**City**") and the City of Milpitas Housing Authority pursuant to a Joint Exercise of Powers Agreement, dated as of March 1, 2016 for the purpose, among others, of having the Authority issue its bonds to finance the acquisition, construction and improvement of certain public capital improvements in the City. The City is a general law city located in the County of Santa Clara (the "**County**"). For background, demographic and economic information regarding the City and the County, see APPENDIX D.

Authority for Issuance. The bonds captioned above (the "**2019 Bonds**") are being issued by the Authority under a resolution adopted by the governing body of the Authority, the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "**Bond Law**"), and an Indenture of Trust dated as of November 1, 2019 (the "**Indenture**"), by and between the Authority and U.S. Bank National Association, as trustee. See "THE 2019 BONDS – Authority for Issuance."

Purpose of the 2019 Bonds. The 2019 Bonds are being issued to provide funds to (i) assist the City with financing certain improvements to the City's wastewater system (as further defined herein, the "**Wastewater System**"), including costs billed to the City related to the San José/Santa Clara Regional Wastewater Facility (the "**Treatment Facility**"), and (ii) pay the costs of issuing the 2019 Bonds. See "FINANCING PLAN."

Security for the 2019 Bonds. The 2019 Bonds are special obligations of the Authority, payable from the "Revenues" pledged under the Indenture, which consist primarily of installment payments (the "**Installment Payments**") payable by the City to the Authority under an Installment Sale Agreement, dated as of November 1, 2019 (the "**Installment Sale Agreement**") pursuant to which the City is purchasing the Wastewater System improvements being financed. Repayment of the Installment Payments is secured by a pledge of the "Net Revenues" of the Wastewater System. "**Net Revenues**" are generally defined as the "Gross Revenues" received from the Wastewater System, less the amount of "Maintenance and Operation Costs" of the Wastewater System (as those terms are defined in the Indenture). See "SECURITY FOR THE 2019 BONDS."

Parity Debt. The pledge of the Net Revenues under the Installment Sale Agreement is on parity with the pledge of Net Revenues in favor of the holders of the City of Milpitas Wastewater Revenue Refunding Bonds, Series 2017 (the "**2017 Bonds**"), which were issued in the original principal amount of $4,725,000 and are currently outstanding in the amount of $4,245,000. In addition, additional series of bonds or other debt may be issued in the future that are payable from Net Revenues on a parity with the 2017 Bonds and the Installment Payments, subject to the conditions contained in the Installment Sale Agreement. See "SECURITY FOR THE 2019 BONDS – Parity Debt."

Rate Covenants. Under the Installment Sale Agreement, the City is obligated to fix, prescribe, revise, and collect Charges for the Wastewater System during each Fiscal Year that are sufficient to yield Net Revenues of at least 115% of Debt Service on the Bonds and Parity Debt in that Fiscal Year (as such capitalized terms are defined in the Indenture).

Under the Installment Sale Agreement, the City must also fix, prescribe, revise, and collect charges for the Wastewater System during each Fiscal Year to pay all Maintenance and Operation Costs of the Wastewater System estimated by the City to become due and payable in such Fiscal Year, the Debt Service on the Bonds, all other payments required for compliance with the Indenture and the Parity Debt Instruments, and all payments required to meet any other obligations of the City which are charges, liens, encumbrances upon or payable from the Gross Revenues or the Net Revenues of the Wastewater System (as such capitalized terms are defined in the Indenture). Debt Service includes amounts due with respect to the 2019 Bonds and the 2017 Bonds, plus any Parity Debt that may be issued or incurred in the future. See APPENDIX A.

See "SECURITY FOR THE 2019 BONDS – Rate Covenants."

No Reserve Fund. The City will not fund a debt service reserve fund for the 2019 Bonds.

Risks of Investment. The 2019 Bonds are repayable from the Revenues, which are primarily secured by the Installment Payments payable by the City from the Net Revenues of the Wastewater System. For a discussion of some of the risks associated with the purchase of the 2019 Bonds, see "BOND OWNERS' RISKS."

THE 2019 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED BY THE REVENUES, WHICH CONSIST PRIMARILY OF THE INSTALLMENT PAYMENTS. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY IS PLEDGED TO THE PAYMENT OF THE INSTALLMENT PAYMENTS. THE 2019 BONDS ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE, OR LIEN, OR ENCUMBRANCE UPON, ANY OF THE PROPERTY OF THE AUTHORITY OR ANY OF ITS INCOME OR RECEIPTS, EXCEPT THE REVENUES AS DESCRIBED HEREIN.

FINANCING PLAN

The 2019 Bonds are being issued to provide funds to (i) assist the City with financing certain improvements to the Wastewater System (as described herein, the "**Project**"), including costs billed to the City for the Treatment Facility and (ii) pay the costs of issuing the 2019 Bonds.

The Project

The Project is expected to consist primarily of capital improvements being undertaken at the Treatment Facility, and for which the City expects to be billed approximately $35,000,000. This amount is expected to be billed to the City by the City of San José over the next two to three years pursuant to the Master Agreement for Wastewater Treatment Between City of San José, City of Santa Clara and City of Milpitas, dated as of March 1, 1983 (the "**Master Agreement**"). Although the City has commenced litigation against the cities of San José and Santa Clara, as the owners of the Treatment Facility, related to amounts expected to be billed for the Treatment Facility improvements, the City currently intends to pay such amounts as they become due. For additional information regarding the Master Agreement and the Treatment Facility, including the ongoing capital improvement program related to the Treatment Facility and the related litigation, see "THE WASTEWATER SYSTEM – San Jose/Santa Clara Regional Wastewater Facility."

As provided in the Indenture and the Installment Sale Agreement, amounts not used for the above-described projects may be expended for other improvements to the Wastewater System approved by the City Council.

Estimated Sources and Uses of Funds

The estimated sources and uses of funds relating to the 2019 Bonds are as follows:

Sources:	
Principal Amount of 2019 Bonds	$
Plus/Less [Net] Original Issue Premium/Discount	
Total Sources	$
Uses:	
Deposit to Project Fund	
Costs of Issuance (1)	
Total Uses	$

(1) Costs of Issuance include legal fees, Municipal Advisor's fee, Underwriter's discount, printing costs, rating agency fees, and other expenses related to the issuance of the 2019 Bonds.

THE 2019 BONDS

This section provides summaries of the 2019 Bonds and certain provisions of the Indenture. See APPENDIX A for a more complete summary of the Indenture. Capitalized terms used but not defined in this section have the meanings given in APPENDIX A.

Authority for Issuance

The 2019 Bonds are being issued by the Authority under a resolution adopted by the governing body of the Authority on _____, 2019, the Bond Law, and the Indenture. The City, pursuant to a resolution adopted by the City Council of the City on _____, 2019, has also approved of the issuance of the Bonds and the distribution of the Official Statement.

General Bond Terms

Bond Terms. The 2019 Bonds will be dated their date of delivery and issued in fully registered form without coupons in denominations of $5,000 or any integral multiple of $5,000, so long as no 2019 Bond has more than one maturity date. The 2019 Bonds will mature in the amounts and on the dates, and bear interest at the rates per annum, set forth on the inside cover page of this Official Statement.

***Payments*.** Interest on the 2019 Bonds will be payable on May 1 and November 1 of each year to maturity (each an "**Interest Payment Date**"), commencing May 1, 2020.

Interest on the 2019 Bonds will be payable on each Interest Payment Date to the person whose name appears on the Bond Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check or draft of the Trustee mailed by first class mail to the Owner or, at the option of any Owner of at least $1,000,000 aggregate principal amount of the 2019 Bonds with respect to which written instructions have been filed with the Trustee prior to the applicable Record Date, by wire transfer, at the address of such Owner as it appears on the Bond Registration Books.

If there exists a default in payment of interest due on such Interest Payment Date, such interest will be payable on a payment date established by the Trustee to the persons in whose names the 2019 Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered Owners of the 2019 Bonds not less than 15 days preceding such special record date.

Principal of and premium (if any) on any 2019 Bond will be paid upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee. Both the principal of and interest and premium (if any) on the 2019 Bonds will be payable in lawful money of the United States of America.

However, as long as Cede & Co. is the registered owner of the 2019 Bonds, as described below, payments of the principal of, premium, if any, and interest on the 2019 Bonds will be made directly to DTC, or its nominee, Cede & Co.

Calculation of Interest. The 2019 Bonds will be dated the Closing Date and bear interest based on a 360-day year comprised of twelve 30-day months from the Interest Payment Date next preceding the date of authentication thereof, unless said date of authentication is an Interest Payment Date, in which event such interest is payable from such date of authentication, and

unless said date of authentication is prior to April 15, 2020, in which event such interest is payable from the Closing Date; provided, however, that if, as of the date of authentication of any 2019 Bond, interest thereon is in default, such 2019 Bond will bear interest from the date to which interest has previously been paid or made available for payment thereon in full.

Record Date. The Indenture defines the "**Record Date**" for the 2019 Bonds as the 15th calendar day of the month preceding an Interest Payment Date.

Book-Entry Only System. The 2019 Bonds will be registered in the name of Cede & Co., as nominee of the Depository Trust Company ("**DTC**"), New York, New York, as the initial securities depository for the 2019 Bonds. Ownership interests in the 2019 Bonds may be purchased in book-entry form only. Purchasers of the 2019 Bonds will not receive physical bonds representing their ownership interests in the 2019 Bonds purchased.

Principal and interest payments with respect to the 2019 Bonds are payable directly to DTC by the Trustee. Upon receipt of payments of principal and interest, DTC will in turn distribute such payments to the beneficial owners of the 2019 Bonds. See "APPENDIX F – DTC and the Book-Entry Only System."

So long as the 2019 Bonds are registered in the name of Cede & Co., as nominee of DTC, references in this Official Statement to the "owners" mean Cede & Co., and not the purchasers or Beneficial Owners of the 2019 Bonds. See "APPENDIX F – DTC and the Book-Entry Only System."

Redemption*

Optional Redemption. The 2019 Bonds maturing on or before November 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The 2019 Bonds maturing on or after November 1, 20__, are subject to redemption in whole, or in part at the Written Request of the Authority among maturities on such basis as the Authority may designate and by lot within a maturity, at the option of the Authority, on any date on or after November 1, 20__, from any available source of funds, at a redemption price equal to the principal amount of the 2019 Bonds to be redeemed, plus accrued interest to the date of redemption, without premium

Special Mandatory Redemption from Insurance and Sale Proceeds. The 2019 Bonds are subject to mandatory redemption, on any date, in whole, or in part on a pro rata basis among maturities, from the net proceeds of insurance, sale or condemnation credited towards the prepayment of the Installment Payments by the City under the Installment Sale Agreement, at a redemption price equal to the principal amount represented thereby to be prepaid, without premium, together with accrued interest represented thereby to the redemption date.

Mandatory Sinking Fund Redemption. The 2019 Bonds maturing on November 1, 20__ and November 1, 20__ (the "**2019 Term Bonds**") are also be subject to redemption, by lot, on November 1 in each of the years as set forth in the following tables, from deposits made for such purpose pursuant to the Indenture, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof may be purchased, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, that if some but not all of the 2019 Term Bonds have been redeemed pursuant to paragraphs described above, the total

* *Preliminary; subject to change.*

amount of all future payments with respect to such 2019 Term Bonds shall be reduced by the aggregate principal amount of such 2019 Term Bonds so redeemed, to be allocated among such payments in integral multiples of $5,000 as determined by the Authority (written notice of which determination shall be given by the Authority to the Trustee).

2019 Term Bonds Maturing November 1, 20__

Sinking Fund Redemption Date (November 1)	Principal Amount To Be Redeemed

2019 Term Bonds Maturing November 1, 20__

Sinking Fund Redemption Date (November 1)	Principal Amount To Be Redeemed

In lieu of mandatory sinking fund redemption of the 2019 Term Bonds, amounts on deposit in the Bond Fund (to the extent not required to be deposited by the Trustee in the Interest Account or the Principal Account pursuant to the Indenture during the current Bond Year) may also be used and withdrawn by the Authority, upon the Written Request of the Authority delivered to the Trustee, at any time for the purchase of such 2019 Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Authority may in its discretion determine. The par amount of any of such Term Bonds so purchased by the Authority in any twelve-month period ending on April 1 in any year shall be credited towards and shall reduce the par amount of such Term Bonds required to be redeemed pursuant to this provision on the next succeeding November 1.

***Notice of Redemption*.** The Trustee shall mail notice of redemption of the 2019 Bonds by first class mail, postage prepaid, not less than 20 nor more than 60 days before any redemption date, to the respective Owners of any 2019 Bonds designated for redemption at their addresses appearing on the Bond Registration Books and to one or more Securities Depositories and to the Information Services. Each notice of redemption shall state the date of the notice, the redemption date, the place or places of redemption, whether less than all of the 2019 Bonds (or all 2019 Bonds of a single maturity) are to be redeemed, the CUSIP numbers and (in the event that not all 2019 Bonds within a maturity are called for redemption) 2019 Bond numbers of the 2019 Bonds to be redeemed and the maturity or maturities of the 2019 Bonds to be redeemed, and in the case of 2019 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on the redemption date there will become due and payable on each of said 2019 Bonds the redemption price thereof, and that from and

after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered.

Each notice relating to a redemption pursuant to the optional redemption or special mandatory redemption provisions described above shall further state that such redemption may be rescinded by the Authority on or prior to the date set for redemption. Neither the failure to receive any notice nor any defect therein shall affect the sufficiency of the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date. Notice of redemption of 2019 Bonds shall be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

Notwithstanding the foregoing, while the 2019 Bonds are subject to DTC's book-entry system, the Trustee will be required to give notice of redemption only to DTC as provided in the letter of representations executed by the City and received and accepted by DTC. DTC and the Participants will have sole responsibility for providing any such notice of redemption to the beneficial owners of the 2019 Bonds to be redeemed. Any failure of DTC to notify any Participant, or any failure of Participants to notify the Beneficial Owner of any 2019 Bonds to be redeemed, of a notice of redemption or its content or effect will not affect the validity of the notice of redemption, or alter the effect of redemption set forth in the Indenture.

Rescission of Redemption and Cancellation of Redemption Notice. The Authority shall have the right to rescind any redemption pursuant to the optional redemption or special mandatory redemption provisions described above by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the 2019 Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

Selection of 2019 Bonds for Redemption. With respect to the 2019 Bonds, whenever less than all of the 2019 Bonds of a maturity are to be selected for redemption, the Trustee shall determine, by lot, the numbers of the 2019 Bonds of such maturity to be redeemed, and shall notify the City thereof.

Partial Redemption of 2019 Bonds. Whenever provision is made in the Indenture for the redemption of less than all of the 2019 Bonds of a single maturity of the same issue, the Trustee shall select the 2019 Bonds of that maturity to be redeemed by lot in any manner which the Trustee in its sole discretion deems appropriate. For purposes of such selection, the Trustee shall treat each 2019 Bond as consisting of separate $5,000 portions and each such portion shall be subject to redemption as if such portion were a separate 2019 Bond.

Registration, Transfer and Exchange

Bond Registration Books. The Trustee will keep or cause to be kept at its trust office sufficient Bond Registration Books for the registration and transfer of the Bonds, which will at all times during regular business hours, and upon reasonable notice, be open to inspection by the Authority; and, upon presentation for such purpose, the Trustee will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as provided in the Indenture.

Transfer. Any 2019 Bond may, in accordance with its terms, be transferred, upon the Bond Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such 2019 Bond to the Trustee at its Principal Corporate Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee shall collect any tax or other governmental charge on the transfer of any 2019 Bonds under the Indenture. Whenever any 2019 Bond or 2019 Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver to the transferee a new 2019 Bond or 2019 Bonds of like series, interest rate, maturity and aggregate principal amount. The Authority shall pay the cost of printing 2019 Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer of 2019 Bonds.

Exchange. The 2019 Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate principal amount of 2019 Bonds of other authorized denominations and of the same series, interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of any 2019 Bonds. The Authority shall pay the cost of printing 2019 Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange of 2019 Bonds.

Limitations. The Trustee may refuse to transfer or exchange, under the provisions of the Indenture, any 2019 Bonds selected by the Trustee for redemption under the Indenture, or any 2019 Bonds during the period established by the Trustee for the selection of 2019 Bonds for redemption.

DEBT SERVICE SCHEDULE

Annual debt service on the 2019 Bonds is presented below.

Period Ending November 1	Principal	Interest	Annual Debt Service
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
Total:			

SECURITY FOR THE 2019 BONDS

This section provides summaries of the security for the 2019 Bonds, and certain provisions of the Indenture and the Installment Sale Agreement. Unless the context otherwise requires, "Bonds" refers to the 2019 Bonds and any future Parity Debt outstanding under the Indenture. See APPENDIX A for a more complete summary of the Indenture. Capitalized terms used but not defined in this section have the meanings given in APPENDIX A.

General; Limited Obligation

The 2019 Bonds are special limited obligations of the Authority and will be payable from and secured by a charge and lien on the Revenues, consisting primarily of the Installment Payments to be made by the City under the Installment Sale Agreement, and all amounts held in any fund or account established and held by the Trustee under the Indenture (other than the Project Fund and the Cost of Issuance Fund). Neither the faith and credit nor the taxing power of the Authority, the City, the State of California or any political subdivision thereof is pledged to the payment of the Installment Payments or the principal or redemption price of or interest on the 2019 Bonds. The Authority has no taxing power. Neither the payment of the principal of or interest on the 2019 Bonds nor the obligation of the City to make Installment Payments under the Installment Sale Agreement constitutes a debt of the City, the Authority, the State of California or any political subdivision thereof in contravention of the Constitution or the laws of the State of California.

Installment Payments; Pledge of Net Revenues

All of the Net Revenues are irrevocably pledged, charged and assigned to the punctual payment of the Installment Payments. Such pledge, charge and assignment constitutes a lien on the Net Revenues and such other moneys for the payment of the Installment Payments in accordance with the terms of the Installment Sale Agreement, which lien is on a parity with the pledge and lien which secures the 2017 Bonds and any future Parity Debt. For a description of existing and potential future Parity Debt see "– Parity Debt" below. As used in the Installment Sale Agreement and in the Indenture, the following terms have the following respective meanings:

Net Revenues. The Indenture defines "**Net Revenues**" with respect to the Wastewater System as, for any period of computation, the amount of the Gross Revenues during such period, less the amount of Maintenance and Operation Costs of the Wastewater System during such period.

Gross Revenues. The Indenture defines "**Gross Revenues**" as all Charges (excluding surcharges, if any) received for, and all other gross income and receipts derived by the City from, the ownership and operation of the Wastewater System or otherwise arising from the Wastewater System, including but not limited to,

(a) any amounts transferred to the Wastewater Fund from a Rate Stabilization Fund, and

(b) investment earnings on amounts held in the Wastewater Fund or in any other fund established with respect to the Wastewater System.

Gross Revenues do <u>not</u> include (i) refundable deposits made to establish credit, (ii) the proceeds of any ad valorem property taxes, (iii) the proceeds of any special assessments or

special taxes levied upon real property within any improvement district served by the City for the purpose of paying special assessment bonds or special tax obligations of the City relating to the Wastewater System and (iv) connection charges.

Maintenance and Operation Costs. The Indenture defines "**Maintenance and Operation Costs**" as the reasonable and necessary costs and expenses paid by the City to maintain and operate the Wastewater System, including but not limited to

(a) costs of electricity and other forms of energy supplied to the Wastewater System,

(b) the reasonable expenses of management and repair and other costs and expenses necessary to maintain and preserve the Wastewater System in good repair and working order,

(c) payments under any contracts, notes or leases executed in connection with the City's acquisition of the Wastewater System or any part thereof, and

(d) payment of maintenance and operation expenses for wastewater treatment and disposal.

The term Maintenance and Operation Costs does not include (i) debt service payable on obligations incurred by the City, or for which the City is responsible in whole or in part, including but not limited to the Installment Payments, (ii) capital costs in excess of those, if any, required in (b) above, including payment of capital costs by the City in connection with wastewater treatment and disposal, (iii) depreciation, replacement and obsolescence charges or reserves therefor, (iv) amortization of intangibles or other bookkeeping entries of a similar nature, and (v) any overhead costs of the City to be repaid through annual transfers to the City's General Fund.

Wastewater System. The Indenture defines "**Wastewater System**" as the entire system of the City for the collection and conveyance of wastewater within the service area of the City, including but not limited to all facilities, properties, lands, rights, entitlements and other property useful in connection therewith, together with all extensions thereof and improvements thereto at any time acquired, constructed or installed by the City, including without limitation wastewater treatment and disposal facilities.

Receipt and Use of Gross Revenues under Installment Sale Agreement

Flow of Funds. The City has previously established the Wastewater Fund, which the City will continue to hold and maintain for the purposes and uses set forth in the Installment Sale Agreement. The City shall deposit all of the Gross Revenues in the Wastewater Fund immediately upon receipt. The City shall apply amounts in the Wastewater Fund as set forth in the Installment Sale Agreement and any resolution, trust indenture or installment sale agreement adopted, entered into or executed and delivered by the City in connection with any Parity Debt (collectively, "**Parity Debt Instruments**"), including the indenture pursuant to which the 2017 Bonds were issued. Amounts on deposit in the Wastewater Fund shall be applied by the City to pay when due the following amounts in the following order of priority:

(i) all Maintenance and Operation Costs (including amounts reasonably required to be set aside in contingency reserves for Maintenance and Operation Costs) as such Maintenance and Operation Costs become due and payable;

(ii) to the Trustee (or other recipient set forth in a Parity Debt Instrument) the amount needed to pay the Installment Payments and principal of, and interest on, any Parity Debt;

(iii) to the Trustee (or other recipient set forth in a Parity Debt Instrument) the amount of any deficiency in any reserve fund established for any Bonds or Parity Debt, the notice of which deficiency has been given to the City in accordance with the Indenture and the related Parity Debt Instruments, on a pro rata basis; and

(iv) as long as all of the foregoing payments, allocations and transfers are made at the times and in the manner set forth above, any moneys remaining in the Wastewater Fund may at any time be treated as surplus and applied for any lawful purpose.

No Preference or Priority. Payment of the Installment Payments and the principal of and interest on any Parity Debt shall be made without preference or priority among the Installment Payments and such Parity Debt. If the amount of Net Revenues on deposit in the Wastewater Fund is at any time insufficient to enable the City to pay when due the Installment Payments and the principal of and interest on any Parity Debt, such payments shall be made on a pro rata basis.

Budget and Appropriation of Installment Payments. During the Term of the Installment Sale Agreement, the City shall adopt all necessary budgets and make all necessary appropriations of the Installment Payments from the Net Revenues. If any Installment Payment requires the adoption by the City of any supplemental budget or appropriation, the City shall promptly adopt the same. The foregoing covenants on the part of the City constitute duties imposed by law and it is the duty of each and every public official of the City to take such actions and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in this paragraph.

Receipt and Use of Revenues under Indenture

Assignment to Trustee. Under the Indenture, the Authority hereby irrevocably transfers, assigns and sets over to the Trustee, without recourse to the Authority, all of its rights in the Installment Sale Agreement (excepting only the Authority's rights relating to indemnification and related matters), including but not limited to all of the Authority's rights to receive and collect all of the Installment Payments. The Trustee is entitled to collect and receive all of the Installment Payments, and any Installment Payments collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee is also entitled to and shall, subject to the provisions of the Indenture, take all steps, actions and proceedings which the Trustee determines to be reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the City under the Installment Sale Agreement.

Deposit and Use of Revenues in Bond Fund. All Revenues (consisting, primarily, of the Installment Payments) shall be promptly deposited by the Trustee upon receipt in a special fund designated as the "Bond Fund" which the Trustee shall establish, maintain and hold in trust;

except that all moneys received by the Trustee and required under the Indenture or under the Installment Sale Agreement to be deposited in the Redemption Fund shall be promptly deposited in such fund. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture. Any surplus remaining in the Bond Fund, after payment in full of (i) the principal of and interest on the Bonds or provision therefore under the Indenture, and (ii) any applicable fees and expenses of the Trustee, shall be withdrawn by the Trustee and remitted to the City.

On or before each Interest Payment Date, the Trustee shall transfer from the Bond Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain within the Bond Fund), the following amounts in the following order of priority:

Interest Account. The Trustee shall deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to be at least equal to the amount of interest becoming due and payable on such Interest Payment Date on all Bonds then Outstanding. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it comes due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

Principal Account. The Trustee shall deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds coming due and payable on each November 1, including the aggregate principal amount of the Term Bonds (if any) which are subject to mandatory sinking fund redemption on such November 1 pursuant to the Indenture. All amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal amount of the Bonds on their respective maturity dates, including the aggregate principal amount of the Term Bonds (if any) which are subject to mandatory sinking fund redemption on such November 1 pursuant to the Indenture.

Deposit and Use of Revenues in Redemption Fund. The Trustee shall establish and maintain the Redemption Fund, into which the Trustee shall deposit a portion of the Revenues received representing optional prepayments of the Installment Payments, in accordance with a Written Request of the Authority. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal and premium (if any) of the Bonds to be redeemed under the optional redemption or special mandatory redemption provisions of the Indenture; *provided, however*, that at any time prior to the selection of Bonds for redemption, the Trustee may apply such amounts to the purchase of Bonds at public or private sale, when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed under a Written Request of the Authority, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the Bonds.

No Reserve Fund

Neither the Authority nor the City will fund a debt service reserve fund for the 2019 Bonds.

Rate Stabilization Fund

Under the Installment Sale Agreement, the City has the right at any time to establish a rate stabilization fund (the "**Rate Stabilization Fund**") to be held by it and administered in

accordance with the Installment Sale Agreement, for the purpose of stabilizing the rates and charges imposed by the City with respect to the Wastewater System. From time to time the City may deposit amounts in the Rate Stabilization Fund, from any source of legally available funds, including but not limited to Net Revenues that are released from the pledge and lien, which secures the Installment Payments and any Parity Debt, as the City may determine.

The City may, but is not required to, withdraw from any amounts on deposit in a Rate Stabilization Fund and deposit such amounts in the Wastewater Fund in any Fiscal Year for the purpose of paying Debt Service coming due and payable in such Fiscal Year. Amounts so transferred from a Rate Stabilization Fund to the Wastewater Fund will constitute Gross Revenues for such Fiscal Year (except to the extent of amounts transferred into the Rate Stabilization Fund from Gross Revenues received by the City in such Fiscal Year), and will be applied for the purposes of the Wastewater Fund. Amounts on deposit in a Rate Stabilization Fund will not be pledged to or otherwise secure the Installment Payments or any Parity Debt. All interest or other earnings on deposits in a Rate Stabilization Fund will be withdrawn therefrom at least annually and accounted for as Gross Revenues in the Wastewater Fund. The City has the right at any time to withdraw any or all amounts on deposit in a Rate Stabilization Fund and apply such amounts for any lawful purposes of the City.

The City does not currently have any amounts set aside in the Rate Stabilization Fund, but does maintain other reserves related to the Wastewater System. See "THE WASTEWATER SYSTEM – Funds and Reserves."

Rate Covenants under Indenture

Sum Sufficient. Under the Installment Sale Agreement, the City will fix, prescribe, revise and collect Charges for the Wastewater System during each Fiscal Year that are at least sufficient, after making allowances for contingencies and error in the estimates, to produce Gross Revenues which will be sufficient to pay the following amounts:

(a) all Maintenance and Operation Costs of the Wastewater System estimated by the City to become due and payable in such Fiscal Year;

(b) the Installment Payments and Debt Service on any Parity Debt;

(c) all other payments required for compliance with the Installment Sale Agreement, the Indenture and the Parity Debt Instruments; and

(d) all payments required to meet any other obligations of the City that are charges, liens, encumbrances upon or payable from the Gross Revenues of the Wastewater System or the Net Revenues of the Wastewater System.

Debt Service Coverage. In addition, under the Installment Sale Agreement, the City will fix, prescribe, revise and collect Charges for the Wastewater System during each Fiscal Year which are sufficient to yield Net Revenues at least equal to 115% of the Installment Payments and Debt Service on Parity Debt in such Fiscal Year. For purposes of this paragraph, the amount of Net Revenues for a Fiscal Year will be computed on the basis that any transfers into the Wastewater Fund in such Fiscal Year from the Rate Stabilization Fund are included in the calculation of Net Revenues (except to the extent of amounts transferred into the Rate Stabilization Fund from Gross Revenues received by the City in such Fiscal Year).

Parity Debt

In addition to the Installment Payments, the City may, by a Parity Debt Instrument, issue or incur other loans, advances or indebtedness payable from Net Revenues to be derived from the Wastewater System, to provide financing for the Wastewater System, in such principal amount as may be determined by the City. The City may issue or incur any such Parity Debt subject to the following specific conditions that are made conditions precedent to the issuance and delivery of such Parity Debt:

(a) The City will be in compliance with all covenants set forth in the Installment Sale Agreement and in the Indenture.

(b) The Net Revenues of the Wastewater System, calculated on generally accepted accounting principles, as shown by the books of the City for the latest Fiscal Year or any more recent 12-month period selected by the City ending not more than 60 days prior to the adoption of the Parity Debt Instrument pursuant to which such Parity Debt are issued, as shown by the books of the City, plus, at the option of the City, any or all of the items hereinafter in this paragraph designated (i) and (ii), must at least equal 115% of Maximum Annual Debt Service, with Maximum Annual Debt Service calculated on all bonds and other obligations to be outstanding immediately subsequent to the issuance of such Parity Debt which have a lien on Net Revenues of the Wastewater System. The items any or all of which may be added to such Net Revenues for the purpose of issuing or incurring Parity Debt under the Indenture are the following:

(i) An allowance for Net Revenues from any additions to or improvements or extensions of the Wastewater System to be made with the proceeds of such Parity Debt, and also for Net Revenues from any such additions, improvements or extensions which have been made from moneys from any source but in any case which, during all or any part of such Fiscal Year or such 12-month period, were not in service, all in an amount equal to 90% of the estimated additional average annual Net Revenues to be derived from such additions, improvements and extensions for the first 36-month period in which each addition, improvement or extension is respectively to be in operation, all as shown in the written report of an Independent Consultant engaged by the City; and

(ii) An allowance for revenues projected to arise from any increase in the Charges which has been approved by the City Council prior to the incurring of such additional indebtedness but which, during all or any part of such Fiscal Year or such 12-month period, was not in effect, in an amount equal to the amount by which the Net Revenues would have been increased if such increase in Charges had been in effect during the whole of such Fiscal Year or such 12-month period, all as shown in the written report of an Independent Consultant engaged by the City. For the avoidance of doubt, a Charge shall be considered to have been approved by the City Council and may be considered in the calculation of the allowance described in the previous sentence if the Charge is part of a multi-year rate increase that has been approved by the City Council, even if the specific Charge will not take effect until a subsequent Fiscal Year.

(c) The Parity Debt Instrument providing for the issuance of such Parity Debt under the Installment Sale Agreement shall:

(i) Provide that the proceeds of such Parity Debt will be applied to the acquisition, construction, improvement, financing or refinancing of additional facilities, improvements or extensions of existing facilities within the Wastewater System, or otherwise for facilities, improvements or property which the City determines are of benefit to the Wastewater System, or for the purpose of refunding any Parity Debt in whole or in part, including all costs (including costs of issuing such Parity Debt and including capitalized interest on such Parity Debt during any period which the City deems necessary or advisable) relating thereto;

(ii) Specify the date on which interest on such Parity Debt will be payable; and

(iii) Specify the date on which principal on such Parity Debt will be payable.

(d) Notwithstanding the foregoing, Parity Debt proposed to be issued for the purpose of refunding any Parity Debt may be issued without compliance with subsection (b) and (c)(i), so long as such refunding results in lower Debt Service in each Fiscal Year after such refunding and the final maturity (or termination) date of the refunding Parity Debt is no later than the final maturity (or termination) date of the refunded Parity Debt.

As used above, "**Maximum Annual Debt Service**" means, as of the date of calculation, the maximum amount of Debt Service for the current or any future Fiscal Year. The calculation of "**Debt Service**" is set forth in APPENDIX A.

No Senior Debt

The City covenants in the Installment Sale Agreement to not issue or incur any additional bonds or other obligations during the term thereof having any priority in payment of principal or interest out of the Net Revenues over the Installment Payments. However, this covenant does not limit or affect the ability of the City to issue, enter into or incur additional Parity Debt as described above, or obligations which are either unsecured or which are secured on a basis which is junior and subordinate to the pledge of and lien upon the Net Revenues established under the Installment Sale Agreement.

Casualty Insurance and Eminent Domain Proceeds

Covenant to Maintain Insurance. The City covenants that it will at all times maintain such insurance on the Wastewater System as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to such works or properties.

Insurance Proceeds. All amounts collected from insurance against accident to or destruction of any portion of the Wastewater System shall be used to repair or rebuild such damaged or destroyed portion of the Wastewater System, and to the extent not so applied, shall be applied to redeem Bonds or any Parity Debt in accordance with the Indenture and applicable Parity Debt Instruments.

Eminent Domain Proceeds. If all or any part of the Wastewater System is taken by eminent domain proceedings, the Net Proceeds realized by the City therefrom will be deposited by the City in a special fund in trust and applied by the City to the cost of acquiring or constructing

or financing Improvements to the Wastewater System, or to redeem Bonds or any Parity Debt in accordance with the, Indenture and applicable Parity Debt Instruments.

THE AUTHORITY AND THE CITY

The Authority

The Authority was created as of March 1, 2016, by the City and the City of Milpitas Housing Authority under a Joint Exercise of Powers Agreement, for the purpose, among others, of having the Authority issue its bonds to finance the acquisition, construction and improvement of certain public capital improvements in the City. The members of the City Council serve as the governing board of the Authority, and certain City staff serve as the officers of the Authority. The Joint Exercise of Powers Agreement was entered into under Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California. The Authority is a separate entity constituting a public instrumentality of the State of California.

The City

The City is a general law city located in the County of Santa Clara (the "**County**"). For background, demographic and economic information regarding the City and the County, see APPENDIX D.

City Pension Plans and OPEB

*This section contains certain information relating to California Public Employees' Retirement System ("**CalPERS**"). The information is primarily derived from information produced by CalPERS, its independent accountants and actuaries. The City has not independently verified the information provided by CalPERS and makes no representations and expresses no opinion as to the accuracy of the information provided by CalPERS.*

The comprehensive annual financial reports of CalPERS are available on its Internet website at www.calpers.ca.gov. The CalPERS website also contains CalPERS' most recent actuarial valuation reports and other information concerning benefits and other matters. Such information is not incorporated by reference in this Official Statement. None of the Authority, City or Underwriter can guarantee the accuracy of such information. Actuarial assessments are "forward-looking" statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or may be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

Miscellaneous Plan Description. All qualified permanent and probationary employees of the Wastewater System are eligible to participate in the City's Miscellaneous Plan (the "**Miscellaneous Plan**"), agent multiple-employer defined benefit pension plan administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Miscellaneous Plan are established by State statute and City's resolutions.

Approximately 5.7% of the Miscellaneous Plan contributions made by the City to CalPERS for Fiscal Year 2019-20 are expected to be allocable to the Wastewater System, based on the methodology currently employed by the City.

Benefits Provided. CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time

employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Miscellaneous Plan provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous Plan		
	Classic Tier I	Classic Tier II	PEPRA
Hire Date	Prior to Oct. 9, 2011	Oct. 10, 2011 – Dec. 31, 2012	On or after Jan. 1, 2013
Benefit Formula	2.7% @ 55	2.0% @ 60	2.0% @ 62
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	Monthly for life	Monthly for life	Monthly for life
Retirement Age	50 - 55	50 - 63	52 - 67
Monthly Benefits, As a % of Eligible Comp.	2.0% - 2.7%	1.092% - 2.418%	1.0% - 2.5%
Required Employee Contribution Rates	8%	7%	5.75%
Required Employer Contributions Rates	9.393%	9.393%	9.39%

Source: Milpitas Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2018.

Employees Covered. The following employees were covered by the benefit terms for the Miscellaneous Plan as of the most recent actuarial valuation date of June 30, 2016 and the measurement date of June 30, 2017.

	Miscellaneous Plan		
Employees	**Classic Tier I**	**Classic Tier II**	**PEPRA Tier**
Inactive employees or beneficiaries receiving benefits	349	--	--
Inactive employees entitled to but not yet receiving benefits	307	--	--
Active employees	144	3	30
Total	800	3	30

Source: Milpitas Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2018.

Unfunded Accrued Liability. Each year, CalPERS provides the City with its minimum required employer contributions to the Miscellaneous Plan. As of July 2019, the City's required contributions for the unfunded accrued liability (UAL) for the Miscellaneous Plan for Fiscal Year 2020-21 is $6,322,130, and projected for Fiscal Year 2021-22 to be $7,063,000. Future year contributions are subject to change, and may be higher than projected due to CalPERS investment returns, actuarial assumptions and other factors.

Net Pension Liability. The City's net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Miscellaneous Plans was measured as of June 30, 2018. The changes in

net pension liability for the Miscellaneous Plan from June 30, 2017 to June 30, 2018 are shown in the following table.

	Miscellaneous Plan		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability/(Asset)**
Balance at June 30, 2017	**$222,345,892**	**$155,168,033**	**$67,177,859**
Changes in the Year:			
Service Cost	3,042,853		3,042,853
Interest on the Total Pension Liability	15,647,110		15,647,110
Changes in Benefit Terms	0		0
Changes of Assumptions	(1,404,854)		(1,404,854)
Differences Between Actual & Expected Experience	1,831,444		1,831,444
Net Plan to Plan Resource Movement		$(381)	381
Contributions – Employer		5,762,448	(5,762,448)
Contributions – Employees		1,473,732	(1,473,732)
Net Investment Income		13,123,448	(13,123,448)
Benefit Payments, Including Refunds of Employee Contr.	(10,906,398)	(10,906,398)	0
Administrative Expense		(241,795)	241,795
Other Misc. Income/(Expense)		(459,172)	459,172
Net Changes during 2017-18	**$8,210,155**	**$8,751,882**	**$(541,727)**
Balance at June 30, 2018	**$230,556,047**	**$163,919,915**	**$66,636,132**

Source: CalPERS GASB 68 Accounting Report.

Changes in Net Pension Liability are subject to various assumption and are sensitive to changes in the discount rate for the Miscellaneous Plan, among other things. For additional details on the Miscellaneous Plan and related matters, see Note 11 to the City's audited financial statements for the fiscal year ending June 30, 2018, attached hereto as Appendix B.

Recent Actions Taken by CalPERS. At its April 17, 2013, meeting, CalPERS' Board of Administration (the "**Board of Administration**") approved a recommendation to change the CalPERS amortization and smoothing policies. Prior to this change, CalPERS employed an amortization and smoothing policy that spread investment returns over a 15-year period with experience gains and losses paid for over a rolling 30-year period. As a result, CalPERS now employs an amortization and smoothing policy that will pay for all gains and losses over a 20-year period with a five-year ramp-up, and five-year ramp-down, period. The new amortization and smoothing policy was used for the first time in the June 30, 2013 actuarial valuations in setting employer contribution rates for fiscal year 2015-16.

On February 18, 2014, the Board of Administration approved new demographic actuarial assumptions based on a 2013 study of recent experience. The largest impact, applying to all benefit groups, is a new 20-year mortality projection reflecting longer life expectancies and that longevity will continue to increase. Because retirement benefits will be paid out for more years, the cost of those benefits will increase as a result. The Board of Administration also assumed earlier retirements for Police 3%@50, Fire 3%@55, and Miscellaneous 2.7%@55 and 3%@60, which will increase costs for those groups. As a result of these changes, rates increased beginning in fiscal year 2016-17 (based on the June 30, 2014 valuation) with full impact in fiscal year 2020-21.

On November 18, 2015, the Board of Administration adopted a funding risk mitigation policy intended to incrementally lower its discount rate – its assumed rate of investment return – in years of good investment returns, help pay down the pension fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. The policy establishes a mechanism to reduce the discount rate by a minimum of 0.05 percentage points to a maximum of 0.25 percentage points in years when investment returns outperform the existing

discount rate, currently 7.5%, by at least four percentage points. CalPERS staff modeling anticipates the policy will result in a lowering of the discount rate to 6.5% in about 21 years, improve funding levels gradually over time and cut risk in the pension system by lowering the volatility of investment returns. More information about the funding risk mitigation policy can be accessed through CalPERS' web site at the following website address: https://www.calpers.ca.gov/page/newsroom/calpers-news/2015/adopts-funding-risk-mitigation-policy. *The reference to this Internet website is provided for reference and convenience only. The information contained within the website may not be current, has not been reviewed by the City and is not incorporated in this Official Statement by reference.*

On December 21, 2016, the Board of Administration voted to lower its discount rate from the current 7.5% to 7.0% over the subsequent three years as shown in the following schedule.

Fiscal Year	Discount Rate
2017-18	7.375%
2018-19	7.250
2019-20	7.000

PARS Plan. The Omnibus Budget Reconciliation Act of 1990 mandated that public sector employees who are not members of their employer's existing retirement system as of January 1, 1992 be covered by either Social Security or an alternative plan. The City's part-time, seasonal and temporary employees are covered under the Public Agency Retirement System ("**PARS**"), a defined contribution plan, which requires these employees to contribute 6% and the City to contribute 1.5% of the employees pay plus administration costs. The City's required contributions of $28,844 and the employee's required contributions of $115,367 were made during the fiscal year ending June 30, 2018.

Deferred Compensation Plan. City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency defined by the plan. The laws governing deferred compensation plan assets require plan assets to be held by a trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they are excluded from the City's financial statements.

Other Post-Employment Benefits (OPEB). The City provides postretirement health care benefits through its Retiree Medical Benefits Plan to employees who retire in good standing from the City after attaining the age of 50 and to certain employees who retire due to disability. As of June 30, 2018 there were 280 participants receiving these health care benefits. The City joined the California Employers' Retiree Benefit Trust ("**CERBT**"), an agent multiple-employer plan administered by CALPERS, consisting of an aggregation of single-employer plans. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the California Public Employees' Retirement System, CERBT, P.O. Box 942703, Sacramento, CA 94229-2703.

In order to qualify for postemployment medical and dental benefits an employee must retire from the City and maintain enrollment in one of City's eligible health plans. In addition, there are eligibility rules and contribution requirements defined in the Memorandum of Understanding (MOU) with each employee group. In the MOUs, the Benefit Cap is defined as not more than the single medical premium rate paid by the City for active employees, and the Retiree Cap is 15%

above the single Kaiser medical premium rate. The eligibility rules for each MOU are summarized in the City's audited financial statements.

The City's policy is to prefund these benefits by accumulating assets with CERBT pursuant to the City's annual budget approved by the City Council. For the year ended June 30, 2019, the City's contributions to the plan were $4,803,893, and the net OPEB liability as of June 30, 2018 was $43,904,884, which was a $508,889 decrease from the net OPEB liability as of June 30, 2017 of $44,413,773.

See APPENDIX B for additional details regarding the City's pension and other employee benefits, including as relates to OPEB.

THE WASTEWATER SYSTEM

History

When the City was incorporated in 1954, the Milpitas Sanitary District was formed, with original facilities consisting of a collection system and sewer treatment plant. In 1964, several new facilities were installed, including a trunk sewer upstream of the plant, lift station, settling basins, activated sludge basins, chlorine contact basins, digester, and a blower building. Most of these facilities have since been removed.

In the 1960's, a small lift station serving the Pines subdivision within the City was constructed. The system's main pumping station (the "**Main Pump**"), initially constructed in 1965, originally served as the pumping station into the Milpitas Wastewater Treatment Plant. The Milpitas Wastewater Treatment Plant was abandoned in 1972, and the Main Pump was converted into a pumping station that pumps all wastewater generated in the City (the "**Main Lift Station**") to the San José/Santa Clara Regional Wastewater Facility (previously defined as the "**Treatment Facility**") via a force main for treatment. In 1980, the Milpitas Sanitary District was dissolved and the City took over its operations. In 2002, a second force main/pumping station was constructed on Venus Way (the "**Venus Lift Station**"), in order to connect a low-elevation portion of the City to the gravity sewer system. The Main Lift Station was upgraded in 2009 to include a new grinder structure, pump control building, and storage garage. All wastewater is still pumped to the Treatment Facility for treatment, with the City paying a share of the capital and operations and maintenance costs of the Treatment Facility.

The Wastewater Division of the City's Department of Public Works is responsible for the operation, maintenance and improvement of the Wastewater System.

Service Area

The service area of the Wastewater System can be divided into two distinct areas: (i) roughly 10.1 square miles on the relatively flat "**Valley Floor**" to the west and (ii) 3.5 square miles on the steep "**Hillside**" to the east. The Valley Floor areas are zoned for industrial, commercial, and residential uses. The Hillside areas are zoned for residential use only. Park and recreational open spaces are distributed throughout the residential areas.

The Wastewater System's service area includes areas inside the City limits and the easterly hillside area outside the City limits. The Wastewater System collects wastewater flows from approximately 13 square miles within the City planning area, serving a population of approximately 77,000.

Physical Assets

The City's wastewater flows are conveyed mostly by gravity to the Main Lift Station, which pumps the wastewater flow to the Treatment Facility through two force mains. The Wastewater System includes a number of siphons under the San Francisco Public Utility Commission ("**SFPUC**") water supply pipeline, creeks and highways.

Physical assets of the Wastewater System include: 179 miles of sewer mains, 945,120 linear feet ("**LF**") of sewer pipes, 10 air-vac valves, 2,022 flushing inlets, 2,604 manhole covers, and 2 pump stations (the Main Lift Station and the Venus Lift Station).

San José/Santa Clara Regional Wastewater Facility

The Treatment Facility. Currently, all wastewater collected from the City is pumped via the Main Pump to the Treatment Facility. Operating on a 24-hour schedule, 365 days per year, the Treatment Facility treats an average of 167 million gallons per day ("**MGD**") of wastewater and serves the population of 8 south bay cities and two unincorporated districts. The Treatment Facility is one of the largest advanced wastewater treatment facilities in the State and serves over 1.5 million people in a 300-square mile area located around the southern part of the San Francisco Bay.

The Treatment Facility is jointly owned by the cities of San José and Santa Clara and is administered and operated by the City of San José's Environmental Services Department ("**ESD**"), which is also responsible for planning, designing and constructing new wastewater treatment and water reuse facilities. Pursuant to contracts entered into between the cities of San José and Santa Clara, on the one hand, and member agencies that send untreated wastewater to the Treatment Facility, on the other hand (each, a "**Member Agency**"), the costs of the Treatment Facility are shared. The City's contract is referred to as the Master Agreement and is described below.

Treatment Facility costs are estimated annually by ESD staff and are reviewed and recommended as a budget by the Treatment Plant Advisory Committee to the San José City Council for appropriation. These costs are then allocated to each Member Agency based on its contracted-for capacity in the Treatment Facility. Each Member Agency is responsible for its allocated share of Treatment Facility costs, as well as its own sewage collection system maintenance, operation, and capital costs; debt service on its bonds issued for sewer purposes; and any other sewer service related costs.

Each Member Agency is responsible for establishing and collecting its respective sewer service and use charges, connection fees or other charges for sewer service. Rates are adopted by ordinance or resolution of the governing body of each Member Agency. The Member Agencies' revenue programs, ordinances and resolutions are submitted to the city of San José, as the administering agency, for review to determine conformance with State Water Resources Control Board ("**SWRCB**") revenue program guidelines, and are then submitted to the SWRCB for review and certification.

The Treatment Facility's treatment capacity is allocated to each Member Agency on the basis of the peak five-day dry weather flow, also referred to as the peak week flow. The peak week flow is determined by ESD staff, which reviews influent data to determine the five-day period of interest during the months of June through October and requests each Member Agency to provide their average contribution for that identified peak week. Accordingly, this data set may or may not match with the City's highest dry weather flows. Pursuant to its Treatment Facility contract, the City's current entitlement for flow and wastewater strength parameters (where "**BOD**" means Biological Oxygen Demand, "**SS**" means Suspended Solids and "**NH3**" means Ammonia Nitrogen) are set forth below:

Flow (MGD)	BOD (k lbs/day)	SS (k lbs/day)	NH3 (k lbs/day)
14.25	27.249	25.990	2.847

The Master Agreement. The Master Agreement for Wastewater Treatment Between City of San José, City of Santa Clara and City of Milpitas, dated as of March 1, 1983 (the "**Master Agreement**"), is the agreement that gives the City rights to a percentage of the Treatment

Facility's treatment capacity. Pursuant to the Master Agreement, the City is allocated flow capacity rights of 14.25 MGD (or approximately 8.553% of the total Treatment Facility capacity), and, in exchange, pays a share of operation and maintenance costs and certain capital costs and debt service amounts.

The Master Agreement is scheduled to terminate on January 1, 2031. However, it also provides that if, for any reason, the Master Agreement is not renewed in the year 2031, the City would have the right to continue discharging to the Treatment Facility, provided all payments of the City's share of Treatment Facility costs are made. All other rights of the City under the Master Agreement would cease.

The Master Agreement:

- grants the City a right to discharge wastewater into the Treatment Facility;
- obligates the City to adopt and enforce ordinances, resolutions, rules and regulations to conform to the industrial waste ordinance of the City of San José concerning the type and condition of discharge that would be detrimental to the Treatment Facility;
- restricts the City's discharge to wastewater produced within the City's service area, as mapped in the Master Agreement;
- sets up a mechanism for the City to acquire or dispose of "excess pooled capacity" and to acquire additional capacity rights if the Treatment Facility expands;
- establishes the City's participation and rights in the Treatment Facility;
- creates a nine-member advisory committee, with a Milpitas City Councilmember as one member, to aid in the operations and administration of the Treatment Facility;
- specifies that the City may sell, grant, assign or otherwise transfer the Master Agreement to any corporation, district or governmental organization; and
- obligates the City to make payments associated with certain future improvements at the Treatment Facility.

The Master Agreement has been amended four times to date, as follows.

First Amendment. The First Amendment, dated December 4, 1985, (i) reallocated the treatment capacities of each Member Agency, (ii) reallocated the distribution of rights to the Treatment Facility, and (iii) established ratios for each Member Agency's participation in the Intermediate-Term Project (restoration of the Treatment Facility capacity to 143 MGD, which was completed; the City paid all amounts due for its capacity in this project) and First Stage Expansion Project (expansion of the Treatment Facility capacity from 143 to 167 MGD, which was completed; the City paid all amounts due for its capacity in this project).

Second Amendment. The Second Amendment, dated November 21, 1995, further reallocated costs among the Member Agencies in connection with the Intermediate-Term and First Stage Expansion Projects and water recycling program of the Treatment Facility (to reclaim a portion of the Treatment Facility's effluent as an alternative to discharging to the San Francisco South Bay, which was incorporated into the Treatment Facility's National Pollutant Discharge Elimination System ("**NPDES**") permit in October 1993).

Third Amendment. In early 2006, the City entered into an agreement with the West Valley Sanitation District (the "**WVSD**") to purchase excess wastewater treatment capacity (1 MGD) from the WVSD. In connection with this agreement, a Third Amendment dated July 1, 2006 was executed, which established the new capacity right allocation and capital cost share for the City as a result of the transfer.

Fourth Amendment. The Fourth Amendment, dated August 5, 2009, allowed the City to purchase additional wastewater capacity at the Treatment Facility from the Cupertino Sanitary District.

Litigation Regarding the Treatment Facility. On March 23, 2018, Milpitas and several sanitation districts (collectively, the "**Tributary Agencies**") filed a civil suit against the cities of San José and Santa Clara, Case No. 18CV324580, Superior Court of California, County of Santa Clara, *County Sanitation District 2-3, West Valley Sanitation District, Burbank Sanitary District, Cupertino Sanitary District, and the City of Milpitas v. The City of San José, The City of Santa Clara, and Does 1-50* (the "**Action**"). The Tributary Agencies' Complaint alleges causes of action for breach of contract, breach of covenant of good faith and fair dealing, breach of mandatory duty for violating propositions 218 and 26, unjust enrichment, and declaratory judgment, arising out of San José's alleged improper billing practices, mismanagement, and lack of transparency and accountability in the operation of the Treatment Facility.

On March 6, 2019, San José filed a Cross-Complaint against the Tributary Agencies alleging eight causes of action for declaratory relief related to the Master Agreements. Milpitas and San José are engaged in confidential settlement discussions, and are in the process of exchanging and reviewing information necessary for a potential resolution of the dispute. Discovery is in its early stages and the ultimate resolution of the Action and the parties' disagreements over the Master Agreements' treatment of long-term capital improvements at the Treatment Facility is uncertain.

Management

Brief biographies of key members of City staff involved in management of the Water System are set forth below:

Public Works Director – Tony Ndah, P.E. Mr. Ndah was appointed as the City's Public Work Director in January 2018, having previously been appointed Deputy Public Works Director in July 2017. Prior to joining the City, he worked for SCVWD. He has over 20 years of experience in civil engineering, and is a licensed Professional Civil Engineer. He holds a bachelor's degree in civil engineering and a master's degree in Public Administration from San José State University. In his role as Public Work's Director, Mr. Ndah plans, organizes, directs and oversees the operations and maintenance of the Water System. He also assists with providing recommendations to the City Engineer for the preparation and administration of capital improvements programs for the Water System.

Engineering Director/City Engineer – Steven Erickson, P.E. Mr. Erickson was appointed as the City's Engineering Director/City Engineer in January 2018. Mr. Erickson has been an engineer with the City for over 28 years, and he is a licensed Professional Civil Engineer. He holds a bachelor's degree in civil engineering from San José State University. In his role as Engineering Director/City Engineer, Mr. Erickson plans, organizes, directs, and oversees the activities, operations programs, and projects of the Engineering Department including the preparation and administration of the 5-year Capital Improvement Program (CIP). Responsibilities include the development and administration of consultant contracts, engineering design, construction management, and construction inspection of capital projects funded in the CIP, including projects for the construction and replacement of potable water, recycled water, sanitary sewer, and storm drainage infrastructure. Areas of engineering oversight are land development, municipal buildings, traffic, design, sewer, water, and storm utilities.

Director of Finance – Walter C. Rossmann. Mr. Rossmann was appointed Director of Finance of the City in June 2019. Prior to joining the City, Mr. Rossmann has held numerous roles grounded in finance, including Budget Director for the City of Palo Alto, Assistant Budget Director for the City of San José, supporting debt issuances, Deputy Director of Finance for Accounting for the City of San José and Purchasing and Procurement and Information Systems Manager for the City of San Diego. Most recently, Mr. Rossmann served as Chief Operating Officer for the City of Santa Clara and the Assistant City Manager for the City of Sunnyvale. Mr. Rossmann holds a Master of Science in Applied Mathematics from Texas A&M University-Corpus Christi. In his role of Director of Finance, Mr. Rossmann oversees the Finance Department, which has an annual budget of approximately $6.1 million and a staff of 29.5.

Regulatory Requirements

General. The City is not aware of any environmental or regulatory issues that would adversely impact its ability to operate the Wastewater System.

Treatment Facility-Related Requirements. Because the City discharges wastewater to the Treatment Facility for treatment and disposal, the City's wastewater operations are subject to many of the same regulatory requirements as the cities of Santa Clara and San José. These requirements are contained in the Federal Water Pollution Control Act, as amended (the "**Clean Water Act**"), and in the State Porter Cologne Water Quality Control Act of 1969, as amended. Both federal and State regulations are administered through the San Francisco Regional Water Quality Control Board Regional Water Board (the "**RWQCB**"), and generally deal with the quality of effluent discharged from the Treatment Facility, the disposal of biosolids from the Treatment Facility, the discharge of pollutants into the groundwater and the nature of waste material (particularly industrial waste) discharged into the collection system.

Wastewater discharge criteria are established for the Treatment Facility under a five-year NPDES permit that is scheduled to expire October 31, 2019. [*Note: To be updated*] These limits are included in the Milpitas Sanitary Code and are listed in industrial wastewater permits issued to industries within the Wastewater System service area. There have been no violations of effluent limitation in the past three years. The NPDES permit includes a pretreatment program element, pursuant to which City of San José must implement and enforce an approved pretreatment program. The pretreatment program was last audited by the United States Environmental Protection Agency (the "**EPA**") in 2016, and no major program deficiencies were noted.

The NPDES Permit also includes a pollution prevention program element that requires the Treatment Facility to continuously conduct and improve an existing pollution prevention program. The City submits Pollution Prevention ("**P2**") Annual Reports to the RWQCB, which has deemed the pollution prevention program in compliance each of the past several years. In 2016, the Treatment Facility won RWQCB's annual P2 award for best program in the Bay Area.

The Treatment Facility discharges into the lower southern portion of the San Francisco Bay (the "**South Bay**"), which is a unique hydrogeologic environment where site-specific water quality objectives and protection of endangered species habitat are considered essential. Metals along with organics and pesticides, often referred to as emerging pollutants, have been of concern to the health of the entire San Francisco Bay. Examples of both current and future pollutants of concern include copper, nickel, mercury, and cyanide. The five organics and pesticides limits currently in the Treatment Facility's NPDES Permit are there due to background levels in the South Bay, but they are not detected in the Treatment Facility's effluent. The Treatment Facility's advanced treatment capabilities along with the pollution prevention and pretreatment programs described above make the Treatment Facility's effluent amongst the highest quality in the Bay Area and the nation. Pollution prevention and the pretreatment program will be the mechanisms to maintain or reduce influent pollutant levels. The City does not believe that the future Treatment Facility NPDES permit is likely to include more stringent wastewater treatment requirements.

Most of the treated effluent from the Treatment Facility is discharged as fresh water into the South Bay. This effluent has a lower salinity content than the brackish water of the South Bay and can adversely affect the ecological balance of the area. Because of this ecological risk, the RWQCB set a target limit on the amount of effluent that the Treatment Facility can discharge into the Bay between May and October, the dry-weather months. The target limit is currently set as 120 MGD of average dry weather effluent or to levels that protect endangered species habitat. Currently, the year-round and average dry weather influent flow is 101 MGD.

The Treatment Facility's Title V Air Permit, No. A0778, issued by the Bay Area Air Quality Management District was issued in March 2017 and will be up for renewal in March 2022.

The South Bay Water Recycling Project ("**SBWR**") was established as a means of diverting effluent for non-potable uses such as landscaping, agricultural irrigation, and some industrial uses. Approximately 15 MGD of recycled water is produced through the SBWR Project. The South Bay Action Plan includes a number of projects to help reduce Treatment Facility effluent. The projects include expansion of the recycled water system, industrial water recycling and reuse, inflow infiltration reduction, and residential/commercial water conservation. The city of San José has issued a document titled Clean Bay Strategy Report, which identifies several methods for reducing flow volumes and pollutants to the Bay. South Bay Water Recycling Permit No. 95-117 was issued by the WQCB and does not have an expiration date. There have been no violations in the past three years.

Wastewater System-Related Requirements. In August 2009, the City approved and certified its first ever Sanitary Sewer Management Plan ("**SSMP**"), which is a document that describes the activities the City uses to manage it wastewater collection system effectively, including as relates to maintaining infrastructure to ensure reliable wastewater service, minimizing infiltration/inflows and minimizing the number of sanitary sewer overflows. The City last updated its SSMP in 2016, and is scheduled to update and recertify its SSMP by the end of 2019.

Historical Wastewater Flow

The following table sets forth the volume of wastewater collected by the Wastewater System and pumped to the Treatment Facility in the preceding 10 calendar years. Although wastewater flow remains fairly stable throughout the year, there is typically a slight increase in flows sent to the Treatment Facility during wet weather months due to infiltration and inflow.

Table 1
Peak Week to Average Dry Weather Flow Ratio

Calendar Year	Reported Peak Week Flow (MGD)	Estimated Avg. Dry Weather Flow (MGD)[(1)]	Estimated Peak Week to Avg. Dry Weather Flow Ratio
2009	16.76	121.00	0.14
2010	7.97	111.60	0.07
2011	8.14	113.00	0.07
2012	7.90	111.40	0.07
2013	7.61	110.30	0.07
2014	7.03	108.00	0.07
2015	7.10	96.20	0.07
2016	7.13	101.10	0.07
2017	9.50	107.30	0.09
2018	9.00	110.30	0.08

(1) Average flow between June and October based on flow data at the Main Pump Station.
Source: City of Milpitas.

Customer Base

The tables on the following page show (1) the number of Wastewater System customers by class of customer for Fiscal Year 2018-19 and (2) historical Wastewater System accounts by customer for the past five fiscal years. In Fiscal Year 2018-19, residential customers comprised approximately 94% of total accounts with single-family residences alone accounting for approximately 81% of total accounts.

Table 2
Sewer Accounts by Customer Class[1]
Fiscal Year 2018-19

User Groups	Number of Accounts
Residential	
Single Family Home	12,529
Multiple Family	1,901[2]
Mobile Home	3[3]
Subtotal – Residential Accounts	14,433
Non-Residential	
Commercial	
Hotels, motels, senior housing	28
General offices, retail, shopping	360
City of Milpitas accounts	49
Service stations, repair shops, car washes	40
Eating and drinking establishments	106
Personal services (laundry, barber/beauty shops, cleaner)	40
Subtotal – Commercial Accounts	623
Industrial	
Subtotal – Industrial Accounts	322
Institutional	
Schools/colleges	56
Convalescent homes/day care	18
Elmwood Correctional Facility	5
Subtotal – Institutional Accounts	79
Total	15,457

(1) A sewer account is defined as a sewer charge tied to the location of a meter.
(2) Equal to 11,892 dwelling units.
(3) Equal to 521 dwelling units.
Source: City of Milpitas.

Table 3
Historical Number of Sewer Accounts[1]
by Customer Class
Fiscal Years 2014-15 through 2018-19

Fiscal Year	Industrial	Commercial	Institutional	Single-Family	Multifamily	Mobile Homes	Total
2014-15	304	704	88	12,412	1,855	3	15,366
2015-16	301	690	90	12,482	1,874	3	15,440
2016-17	303	626	81	12,510	1,882	3	15,405
2017-18	310	608	76	12,519	1,891	3	15,407
2018-19	322	623	79	12,529	1,901	3	15,457

(1) A sewer account is defined as a sewer charge tied to the location of a meter.
Source: City of Milpitas.

The following table sets forth the Wastewater System's major users and their revenues for Fiscal Year 2018-19, based on total revenues of $17,654,803.73 and a total annual flow of 1,174,627 hundred cubic feet (HCF) (2.407181 MGD).

Table 4
Top Ten Customers by Total Revenue
Fiscal Year 2018-19

No.	Account Name	Type of Use	Flow (MGD)	% of Flow[(1)]	Revenues	% of Revenues[(2)]
1	Linear Technology	Commercial	0.1971	8.2%	$441,501	2.5%
2	SCC GSA Fiscal Bldg 3	Commercial	0.1089	4.5	291,953	1.7
3	Evoqua Water Technologies	Commercial	0.1048	4.4	251,305	1.4
4	Milpitas Mills LP	Commercial	0.0820	3.4	210,219	1.2
5	Headway Technologies Inc.	Commercial	0.0893	3.7	197,787	1.1
6	Milpitas Square	Commercial	0.0461	1.9	169,277	1.0
7	KLA-TENCOR	Commercial	0.0745	3.1	167,561	0.9
8	SCC GSA Fiscal Bldg 3	Commercial	0.0514	2.1	137,728	0.8
9	T Marzetti Company-West	Commercial	0.0366	1.5	119,439	0.7
10	Corwil Technology	Commercial	0.0472	2.0	106,032	0.6
	Total		0.8379	34.8%	$2,092,803	11.8%

(1) Based on total flow of 1,174,627 hundred cubic feet ("**HCF**"), or 2.407181 MGD.
(2) Based on estimated Wastewater System charges of $17,654,804.
Source: City of Milpitas.

Wastewater Rates and Revenues

General. The City currently recovers the cost of operating, maintaining, repairing, replacing and expanding the Wastewater System, including the cost of treating and disposing of wastewater through the Treatment Facility, through user fees, plus interest earnings. The user fees are: (1) Sewer Service Charges, (2) Sewer Connection Fees, and (3) Treatment Plant Fees.

The Milpitas Municipal Code provides for the collection of fees and charges for the Wastewater System that are reasonably necessary for the acquisition, construction, reconstruction, maintenance and operation of the Wastewater System, including payment of the Installment Payments and debt service for the revenue bonds used to finance the City's proportionate share of capital improvements at the Treatment Facility. Additionally, the SWRCB and the EPA require that the City's wastewater income structure be such that users of the system pay according to use of the system and the quality of wastewater discharged into the system.

Rate Setting Process. The City Manager annually reviews the system of rates and charges as part of the budgetary process. In May of each year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and expenses and the means of financing them. Separate public hearings for utility rates and the operating budget are conducted by the City Council to obtain citizen comments. The City Council adopts utility rates by ordinance. The budget is adopted, prior to June 30, through passage of appropriate resolutions. The final adopted budget is subject to amendment to reflect any significant changes in expenditures or revenues due to State or federally mandated programs, emergencies, or other unforeseen occurrences. The City's budget guidelines state that:

- Sewer customer rates and fees will be reviewed and adjusted annually, if necessary,

- All utility enterprise funds will be operated in a manner similar to private enterprise, and as such, the City will set fees and user charges at a level that fully supports the total direct and indirect cost of the activity, including depreciation of assets, overhead charges, and reserves for unanticipated expenses and capital projects.

- The City will maintain a working capital reserve in the Sewer Fund of approximately 25% of the annual operating and maintenance expenses.

See "RISK FACTORS – Proposition 218" for information about the City's compliance with Proposition 218 in connection with adopting rates for the Wastewater System.

***2018 Rate Study*.** A rate study was prepared for the City by Municipal & Financial Services Group in November 2018 (the "**2018 Rate Study**"). The 2018 Rate Study provides a financial plan for funding the operating and capital costs of the Wastewater System for Fiscal Years 2018-19 through 2022-23, and takes into account amounts expected to be billed to the City related to the improvements being undertaken at the Treatment Facility. The 2018 Rate Study is based on various assumptions and models regarding revenues and expenses, as indicated therein. The rates set forth in the 2018 Rate Study (which extend through Fiscal Year 2022-23) were properly noticed and a public hearing was held in accordance with Proposition 218. The City Council then approved all of the rates, subject to annual re-certification in the budget process that the rate plan is still necessary as planned.

***Current Sewer Service Charges*.** The City's sewer service charges for residential customers are charged at a flat rate which is based on the type of residential structure and the number of dwelling units related thereto (for multi-family and mobile home park categories). For commercial, industrial and miscellaneous customers, there is both a flat-rate charge and a quantity charge. The current sewer service charges, effective as of July 1, 2019, are summarized below. For a table showing current and projected future rates (based on the 2018 Rate Study), see Table 5.

Residential. Residential charges are bi-monthly for each dwelling unit.

Category	Bi-Monthly Charge
Single-Family Per Dwelling Unit	$102.52
Multi-Family Per Dwelling Unit	78.73
Mobile Home Parks per Dwelling Unit	64.70

Commercial, Industrial and Miscellaneous Premises.

Flat Rate: For non-residential accounts, there is a flat rate assessed every billing cycle during which normal billing takes place, regardless of the amount of sewage discharged, to defray billing and administration costs. The current bi-monthly flat rate charge is $24.30.

Quantity Charges: For each commercial, industrial, or miscellaneous premises, a charge for each one hundred cubic feet of water used per billing cycle is charged. Charges range from $3.94 per HCF to $8.34 per HCF, depending on the business or type of business.

Unmetered Wastes. When metering is not provided, or for newly constructed units, the City makes a reasonable estimate of the volume of water consumed to be used as a basis for sewer service charges.

Connection Fees. The City charges a Sewer Connection Fee for connection to the Wastewater System. Revenues derived from Sewer Connection Fees and Treatment Plant Fees, pursuant to the Milpitas Municipal Code and subject to the limitations of California Government Code Sections 66000-66003 ("**AB1600**"), are placed into a specific fund for sewer connection fees and are expended only for authorized sewer, storm drain, industrial waste or hazardous waste purposes. All interest earnings on moneys held in the Sewer Fund are retained in the Sewer Fund. The methodology for developing the fee schedules for the above outlined charges is governed in part by the Milpitas Municipal Code and the SWRCB, acting on behalf of the EPA, and are intended to comply with Proposition 218. See "RISK FACTORS – Proposition 218" for information about the City's compliance with Proposition 218 in connection with adopting rates for the Wastewater System.

Revenue from the Sewer Connection Fee was $1,152,919 for Fiscal Year 2018-19. Sewer Connection Fees are not included as part of the definition of "Gross Revenues."

The Sewer Connection Fees are identified below:

Residential: $1,908 per single family residence; $1,406 per unit for multi-family developments.

Non-Residential: $8.52 per gallon of estimated average daily wastewater discharge.

If the estimated amount of sewage to be discharged exceeds the Master Plan limit, a developer impact fee may be assessed in lieu of off-site improvements.

Treatment Plant Fees. The City collects a Treatment Plant Fee as part of the building permit application. The fee is based on the amount and content of the proposed sewage discharge. Revenue from the Treatment Plant Fee was $69,272 for Fiscal Year 2018-19. The fees are identified below.

Residential: $880 per single family dwelling unit; $690 per condo / townhouse / multi-family; and $440 per mobile home.

Non-residential: For each commercial, industrial or institutional connection having an estimated consecutive peak five-day dry weather sewage discharge of *less* than 5,000 gallons per day, the Treatment Plant Fee is based upon the type of use and rate described below. The fee is computed by multiplying the following rates by the estimated peak five-day discharge in HCF per day or fraction thereof. The peak five-day discharge is established by the City Engineer (subject to review based on data provided by the connecting party).

Type of Use	Rate/HCF/Day
High strength industrial/commercial;	
Restaurants, eating and drinking, retail food stores	$4,200
Low strength industrial/commercial: All others	2,600

For each commercial, industrial or institutional connection having a consecutive peak five-day dry weather sewage discharge of 5,000 gallons per day or more, the Treatment Plant Fee is based upon the volume and the quality of the discharge based on the loading parameters of the

Treatment Facility. Set forth below are examples of typical fees:

Type of Use	Rate per Sq. ft.
Electronic R&D, Assembly	$0.63
Electronic Manufacturing	19.00
Laundromat	14.15
Motels	0.73
Office	0.35
Restaurant (Fast food, deli)	3.37
Restaurant (Full Service)	5.84
Retail Commercial	0.25
Repair Shops, Service stations	1.74
Warehouse, storage	0.18

Current and Projected Rates. The following table shows historical levels of the City's Sewer Service Charges, as well as anticipated future rates based on the rates set forth in the recently adopted 2018 Rate Study. *No assurance can be given that the City Council will actually raise rates at the levels set forth in the 2018 Rate Study in future years.*

Table 5
Historical and Projected Bi-Monthly Rates for
Single-Family Residential Customers

Fiscal Year	Bi-Monthly Single-Family Sewer Service Charge	% Rate Change
2010-11	$70.94	N/A
2011-12	75.92	7.0%
2012-13	81.23	7.0
2013-14	86.93	7.0
2014-15	86.93	0.0
2015-16	90.27	3.8
2016-17	90.27	0.0
2017-18	90.27	0.0
2018-19(1)	97.60	4.0
2019-20(2)	102.52	8.0
2020-21(3)	111.07	8.0
2021-22(3)	118.34	7.0
2022-23(3)	124.14	6.0

(1) Rate increase for Fiscal Year 2018-19 was effective as of April 1, 2019.
(2) Rate increase for Fiscal Year 2019-20 was effective as of July 1, 2019.
(3) Rate increases for Fiscal Years 2020-21 through 2022-23 projected, based on rates set forth in 2018 Rate Study as adopted by the City Council. Increases may be lower than indicated.
Source: City of Milpitas.

Comparison to Surrounding Communities. Set forth in the following table is the City's monthly Sewer Service Charges for Fiscal Year 2018-19 for single-family residential users, and a comparison to surrounding communities.

Table 6
Fiscal Year 2018-19 Comparative Monthly Charges
(Single-Family Residential)

Agency	Sewer Service Charge
Oro Loma Sanitary District	$39.67
City of Hayward	62.50
Dublin San Ramon Services District	66.17
Castro Valley Sanitary District	66.50
Union Sanitary District	67.85
City of San Leandro	69.50
City of Palo Alto	77.32
City of San José	77.80
City of Mountain View	81.60
City of Antioch	85.17
City of Santa Clara	85.82
City of Brentwood	86.00
Cupertino Sanitary District	86.42
West County Wastewater District	86.50
Central Contra Costa SD	88.33
City of Concord	91.17
City of Pleasanton	91.50
City of Pittsburg	91.83
West Valley Sanitation District	92.50
Santa Clara County District 2-3	95.00
City of Milpitas	**97.60**
City of Livermore	98.50
City of Sunnyvale	98.72
Stege Sanitary District	106.83
North San Mateo County SD	109.50
City of South San Francisco	110.67
City of Alameda	117.33
City of San Mateo	123.17
City of Richmond	128.50
Burbank Sanitary District	133.14
City of Oakland	141.67
Ross Valley Sanitary District (#1)	142.67
San Rafael Sanitary District	143.50
City of Redwood City	153.33
West Bay Sanitary District	178.67
City of San Carlos	186.50
City of Berkeley	234.00

Source: City of Milpitas, from 2018 Rate Study.

Billing and Collection

Sewer Service Charge. Sewer service charges are collected by the City and billed, together with water service charges, on a bi-monthly basis by the City. Bills are due and payable within 21 days of the date of the bill. If payment is not received, a 5% late fee is assessed; then a final notice is sent, after which the account is sent to a collection agency. The Milpitas Sanitary Code authorizes the City to disconnect water service in the event of a failure to pay sewer service charges.

For Fiscal Year 2018-19, delinquency rates for utility bills were as follows: 9% received first delinquent notices; 2.5% received 2nd delinquent notices; and 0.4% of accounts were shut off due to non-payment.

Sewer Connection Fees; Treatment Plant Fees. The Sewer Connection Fee and Treatment Plant Fees are collected as part of the building permit and sewer connection permit application procedures. Permits are not granted until payment has been received.

Capital Improvement Programs

The City adopted a comprehensive five-year plan for capital improvements, the Adopted 2019-2024 Five Year Capital Improvement Program ("**CIP**") in June 2019. These are set forth in the following table, together with the expected sources of payment for the items in the CIP. *The following contains estimated projects and project costs, which may vary considerable from actual results.*

Table 7
Capital Improvement Program for Wastewater System
Wastewater Improvement Projects and Available Fund Sources
Fiscal Years 2019-2024

PROJECT	TOTAL COST	PRIOR YEARS	2019-20	2020-21	2021-22	2022-23	2023-24
SJ/SC Regional Wastewater Facility	$94,122,101	$37,015,000	$25,190,050	$12,524,799	$5,960,104	$8,884,263	$4,547,885
Sanitary Sewer Condition Assessment Prgm	895,000	695,000	50,000	50,000	50,000	50,000	0
Sanitary Sewer Overflow Improvements	505,745	205,745	0	0	225,000	75,000	0
Sewer Pump Station Rehab. Program	700,000	300,000	100,000	100,000	100,000	100,000	0
Minor Sewer Projects	300,000	100,000	50,000	50,000	50,000	50,000	0
Sanitary SCADA	2,000,000	450,000	0	1,550,000	0	0	0
Main Lift Station Odor Emissions Control	2,250,000	300,000	1,950,000	0	0	0	0
Sanitary Sewer Cathodic Protection Imprv.	1,525,000	625,000	900,000	0	0	0	0
Sewer Master Plan 2019	750,000	450,000	300,000	0	0	0	0
Sewer Line Replacement at E. Curtis	1,200,000	0	0	0	0	0	1,200,000
TOTAL COST	**$104,247,846**	**$40,140,745**	**$28,540,050**	**$14,274,799**	**$6,385,104**	**$9,159,263**	**$5,747,885**

Summary of Available Financing Sources

	2019-20	2020-21	2021-22	2022-23	2023-24
Sewer Fund	$0	$0	$0	$0	$0
Sewer Treatment Fund	1,200,000	0	750,000	0	4,547,885
Sanitary Sewer Bonds	25,190,050	9,809,950	0	0	0
Sewer Infrastructure Fund	2,150,000	4,464,849	5,635,104	9,159,263	0
Other[(1)]	0	0	0	0	1,200,000
TOTAL AVAILABLE	**$28,540,050**	**$14,274,799**	**$6,385,104**	**$9,159,263**	**$5,747,885**

(1) "Other" category consists of Transit Area Specific Plan (TASP) impact fees.
Source: City of Milpitas.

Treatment Facility. The City of San José has adopted a Capital Improvement Program for the Treatment Facility for fiscal years 2018-2022 for a total of $1.51 billion. Revenues are derived from five sources, including the City and other Member Agencies, of which the City is responsible for $68.7 million (4.74%). The $1.51 billion is a $544 million increase (56%) compared to the 2017-2021 adopted Treatment Facility Capital Improvement Program; the increase is attributable to additional capital investment plans.

The City has paid approximately $25.2 million in capital improvement costs for the Treatment Facility in previous years. The City will fund $35 million from the issuance of the 2019 Bonds. The cost allocation for the City is based on the constituent (flow, BOD, SS, or NH3) for which the capital improvement would benefit.

Concurrent with the City's budget adoption process, the City of San Jose updated the City of Milpitas' share for the Treatment Facility's capital improvement cost. The table below shows the amounts projected to be billed to the City related to the Treatment Facility capital improvement costs for fiscal years 2019-20 through 2023-24 (from the 2019-2024 Capital Improvement Program). These amounts are slightly different than the 2018-2022 CIP projection described above, due to the passage of time. The City intends to fund the additional $9.3 million in capital costs through ongoing excess Net Revenue (as shown on Table 9) and reserves.

Table 8
City Share of Treatment Facility
Capital Improvement Program

Fiscal Year	City Share	Amounts Projected to be Billed to City	Total Projected Expenditures
2019-20	7.72%	$25,190,050	$326,215,000
2020-21	6.04	12,524,799	207,505,000
2021-22	2.54	11,852,192	466,524,000
2022-23	6.19	13,890,481	224,450,000
2023-24	4.33	2,912,096	67,279,000
Totals:		***$66,369,618***	***$1,291,973,000***

Source: City of Milpitas.

Outstanding Indebtedness

In 2017, the City issued the 2017 Bonds in the initial principal amount of $4,725,000, which are currently outstanding in the amount of $4,245,000 as of June 30, 2019.

Funds and Reserves

The City currently maintains various funds for the Wastewater System, each of which is treated as a separate accounting entity. The key funds are described as follows.

The Sewer Operating Fund is the main operating fund of the Wastewater System. The fund is used to pay for all operating and maintenance costs for wastewater collection and treatment. The fund is also used for ongoing capital and replacement projects as budgeted each year.

The Sewer CIP Fund is used for specific capital improvement projects that were budgeted in past years. Each year, the City sets aside the full cost of capital improvements

approved that year by transferring money from the other three funds to the Sewer CIP Fund. The Sewer CIP Fund typically carries a significant balance that is reserved for the remaining costs of projects approved in prior years but still under construction.

The Treatment Plant Construction Fund is generally used to fund capital improvements at the Treatment Facility or within the City's collection system. The main source of revenues for this fund is treatment plant connection fees and Sewer Connection Fees collected from new development. This fund may also be used to finance the acquisition of additional capacity in the Treatment Facility.

The Sewer Infrastructure Fund was established in fiscal year 2000-01 to build reserves from surpluses in the Sewer Fund to offset the future costs of the repair and replacement of facilities reaching the end of their useful lives. The Sewer Infrastructure Fund is funded with transfers from the Sewer Operating Fund.

The City's fiscal policies provide as follows, among other things:

(1) The City will maintain working capital in the Wastewater System funds to provide for future capital projects and unanticipated emergencies, such as pump station repairs. The City will attempt to maintain a working capital reserve of approximately 25% of the annual operating and maintenance expenses for the Sewer Fund.

(2) The City's goal is to accumulate at least $2 million a year in the Sewer Infrastructure Fund for replacement of infrastructure as the infrastructure reaches the end of its useful life.

Historical and Projected Debt Service Coverage

The table below provides a historical statement of debt service coverage for Fiscal Years 2014-15 through 2018-19 (budgeted) and projected debt service coverage for Fiscal Years 2019-20 through 2023-24, based on the definitions of Gross Revenues and Maintenance and Operation Costs set forth in the legal documents governing the 2017 Bonds and the 2019 Bonds (which excludes depreciation and other non-cash items).

Table 9
Wastewater System
Historical and Projected Debt Service Coverage
Fiscal Years 2014-15 through 2023-24

	Actual				Unaudited	Projected*				
	2014-15	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Gross Revenues										
Charges for services	$14,362,865	$15,770,897	$16,651,740	$17,052,188	$17,521,842	$19,132,127	$20,662,697	$22,109,086	$23,435,631	$23,435,631
Developer contributions	12,068	120,997	82,220	26,681	69,272	--	--	--	--	--
Other operating revenue	78,439	72,133	69,384	60,904	16,506	1,060,000	1,060,000	1,060,000	1,060,000	1,060,000
Interest income	211,387	444,691	(54,968)	105,973	1,040,227	514,000	514,000	514,000	514,000	514,000
Total Gross Revenues	**14,664,759**	**16,408,718**	**16,748,376**	**17,245,746**	**18,647,847**	**20,706,127**	**22,236,697**	**23,683,086**	**25,009,631**	**25,009,631**
Maintenance and Operation Costs(1)										
Sewer treatment facility services(2)	4,314,289	4,550,915	4,545,616	4,715,269	4,680,887	7,045,200	7,256,556	7,474,253	7,698,480	7,929,435
Personnel services	2,007,388	2,110,671	1,036,796	2,836,632	2,519,535	3,069,935	3,192,732	3,288,514	3,387,169	3,488,784
Services and supplies/repairs & maint.	941,876	1,026,262	1,020,377	1,479,828	1,780,172	1,550,907	1,597,434	1,645,357	1,694,718	1,745,559
Transfers out to general fund	1,527,385	1,575,000	1,641,000	1,685,000	1,544,274	1,568,485	1,631,224	1,680,161	1,730,566	1,782,483
Total M&O Costs	**8,790,938**	**9,262,848**	**8,243,789**	**10,716,729**	**10,524,868**	**13,234,527**	**13,677,946**	**14,088,285**	**14,510,934**	**14,946,261**
Net Revenues	**5,873,821**	**7,145,870**	**8,504,587**	**6,529,017**	**8,122,979**	**7,471,600**	**8,558,751**	**9,594,801**	**10,498,698**	**10,063,370**
Debt Service										
2006 COPs	684,528	684,348	683,193	--	--	--				
2017 Bonds	--	--	--	654,157	650,273	647,500	648,700	649,700	649,900	650,000
Installment Payments/2019 Bonds*	--	--	--	--	--	686,575	1,825,125	1,838,500	1,835,500	1,856,375
Total Debt Service*	**$684,528**	**$684,348**	**$683,193**	**$654,157**	**$650,273**	**$1,334,075**	**$2,473,825**	**$2,488,200**	**$2,485,400**	**$2,486,375**
Debt Service Coverage Ratio*	**8.58**	**10.44**	**12.45**	**9.98**	**12.49**	**5.60**	**3.46**	**3.86**	**4.22**	**4.05**
Sewer Fund FYE Cash Balance	**$28,058,179**	**$35,263,685**	**$37,409,029**	**$34,636,667**	**$35,354,342**					

* Preliminary; subject to change for Fiscal Years 2019-20 through 2023-24.
(1) Excludes depreciation and amortization.
(2) Sewer treatment services is solely an operating expense for the City's share of operating and maintaining the Treatment Facility. It does not include the cost of purchasing additional capacity rights.
Source: City of Milpitas.

Additional Information Regarding Projections. The table above reflects a number of assumptions regarding projected debt service coverage for Fiscal Years 2019-20 through 2023-24, including the following:

- No growth in customers during the projection period.
- Rate increases during the projection period consistent with the previously adopted rate study, which provides for increases of 8% per year for Fiscal Years 2019-2020 and 2020-21, a 7% increase for Fiscal Year 2021-22 and a 6% increase for Fiscal Year 2022-23. No rate increases were assumed for Fiscal Year 2023-24.
- Expenses, including personnel services and services & supplies, are projected to increase at 3% to 4% per fiscal year.
- No additional debt during the projection period.

With respect to capital costs associated with the Wastewater System, the City's current CIP identifies several projects for planning purposes. All future years' projects and their related funding require annual review and approval by the City Council and are therefore subject to change. The City records its infrastructure capital costs, including Wastewater System capital costs as capital assets. Because capital costs are not included in the definition of Maintenance and Operation Costs under the Indenture, they will not affect the availability of Net Revenues to make the Installments Payments. Should the City decide to finance any of these capital costs through the issuance of Parity Debt within the projection period, projected debt service could decrease without a corresponding increase in rates.

BOND OWNERS' RISKS

The following describes certain special considerations and risk factors affecting the payment of and security for the 2019 Bonds. The following discussion is not meant to be an exhaustive list of the risks associated with the purchase of any 2019 Bonds and the order presented does not necessarily reflect the relative importance of the various risks. Potential investors in the 2019 Bonds are advised to consider the following special factors along with all other information in this Official Statement in evaluating the 2019 Bonds. There can be no assurance that other considerations will not materialize in the future.

Revenues; Rate Covenant

The Revenues securing the 2019 Bonds consist primarily of Installment Payments payable by the City, which, in turn, are secured by the Net Revenues of the Wastewater System. Net Revenues are dependent upon the demand for water usage and resulting wastewater service, which can be affected by population factors and more stringent wastewater regulations. There can be no assurance that wastewater service demand will be consistent with the levels contemplated in this Official Statement. A decrease in the demand for wastewater could require an increase in rates or charges in order to comply with the rate covenants contained in the Installment Sale Agreement. The City's ability to meet its rate covenants is dependent upon its capacity to increase rates without driving down demand to a level insufficient to meet debt service on the Installment Payments and Parity Debt.

No Debt Service Reserve Fund

Neither the Authority nor the City will fund a debt service reserve fund for the 2019 Bonds. If Net Revenues are insufficient for the City to pay the Installment Payments when due, no debt service reserve account funds will be available under the Installment Sale Agreement or Indenture for the City to make such payments.

Maintenance and Operation Costs; Costs of Treatment Facility

There can be no assurance that expenses of the Wastewater System will be consistent with the levels contemplated in this Official Statement. In particular, the City obtains wastewater treatment service from the Treatment Facility, and therefore the City may have less control over the expenses attributable to wastewater treatment than if the City directly owned and operated a wastewater treatment plant. Changes in technology, changes in quality standards, and increases in the cost of operation or other expenses could require substantial increases in rates or charges in order to comply with the rate covenants in the Installment Sale Agreement. Until such rates can be implemented, Net Revenues may be reduced, increasing the possibility of nonpayment of the Installment Payments and, in turn, the 2019 Bonds.

Costs and expenses arising from the Action may impact Net Revenues. For additional details on the Action and related matters, see "THE WASTEWATER SYSTEM – San Jose/Santa Clara Regional Wastewater Facility – Litigation related to the Treatment Facility." *No assurance can be made as to the ultimate resolution of this dispute.*

Limitations on Remedies Available to Bond Owners

The ability of the City to comply with its covenants under the Installment Sale Agreement and to generate Net Revenues sufficient to pay principal of and interest on the Installment Payments and Parity Debt may be adversely affected by actions and events outside of the control of the City, and may be adversely affected by actions taken (or not taken) by voters, property owners, taxpayers or payers of assessments, fees and charges. Furthermore, any remedies available to the owners of the 2019 Bonds upon the occurrence of an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay and could prove both expensive and time consuming to obtain.

In addition to the limitations on Bondholder remedies contained in the Indenture, the rights and obligations of the Authority under the Indenture may be subject to the following: the United States Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the Owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

Seismic and other Natural Disasters; Climate Change

General. The City is located in a seismically active area of California. If there were to be an occurrence of severe seismic activity in the area of the City, there could be an interruption in the service provided by the Wastewater System, resulting in a temporary reduction in the amount of Net Revenues available to timely pay the Installment Payments.

Other natural disasters, such as flooding, landslides or wildfires, could also affect or interrupt the service provided by the Wastewater System, resulting in a temporary reduction in the amount of Net Revenues available to timely pay the Installment Payments.

Droughts. California is subject to droughts from time-to-time. On April 1, 2015, for the first time in California's history, Governor Edmund G. Brown directed the State Water Resources Control Board to implement mandatory water reductions in cities and towns across California to reduce water usage by 25%, which in many cases led to declines in wastewater flows as well. Following a wet winter in 2016-17, most of the mandatory water reductions were lifted. However, there can be no assurance that drought conditions would not re-appear in the future, leading to decreased usage of the Wastewater System, and a potential decline in Net Revenues available to timely pay the Installment Payments.

Sea Level Rise/Climate Change. Net Revenues may be negatively impacted by future sea level rise in the San Francisco Bay area or other negative impacts resulting from climate change. The median elevation of the City is 19 feet. At Piedmont Road, Evans Road, and North Park Victoria Avenue, the elevation is generally about 100 feet, while the western area is almost at sea level. This low elevation, coupled with the proximity to San Francisco Bay, may result in adverse effects to property in the City, and corresponding to Net Revenues, in the future. In

addition, the Treatment Facility may be negatively impacted given its proximity to San Francisco Bay.

The predictions for sea level rise in the San Francisco Bay vary. A report released by the San Francisco Bay Conservation Development Commission predicts sea levels in the San Francisco Bay to rise 16 inches by 2050 and 55 inches by 2100. The State of California's Fourth Climate Change Assessment, released in 2017, estimates sea level rise for the year 2100 in the range of 14 inches to 94 inches with an additional very low probability, worst-case estimate that exceeds 108 inches. A draft paper from the California Climate Change Center posits that increases in sea level will be a significant consequence of climate change over the next century.

Local impacts of climate change are not definitive, but parcels in the City could experience changes to local and regional weather patterns; rising bay water levels; increased risk of flooding; changes in salinity and tidal patterns of San Francisco Bay; coastal erosion; and water restrictions.

Loss of Tax-Exemption

As discussed under the caption "TAX MATTERS," interest on the 2019 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the 2019 Bonds were issued, as a result of future acts or omissions of the Authority or City in violation of its covenants in the Installment Sale Agreement and Indenture. Should such an event of taxability occur, the 2019 Bonds are not subject to special redemption and will remain outstanding until maturity or until redeemed under other provisions set forth in the Indenture.

Proposition 218

General. On November 5, 1996, California voters approved Proposition 218, the so-called "Right to Vote on Taxes Act." Proposition 218 added Articles XIIIC and XIIID to the State Constitution, which affect the ability of local governments to levy and collect both existing and future taxes, assessments, and property-related fees and charges. Proposition 218, which generally became effective on November 6, 1996, limited local governments' authority to impose or increase property-related "fee" or "charge," which is defined as "any levy other than an ad valorem tax, a special tax or an assessment, imposed by a local government upon a parcel or upon a person as an incident of property ownership, including user fees or charges for a property related service" (and referred to in this section as a "property-related fee or charge").

Specifically, under Article XIIID, before a municipality may impose or increase any property-related fee or charge, the entity must give written notice to the record owner of each parcel of land affected by that fee or charge. The municipality must then hold a hearing upon the proposed imposition or increase at least 45 days after the written notice is mailed, and, if a majority of the property owners of the identified parcels present written protests against the proposal, the municipality may not impose or increase the property-related fee or charge.

Further, under Article XIIID, revenues derived from a property-related fee or charge may not exceed the funds required to provide the "property-related service" and the entity may not use such fee or charge for any purpose other than that for which it imposed the fee or charge. The amount of a property-related fee or charge may not exceed the proportional cost of the service attributable to the parcel, and no property-related fee or charge may be imposed for a service unless that service is actually used by, or is immediately available to, the owner of the property in question.

In addition, Article XIIIC states that "the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge. The power of initiative to affect local taxes, assessments, fees and charges shall be applicable to all local governments and neither the Legislature nor any local government charter shall impose a signature requirement higher than that applicable to statewide statutory initiatives."

Judicial Interpretation of Proposition 218. After Proposition 218 was enacted in 1996, appellate court cases and an Attorney General's opinion initially indicated that fees and charges for water and wastewater services, which are based on the amount of services consumed, would not be considered property-related fees and charges, and thus not subject to the requirements of Article XIIID. However, numerous subsequent court cases have held that certain types of water and wastewater charges could be subject to the requirements of Proposition 218. These cases include, for example, *Capistrano Taxpayers Assoc., Inc. v. City of San Juan Capistrano* (186 Cal. Rptr. 3d 362 (Cal. App. 4th Distr. 2015)), *Bighorn-Desert View Water Agency v. Verjil* (46 Cal. Rptr. 3d 73 (Cal. 2006)), and *Howard Jarvis Taxpayers Assoc. v. City of Fresno* (26 Cal. Rptr. 3d 153 (Cal. App. 5th Distr. 2005)).

Under the *Bighorn* case, for example, the court held that under Article XIIIC, local voters could adopt an initiative measure that could reduce or repeal a local agency's rates and charges, though it is not clear whether (and California courts have not decided whether) any such reduction or repeal by initiative would be enforceable in a situation in which such rates and charges are pledged to the repayment of bonds or other indebtedness, as is the case with respect to the Installment Payments securing the 2019 Bonds.

Under the *City of San Juan Capistrano* case, the court held that tiered or inclined rates that go up progressively in relation to usage must correspond to the actual cost of providing water service at each tier (level of usage), and accordingly the pricing for any tier cannot exceed the cost of service to that tier.

City's Current Practice Regarding Rates and Charges. The City's practice in implementing increases in wastewater rates and charges has been to comply with the requirements of Article XIIID, including the practice of providing property owners with a 45-day mailed notice and public hearing before the City Council approves rate increases.

Conclusion. It is not possible to predict how courts will further interpret Article XIIIC and Article XIIID in future judicial decisions, and what, if any, further implementing legislation will be enacted. As noted above, under the *Bighorn* case, local voters could adopt an initiative measure that reduces or repeals the City's rates and charges, though it is not clear whether (and California courts have not decided whether) any such reduction or repeal by initiative would be enforceable in a situation in which such rates and charges are pledged to the repayment of bonds or other indebtedness, as is the case with respect to the Installment Payments securing the 2019 Bonds. ***There can be no assurance that the courts will not further interpret, or the voters will not amend, Article XIIIC and Article XIIID to limit the ability of local agencies to impose, levy, charge and collect increased fees and charges for wastewater, or to call into question previously adopted wastewater rate increases.***

Environmental Regulation

The kind and degree of wastewater treatment is regulated, to a large extent, by the federal government and the State. Treatment standards set forth in federal and State law control the

operations of the Wastewater System and the Treatment Facility and mandate its use of technology. If the federal government, acting through the Environmental Protection Agency, or the State, acting through the Department of Health Services, or additional federal or State legislation, should impose stricter standards upon the Wastewater System and the Treatment Facility, the City's expenses related to the Wastewater System could increase accordingly and rates and charges would have to be increased to offset those expenses. See "– Maintenance and Operation Costs; Costs of Treatment Facility" above.

It is not possible to predict the direction which federal or State regulation will take with respect to wastewater standards, although it is likely that both will impose more stringent standards with attendant higher costs.

Cybersecurity

The City, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other sensitive electronic information, the City is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. No assurance can be given that the City's efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the City or the Wastewater System, or the administration of the 2019 Bonds.

The City is also reliant on other entities and service providers in connection with the operation of the Wastewater System and the administration of the 2019 Bonds, including without limitation, the city of San José as the operator of the Treatment Facility, the Trustee and the dissemination agent. No assurance can be given that the City and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

Secondary Market for Bonds

There can be no guarantee that there will be a secondary market for the 2019 Bonds or, if a secondary market exists, that any 2019 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

Future Parity Debt

As described in "SECURITY FOR THE 2019 BONDS – Parity Debt" above, the Installment Sale Agreement permits the City to issue Parity Debt in the future that is payable on a parity with the payment of the Installment Payments securing the 2019 Bonds. In the event of a decline in Net Revenues available to pay the Installment Payments securing the 2019 Bonds, the existence of additional Parity Debt could adversely affect the City's ability to timely pay the Installment Payments securing the 2019 Bonds.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the 2019 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the Authority and the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") that must be satisfied subsequent to the issuance of the 2019 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Authority and City have made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the 2019 Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a 2019 Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a 2019 Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the 2019 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such 2019 Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such 2019 Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the 2019 Bonds who purchase the 2019 Bonds after the initial offering of a substantial amount of such maturity. Owners of such 2019 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2019 Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering to the public at the first price at which a substantial amount of such 2019 Bonds is sold to the public.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the 2019 Bond (said term being the shorter of the 2019 Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the 2019 Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a 2019 Bond is amortized each year over the term to maturity of the 2019 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized bond premium is not deductible for federal income tax purposes. Owners of premium 2019 Bonds, including purchasers who do not purchase in the original offering, should consult

their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such 2019 Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the 2019 Bonds is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the 2019 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the 2019 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the 2019 Bonds, or as to the consequences of owning or receiving interest on the 2019 Bonds, as of any future date. Prospective purchasers of the 2019 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the 2019 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2019 Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the 2019 Bonds, the ownership, sale or disposition of the 2019 Bonds, or the amount, accrual or receipt of interest on the 2019 Bonds.

CERTAIN LEGAL MATTERS

Jones Hall, A Professional Law Corporation, Bond Counsel, will render an opinion with respect to the validity of the 2019 Bonds, the form of which opinion is set forth in APPENDIX E. Certain legal matters will also be passed upon for the City by Jones Hall, as Disclosure Counsel and by the City Attorney. Certain legal matters will be passed upon for the Underwriter by its counsel, Nixon Peabody LLP, Los Angeles, California. The fees of Bond Counsel, Disclosure Counsel and Underwriter's counsel are contingent on the sale and closing of the 2019 Bonds.

NO MATERIAL LITIGATION

No litigation is pending or threatened concerning the validity of the 2019 Bonds. Neither the Authority nor the City is aware of any litigation pending or threatened questioning the political existence of the Authority or the City or contesting the City's power to fix wastewater rates and charges, or the power of the governing body of the Authority or the City Council or in any way questioning or affecting: (i) the proceedings under which the 2019 Bonds are to be issued; (ii) the validity of any provision of the 2019 Bonds, the Installment Sale Agreement or the Indenture; (iii) the pledge of Net Revenues under the Installment Sale Agreement or the pledge of Revenues under the Indenture; or (iv) the titles to office of the present members of the governing body of the Authority or the City Council.

There are a number of suits and claims pending against the City, which may include personal injury, wrongful death and other suits and claims against which the City may self-insure. The aggregate amount of the self-insured liabilities of the City which may result from such suits and claims will not, in the opinion of the City, materially impair the ability of the City to pay the Installment Payments securing the 2019 Bonds as they become due. In addition, the City is named in a cross-complaint brought by the cities of San Jose and Santa Clara related to the Action. See "THE WASTEWATER SYSTEM – San Jose/Santa Clara Regional Wastewater Facility – Litigation related to the Treatment Facility."

There is no litigation pending, with service of process having been accomplished, against the City which if determined adversely to the City would, in the opinion of the City, materially impair the ability of the City to pay the Installment Payments securing the 2019 Bonds as they become due.

RATING

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("**S&P**") has assigned its municipal bond rating of "____" to the 2019 Bonds. This rating reflects only the views of S&P, and an explanation of the significance of this rating, and any outlook assigned to or associated with this rating, should be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The Authority has provided certain additional information and materials to S&P (some of which does not appear in this Official Statement). There is no assurance that this rating will continue for any given period of time or that this rating will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of any rating on the 2019 Bonds may have an adverse effect on the market price or marketability of the 2019 Bonds.

CONTINUING DISCLOSURE

The City will covenant for the benefit of owners of the 2019 Bonds to provide certain financial information and operating data by not later than nine months after the end of the City's fiscal year, or March 31, of each year (based on the City's current fiscal year-end of June 30), commencing March 31, 2020, with the report for the 2018-19 fiscal year (the "**Annual Report**") and to provide notices of the occurrence of certain listed events.

These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**"). The specific nature of the information to be contained in the Annual Report or the notices of listed events by the City is set forth in "APPENDIX C – Form of Continuing Disclosure Certificate."

The City and its related governmental entities have previously entered into numerous disclosure undertakings under the Rule in connection with the issuance of long-term obligations. During the past five years, the City and its related entities have not failed to comply, in all material respects, with their undertakings under the Rule.

UNDERWRITING

BofA Securities, Inc., as underwriter of the 2019 Bonds (the "**Underwriter**"), has agreed to purchase the 2019 Bonds from the Authority at a purchase price of $_____ which represents the aggregate principal amount of the 2019 Bonds, plus/less [net] original issue premium/discount of $_____, less underwriter's discount of $_____.

The purchase contract under which the Underwriter is purchasing the 2019 Bonds provides that the Underwriter will purchase all of the 2019 Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the purchase contract.

The public offering prices of the 2019 Bonds may be changed from time to time by the Underwriter. The Underwriter may offer and sell the 2019 Bonds to certain dealers and others at a price lower than the offering price stated on the cover page of this Official Statement.

BofA Securities, Inc., the Underwriter of the Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("**MLPF&S**"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Bonds.

MUNICIPAL ADVISOR

The Authority has retained Fieldman, Rolapp & Associates, Inc., as its municipal advisor (the "**Municipal Advisor**") in connection with the authorization and delivery of the 2019 Bonds. The Municipal Advisor assumes no responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the 2019 Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

EXECUTION

The execution of this Official Statement and its delivery have been authorized by the governing body of the Authority and the City Council of the City.

MILPITAS MUNICIPAL FINANCING AUTHORITY

By: _____
Executive Director

CITY OF MILPITAS

By: _____
City Manager

APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE CITY FOR FISCAL YEAR ENDED JUNE 30, 2018

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$_____
Milpitas Municipal Financing Authority
2019 Wastewater Revenue Bonds

This Continuing Disclosure Certificate (this "**Disclosure Certificate**") is executed and delivered by the City of Milpitas (the "**City**") in connection with the issuance of the above-captioned bonds (the "**2019 Bonds**"). The 2019 Bonds are being issued by the Milpitas Municipal Financing Authority (the "**Authority**") under an Indenture of Trust dated as of November 1, 2019 (the "**Indenture**") by and between the Authority and U.S. Bank National Association, as trustee (the "**Trustee**"). The City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the 2019 Bonds and in order to assist the Participating Underwriter in complying with the Rule (defined herein).

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4.

"*Annual Report Date*" means the date that is nine months after the end of the City's fiscal year (currently March 31 based on the City's fiscal year end of June 30).

"*Dissemination Agent*" means, initially, Willdan Financial Services, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a).

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Official Statement*" means the final official statement dated _____, 2019, executed by the City in connection with the issuance of the 2019 Bonds.

"*Participating Underwriter*" means any original underwriter of the 2019 Bonds required to comply with the Rule in connection with offering of the 2019 Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2020, with the report for the 2018-19 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City shall provide (or cause the Dissemination Agent to provide) to the MSRB, in a timely manner as required by the Rule, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) Audited Financial Statements of the City prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not contained in the audited financial statements filed under the preceding clause (a), the Annual Report shall contain information showing the following:

(i) A schedule of wastewater rates in effect as of the close of the preceding fiscal year, by classification of customer;

(ii) Net Revenues received by the City during the preceding fiscal year and the amount by which such Net Revenues provides coverage for the payments of debt service coming due in such fiscal year with respect to the Installment Payments securing the 2019 Bonds and any other Parity Debt, in substantially the form of Table 9 in the Official Statement;

(iii) A description of any additional indebtedness incurred during the most recently-completed fiscal year that is payable from Net Revenues on a parity or subordinate basis with the Installment Payments securing the 2019 Bonds;

(iv) Customer information, for the most recently ended fiscal year only, in substantially the form of Table 3 in the Official Statement; and

(v) Wastewater System top ten users information in substantially the form of Table 4 in the Official Statement.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the 2019 Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the City.

Note: For the purposes of the event identified in subparagraph (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material (for definition of "financial obligation," see clause (c)).

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties (for definition of "financial obligation," see clause (c)).

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, and, if the Listed Event is described in subsections (a)(2), (a)(6), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) and (a)(15) above, the City determines that knowledge of the occurrence of that Listed Event would be material under applicable Federal securities law, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsection (a)(8) above need not be given under this subsection

any earlier than the notice (if any) of the underlying event is given to holders of affected 2019 Bonds under the Indenture.

(c) For purposes of Section 5(a)(15) and (16), "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2019 Bonds. If such termination occurs prior to the final maturity of the 2019 Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the City. The initial Dissemination Agent shall be Willdan Financial Services.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City with respect to the 2019 Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the 2019 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the 2019 Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the 2019 Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first Annual Report filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the City fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the 2019 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent (if other than the City), the Participating Underwriter and the holders and beneficial owners from time to time of the 2019 Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: _____, 2019

CITY OF MILPITAS

By_____
Name:_____
Title:_____

ACCEPTED AND AGREED:

Willdan Financial Services,
As Dissemination Agent

By_____
Authorized Representative

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Milpitas Municipal Financing Authority

Name of Issue: $_____ Milpitas Municipal Financing Authority 2019 Wastewater Revenue Bonds

Date of Issuance: _____, 2019

NOTICE IS HEREBY GIVEN that the City of Milpitas has not provided an Annual Report with respect to the above-named bonds as required by the Continuing Disclosure Certificate dated as of _____, 2019, executed by the City of Milpitas. The City anticipates that the Annual Report will be filed by _____.

Dated:_____

DISSEMINATION AGENT

By_____
Name:
Title:

APPENDIX D

GENERAL INFORMATION ABOUT THE CITY OF MILPITAS AND THE COUNTY OF SANTA CLARA

*The following information concerning the County of Santa Clara (the "**County**") and the City of Milpitas (the "**City**") is included only for the purpose of supplying general information regarding the region in which the Wastewater System is located. The 2019 Bonds are not a debt of the County, the City, the State of California (the "**State**") or any of its political subdivisions, and neither the County, the City, the State nor any of its political subdivisions is liable therefor. The City and the Underwriter take no responsibility for the accuracy or completeness of such information.*

General

The City. The City was incorporated in January 1954 and encompasses 13.63 square miles. It is located 45 miles south of San Francisco in the northern part of Santa Clara County and is situated in the northeastern side of Silicon Valley. Once a small agricultural town and later a stop-over point for travelers between Oakland and San Jose, Milpitas has grown into one of the world's premier computer and semiconductor producers.

Milpitas is a general law city that operates under a Council-Manager form of government. The City's political and legislative body is the City Council, which is empowered by the general laws of the State of California to formulate citywide policy, including a fiscal program, City services and appointment of City Manager and City Attorney. There are four City Council members who are elected at-large for staggered four–year terms; the Mayor is selected every two years in a separate citywide election.

The City provides a full range of municipal services, including: police, fire, neighborhood services, public improvements, planning, building and public facility inspection, engineering, water and sewer utilities, redevelopment, and general administrative services.

The County. The County covers an area of over 1,300 square miles and is located south of the San Francisco Bay in Northern California. There are two distinct valleys in the County, which are referred to as North County and South County. South County primarily features agricultural land and is comprised of only two cities, twenty miles apart from each other. Comprised of 13 adjoining cities, North County is densely populated, heavily industrialized and extensively urbanized. The northwestern portion of North County is commonly referred to as "Silicon Valley," owing to the high concentration of companies involved in the creation of silicon-based semiconductors. Several small lakes and reservoirs are scattered across the County and the highest peak can be found in San José at Mount Hamilton. Several major highways serve the County, including Highway 101 providing access to San Francisco and Los Angeles.

Population

The following table lists population estimates for the City, the County and the State for the last five years, as of January 1 each year.

CITY OF MILPITAS, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA
Population Estimates
Years 2015 through 2019, as of January 1

Year	City of Milpitas	Santa Clara County	State of California
2015	73,412	1,906,511	38,952,462
2016	74,492	1,925,306	39,214,803
2017	74,721	1,936,052	39,504,609
2018	74,980	1,974,798	39,740,508
2019	76,231	1,954,286	39,927,315

Source: California Department of Finance, Demographic Research Unit.

Industry and Employment

The City is part of the San Jose-Sunnyvale-Santa Clara Metropolitan Statistical Area ("**MSA**"), which is comprised of Santa Clara and San Benito Counties. The unemployment rate in the San Jose-Sunnyvale-Santa Clara MSA was 2.8 percent in July 2019, up from a revised 2.7 percent in June 2019, and unchanged from the year-ago estimate of 2.8 percent. This compares with an unadjusted unemployment rate of 4.4 percent for California and 4.0 percent for the nation during the same period. The unemployment rate was 5.1 percent in San Benito County, and 2.8 percent in Santa Clara County.

SAN JOSE-SUNNYVALE-SANTA CLARA MSA
Civilian Labor Force, Employment and Unemployment
Calendar Years 2014 through 2018
March 2018 benchmark

	2014	2015	2016	2017	2018
Civilian Labor Force [1]	1,021,000	1,039,100	1,056,300	1,041,700	1,079,700
Employment	967,200	994,900	1,015,700	1,008,000	1,050,800
Unemployment	53,800	44,200	40,600	33,700	28,900
Unemployment Rate	5.3%	4.3%	3.8%	3.2%	2.7%
Wage and Salary Employment:					
Agriculture	5,300	5,500	6,000	5,800	5,800
Mining and Logging	300	200	300	200	200
Construction	39,700	43,900	48,900	49,300	49,400
Manufacturing	159,500	162,400	163,600	166,400	172,300
Wholesale Trade	37,200	37,200	37,800	32,900	31,700
Retail Trade	86,400	87,800	87,700	85,800	86,300
Transportation, Warehousing, Utilities	14,400	14,600	15,300	134,100	134,100
Information	65,700	70,500	74,600	84,700	91,700
Financial Activities	34,100	34,600	35,600	36,100	37,100
Real Estate and Rental and Leasing	13,300	13,500	14,000	14,500	15,300
Professional and Business Services	203,000	216,300	225,200	237,400	237,300
Educational and Health Services	150,000	156,300	162,100	168,800	172,700
Leisure and Hospitality	91,900	95,800	98,900	103,400	105,000
Other Services	26,400	26,900	27,400	28,900	28,800
Federal Government	9,900	9,900	10,000	10,200	9,900
State Government	6,400	6,700	6,700	6,800	7,100
Local Government	77,100	76,400	77,400	78,600	79,900
Total all Industries [2]	1,020,600	1,058,500	1,091,500	1,110,700	1,131,000

(1) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Totals may not add due to rounding.
Source: State of California Employment Development Department.

Principal Employers

The following table lists the principal employers within the City for the fiscal year 2017-18.

CITY OF MILPITAS
Principal Employers
Fiscal Year 2017-18

Employer Name	No. of Employees
Cisco Systems, Inc.	3,647
KLA-Tencor Corporations	2,147
San Disk Corporation	1,952
Flextronics International	1,600
Linear Technology Corporation	1,288
Milpitas Unified School District	899
Headway Technologies	698
FireEye, Inc.	664
Wal-Mart	459
Micron Consumer Products	450

Source: City of Milpitas.

The following table lists, in alphabetical order, the largest manufacturing and non-manufacturing employers within the County as of September 2019.

COUNTY OF SANTA CLARA
Major Employers
As of September 2019
(In Alphabetical Order)

Employer Name	Location	Industry
Adobe Inc	San Jose	Publishers-Computer Software (mfrs)
Advanced Micro Devices Inc	Santa Clara	Semiconductor Devices (mfrs)
Alphabet Inc	Mountain View	Internet Search Engines
Apple Inc	Cupertino	Computers-Electronic-Manufacturers
Applied Materials Inc	Santa Clara	Semiconductor Manufacturing Equip (mfrs)
California's Great America	Santa Clara	Amusement & Theme Parks
Christopher Ranch LLC	Gilroy	Garlic (mfrs)
Cisco Systems Inc	San Jose	Computer Peripherals (mfrs)
Ebay Inc	San Jose	E-Commerce
Flextronics International	Milpitas	Semiconductor Devices (mfrs)
Fujitsu Laboratories of Amer	Sunnyvale	Laboratories-Research & Development
Google LLC	Mountain View	Internet Search Engines
Hcl Technologies Ltd	Sunnyvale	Computer Software
Hewlett-Packard	Cupertino	Computers-Electronic-Manufacturers
Intel Corp	Santa Clara	Semiconductor Devices (mfrs)
Intuitive Surgical Inc	Sunnyvale	Physicians & Surgeons Equip & Supls-Mfrs
Lockheed Martin Space Systems	Sunnyvale	Satellite Equipment & Systems-Mfrs
Lumileds Lighting Co	San Jose	Lighting Fixtures-Supplies & Parts-Mfrs
Maxim Integrated Products Inc	San Jose	Printed & Etched Circuits-Mfrs
Microsoft Corp	Sunnyvale	Computer Software-Manufacturers
NASA	Mountain View	Federal Government-Space Research/Tech
Prime Materials	San Jose	Semiconductors & Related Devices (mfrs)
Stanford Children's Health	Palo Alto	Hospitals
Stanford School of Medicine	Stanford	Schools-Medical
US Veterans Medical Ctr	Palo Alto	Hospitals

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2019 2nd edition.

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total effective buying income for the City, the County, the State, and the United States for the period 2015 through 2019.

CITY OF MILPITAS, SANTA CLARA COUNTY,
STATE OF CALIFORNIA AND UNITED STATES
EFFECTIVE BUYING INCOME
As of January 1, 2015 through 2019

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2015	City of Milpitas	$2,103,353	$84,091
	Santa Clara County	66,130,110	75,008
	California	901,189,699	50,072
	United States	7,357,153,421	45,448
2016	City of Milpitas	$2,246,958	$84,507
	Santa Clara County	73,637,380	79,345
	California	981,231,666	53,589
	United States	7,757,960,399	46,738
2017	City of Milpitas	$2,461,558	$85,924
	Santa Clara County	77,917,425	81,466
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043
2018	City of Milpitas	$2,683,721	$90,988
	Santa Clara County	85,859,495	88,243
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2019	City of Milpitas	$2,895,468	$95,783
	Santa Clara County	91,332,099	92,773
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841

Source: The Nielsen Company (US), Inc for years 2015 through 2018; Claritas, LLC for 2019

.Commercial Activity

A summary of historic taxable sales within the City and the County during the past five years in which data is available is shown in the following tables.

Total taxable sales during the first quarter of calendar year 2018 in the City were reported to be $479,540,063 a 13.02% decrease over the total taxable sales of $551,295,772 reported during the first quarter of calendar year 2017. Annual figures are not yet available for calendar year 2018.

CITY OF MILPITAS
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2013 through 2017(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2013	1,196	1,166,488	1,926	1,658,417
2014	1,225	1,170,696	1,975	1,682,260
2015(1)	1,283	1,202,266	2,178	1,903,123
2016	1,251	1,297,943	2,161	1,998,669
2017	1,218	1,334,475	2,144	2,316,532

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.
Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Total taxable sales during the first quarter of calendar year 2018 in the County were reported to be $10,132,925,520 a 5.12% increase over the total taxable sales of $9,639,404,478 reported during the first quarter of calendar year 2017. Annual figures are not yet available for calendar year 2018.

COUNTY OF SANTA CLARA
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2013 through 2017 (Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2013	29,535	22,424,642	45,310	37,621,606
2014	30,058	23,271,753	45,852	39,628,655
2015(1)	20,057	23,700,907	50,573	41,231,759
2016	30,146	24,158,590	50,519	41,831,669
2017	30,263	24,862,883	50,812	42,805,399

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.
Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Construction Activity

Construction activity in the City and the County for the past five years for which data is available is shown in the following tables.

CITY OF MILPITAS
Building Permit Valuation
For Calendar Years 2014 through 2018
(Dollars in Thousands)[1]

	2014	2015	2016	2017	2018
Permit Valuation					
New Single-family	$70,570.5	$22,537.4	$38,510.7	$128,153.7	$145,144.3
New Multi-family	188,133.1	61,894.8	99,729.0	106,327.3	260,595.1
Res. Alterations/Additions	2,896.8	4,963.3	8,225.0	30,821.0	14,314.1
Total Residential	$261,600.4	$89,395.50	$146,464.70	$265,302.0	$420,053.5
New Commercial	$9,753.0	$409.9	$37,529.3	$48,700.3	$109,077.5
New Industrial	0.0	684.9	0.0	17,616.1	0.0
New Other	26,612.1	3,224.3	1,883.8	2,110.8	$4,121.9
Com Alterations/Additions	45,753.7	43,976.0	77,342.4	95,341.9	$93,005.6
Total Nonresidential	$82,118.8	$47,995.0	$116,755.6	$163,769.1	$206,205.0
New Dwelling Units					
Single Family	170	72	135	391	415
Multiple Family	1,025	175	384	561	1,168
TOTAL	1,195	247	419	952	1,583

(1) Totals may not foot due to rounding.
Source: Construction Industry Research Board, Building Permit Summary.

SANTA CLARA COUNTY
Building Permit Valuation
For Calendar Years 2014 through 2018
(Dollars in Thousands)[1]

	2014	2015	2016	2017	2018
Permit Valuation					
New Single-family	$594,472.7	$653,970.2	$660,301.6	$732,652.1	$728,590.6
New Multi-family	1,196,127.8	706,781.1	564,761.0	1,760,303.9	1,098,643.3
Res. Alterations/Additions	439,747.1	505,844.7	484,820.1	547,991.7	558,024.6
Total Residential	$2,230,347.6	$1,866,596.0	$1,709,882.7	$3,040,947.7	$2,385,258.0
New Commercial	$818,913.3	$1,258,808.7	$2,327,643.2	$1,150,170.4	$1,962,366.5
New Industrial	10,172.2	100,301.2	44,268.9	118,567.1	32,080.0
New Other	292,113.9	533,644.5	282,966.1	303,729.1	120,557.4
Com Alterations/Additions	1,534,213.1	1,697,046.2	2,072,862.8	1,786,849.8	2,017,142.3
Total Nonresidential	$2,655,412.5	$3,589,800.6	$4,727,741.0	$3,359,316.3	$4,132,146.2
New Dwelling Units					
Single Family	1,602	1,710	1,608	2,022	2,011
Multiple Family	8,310	3,906	3,297	6,629	6,342
TOTAL	9,912	5,616	4,905	8,651	8,353

(1) Totals may not foot due to rounding.
Source: Construction Industry Research Board, Building Permit Summary.

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

Milpitas Municipal Financing Authority
455 E Calaveras Blvd
Milpitas, California 95035

OPINION: $_____ Milpitas Municipal Financing Authority
2019 Wastewater Revenue Bonds

Members of the Authority:

We have acted as bond counsel to the Milpitas Municipal Financing Authority (the "Authority") in connection with the issuance by the Authority of its Milpitas Municipal Financing Authority 2019 Wastewater Revenue Bonds in the aggregate principal amount of $_____ (the "Bonds"), under an Indenture of Trust dated as of November 1, 2019 (the "Indenture"), between the Authority and U.S. Bank National Association, as trustee, and under the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the "Bond Law"). The Bonds are secured by Revenues as such term is defined in the Indenture, including installment payments (the "Installment Payments") made by the City of Milpitas (the "City") under an Installment Sale Agreement dated as of November 1, 2019 (the "Installment Sale Agreement") between the Authority and the City.

We have examined such certified proceedings and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the Authority and the City contained in the Indenture, the Installment Sale Agreement and in the certified proceedings, and upon other certifications furnished to us, without undertaking to verify the same by independent investigation.

Based upon our examination we are of the opinion, under existing law, that:

1. The Authority is a joint powers agency duly organized and existing under the laws of the State of California, with power to enter into the Indenture, to perform the agreements on its part contained therein and to issue the Bonds.

2. The Bonds have been duly issued by the Authority and constitute legal, valid and binding special obligations of the Authority enforceable in accordance with their terms.

3. The Indenture and the Installment Sale Agreement have been duly authorized, executed and delivered by the Authority and constitute legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms.

4. The Indenture establishes a valid lien on and security interest in the Revenues and other funds pledged thereby for the security of the Bonds, in accordance with the terms of the Indenture.

5. The City is a municipal corporation duly organized and existing under the laws of the State of California, with power to enter into the Installment Sale Agreement and to perform the agreements on its part contained therein. The Installment Sale Agreement has been duly approved by the City and constitutes a legal, valid and binding obligation of the City enforceable against the City in accordance with its terms. The Installment Sale Agreement establishes a valid lien on and security interest in the Net Revenues of the Wastewater System and other funds pledged thereby for the security of the Installment Payments, in accordance with the terms of the Installment Sale Agreement.

6. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the Authority and the City comply with all requirements of the Internal Revenue Code of 1986, as amended, which must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Authority and the City have covenanted in the Indenture, the Installment Sale Agreement and in other instruments relating to the Bonds to comply with each of such requirements, and the Authority and the City have full legal authority to make and comply with such covenants. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

7. Interest on the Bonds is exempt from California personal income taxation.

The rights of the owners of the Bonds and the enforceability of the Bonds, the Indenture and the Installment Sale Agreement may be subject to bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be, and neither the City nor the Underwriter take responsibility for the accuracy thereof.

Neither the issuer of the Bonds (the "Issuer") nor the trustee, fiscal agent or paying agent appointed with respect to the Bonds (the "Agent") take any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (hereinafter, the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust

companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI

Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

RESOLUTION NO. ____ / SA __ / PFA ___

A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS, THE BOARD OF THE SUCCESSOR AGENCY TO THE FORMER MILPITAS REDEVELOPMENT AGENCY AND THE BOARD OF THE MILPITAS PUBLIC FINANCING AUTHORITY APPROVING THE ADOPTION OF A DEBT MANAGEMENT POLICY

WHEREAS, Senate Bill 1029 (SB 1029), which became effective on January 1, 2017, amended California Government Code 8855 to add certain requirements related to the issuance and administration of debt by local agencies such as the City of Milpitas (the "City"), the Successor Agency to the former Milpitas Redevelopment Agency (the "Successor Agency") and the Milpitas Public Financing Authority (the "Authority"), including the requirement to adopt a debt policy meeting the requirements of California Government Code 8855 prior to issuing any debt; and

WHEREAS, the City Council of the City, the Board of the Successor Agency and the Board of the Authority wish at this time to approve a debt policy that is compliant with California Government Code 8855 to govern future issuances of debt by the City, the Successor Agency and the Authority, as applicable; and

NOW, THEREFORE, the City Council of the City, the Board of the Successor Agency to the former Milpitas Redevelopment Agency, and the Board of the Milpitas Public Financing Authority hereby find, determine and resolve as follows:

1. Approval of Debt Management Policy. The City Council, the Board of the Successor Agency and the Board of the Authority hereby jointly approve and adopt the Debt Management Policy in the form presented to the meeting at which this Resolution is adopted. The Debt Management Policy shall govern the issuance and administration of debt issued by the City, the Successor Agency and the Authority, all in accordance with, and subject to, the conditions set forth in such policy.

2. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this ___ day of _____, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, City Clerk/
Successor Agency Secretary/
Public Financing Authority Secretary

Rich Tran, Mayor/
Successor Agency Chair/
Public Financing Authority Chair

APPROVED AS TO FORM:

Christopher J. Diaz, City Attorney/
Successor Agency Counsel/
Public Financing Authority Counsel

CITY OF MILPITAS
SUCCESSOR AGENCY TO THE FORMER MILPITAS REDEVELOMPENT AGENCY
MILPITAS PUBLIC FINANCING AUTHORITY

DEBT MANAGEMENT POLICY

Effective October 17, 2017

This Debt Management Policy (the "Debt Policy") establishes the parameters within which debt may be issued and administered by the City of Milpitas (the "City"), the Successor Agency to the former Milpitas Redevelopment Agency and the Milpitas Public Financing Authority (collectively, the "Covered Entities"). Additionally, these policies apply to debt issued by a Covered Entity on behalf of assessment district, community facilities district, or other special district, and conduit-type financing by a Covered Entity for multifamily housing or industrial development projects.

The Debt Policy may be utilized by staff of the Covered Entities with the discretion to deviate as determined appropriate by the City Manager or Director of Financial Services (or their equivalent positions), and may be amended by the governing board of the applicable Covered Entity as it deems appropriate from time to time in the prudent management of the debt and capital financing needs of the Covered Entities.

1. Findings

This Debt Policy is intended to comply with Government Code Section 8855(i), effective on January 1, 2017, and shall govern all debt undertaken by a Covered Entity.

The Covered Entities hereby recognize that a fiscally prudent debt policy is required in order to:

- Maintain the Covered Entities' sound financial position.
- Ensure the Covered Entities have the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the Covered Entities' credit-worthiness.
- Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the Covered Entities.
- Ensure that the Covered Entities' debt is consistent with their planning goals and objectives and capital improvement program or budget, as applicable.

2. Policies

A. Purposes For Which Debt May Be Issued

(i) Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the City.

(a) Long-term debt financings are appropriate when the following conditions exist:

• When the project to be financed is necessary to provide basic services.

• When the project to be financed will provide benefit to constituents over multiple years.

• When total debt does not constitute an unreasonable burden to the Covered Entities and the City's taxpayers and/or ratepayers, as applicable.

• When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.

(b) Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.

(c) The Covered Entities may use long-term debt financings subject to the following conditions:

• The project to be financed must be approved by the governing board of the Covered Entity.

• The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.

• The Covered Entity estimates that sufficient revenues will be available to service the debt through its maturity.

• The Covered Entity determines that the issuance of the debt will comply with the applicable state and federal law.

(ii) Short-term debt. Short-term debt may be issued to provide financing for the Covered Entities' operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the Covered Entities may undertake lease-purchase financing for equipment.

(iii) Financings on Behalf of Other Entities. The Covered Entities may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties in order to further the public purposes of Covered Entities. In such cases, the Covered Entities shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein.

B. Types of Debt

The following types of debt are allowable under this Debt Policy:

• General obligation bonds (GO Bonds)

• Bond or grant anticipation notes

• Lease revenue bonds, certificates of participation (COPs) and lease-purchase transactions

• Other revenue bonds and COPs

• Tax and revenue anticipation notes (TRANs)

• Land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes

• Tax increment financing to the extent permitted under State law

• Conduit financings, such as financings for affordable rental housing and qualified 501(c)(3) organizations

The governing body may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

C. Relationship of Debt to Capital Improvement Program and Budget

The City and Covered Entities are committed to long-term capital planning. The City and Covered Entities intend to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the capital budget and the capital improvement plan.

The City and Covered Entities shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The City and Covered Entities shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The Covered Entities shall integrate their debt issuances with the goals of the capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of their public purposes.

The Covered Entities shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

D. Policy Goals Related to Planning Goals and Objectives

The City and Covered Entities are committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The Covered Entities intend to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the annual operations budget.

It is a policy goal of the City and the Covered Entities to protect taxpayers, ratepayers (if applicable) and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The City and the Covered Entities will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related

taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the Covered Entities to realize, whenever possible, and subject to any overriding non-financial policy considerations, minimum net present value debt service savings equal to or greater than 3.0%.

E. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the Covered Entities shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

Without limiting the foregoing, the Covered Entities will periodically review the requirements of and will remain in compliance with the following:

- Any continuing disclosure undertakings entered into by the Covered Entities in accordance with SEC Rule 15c2-12.

- Any federal tax compliance requirements, including, without limitation, arbitrage and rebate compliance.

- Investment policies as they relate to the use and investment of bond proceeds.

Proceeds of debt will be held either (a) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the Covered Entities upon the submission of one or more written requisitions by the City Manager or Director of Financial Services (or their equivalent positions), or his or her written designee, or (b) by the Covered Entity, to be held and accounted for in a separate fund or account, the expenditure of which will be carefully documented by the Covered Entity.

MEETING MINUTES
CITY OF MILPITAS

Minutes of:	**Joint Meeting of Milpitas City Council, Successor Agency and Public Financing Authority**
Date:	**Tuesday, October 17, 2017**
Time:	**5:00 PM Closed Session** **7:00 PM Open Session**
Location:	**Council Chambers, Milpitas City Hall,** **455 East Calaveras Blvd., Milpitas**

CALL TO ORDER

Vice Mayor Grilli called the joint meeting to order at 5:00 PM. City Clerk Mary Lavelle called the roll.

PRESENT: Vice Mayor Grilli, Councilmembers Barbadillo and Nuñez

ABSENT: Mayor Tran and Councilmember Phan were absent at roll call, and arrived in Closed Session.

CLOSED SESSION

City Council convened in Closed Session to discuss labor negotiations, litigation and personnel matters, as listed on the agenda. City Attorney Chris Diaz said that Mayor Tran would recuse himself on Closed Session agenda item (e).

City Council then convened in Open Session at 7:00 PM with all members present.

ANNOUNCEMENT

The City Attorney stated there was no reportable action out of Closed Session.

PLEDGE

Boy Scouts Troop No. 163 presented the flags and led the pledge of allegiance.

INVOCATION

Councilmember Nuñez requested a moment of silence in honor of Mr. Noel Jackson, recently deceased long-time City employee. Next, Mr. Nuñez read aloud a bible quote regarding the value of community.

PRESENTATIONS

Mayor Tran presented the following:

Proclaimed Domestic Violence Awareness Month for October 2017. This event was first acknowledged by Vice Mayor Marsha Grilli. The proclamation was received by Tanis Crosby of the YWCA Silicon Valley, one of five agencies in Santa Clara County serving those in need due to domestic violence.

Proclaimed Manufacturing Day in Milpitas, which was held on Friday, October 13, 2017 in the City of Milpitas. Economic Development Director Edesa Bitbadal offered recognition to representatives from Flex and Cordis corporations, Milpitas Unified School District and others who celebrated this event and day the prior Friday.

Next, Mayor Tran invited Syed Mohsin and Thelma Batilo from the Community Advisory Commission to recognize the four 2017 winners of Neighborhood Beautification Awards: Terrace Gardens, Phoebe Kwong, Jon & Tiffany Arikata, and Chieu Lipscomb.

PUBLIC FORUM

Mayor Tran stated the time for speakers would be limited to one minute each.

Rob Means, Milpitas resident, spoke about electric cars, including battery operated. He also supported the future of driverless cars becoming more common in the future.

Charlene Lee addressed the Council, yelling loudly, saying she would sue the Police Chief and other City officials, based on past treatment of her.

Councilmember Nuñez wanted to make sure Mr. Means' topic would be referred to the Economic Development Director, and that it would come back to Council.

Interim Police Chief Pangelinan wanted to respond to comments made. The Milpitas Police Department investigated the issue that Charlene Lee brought forward to police twice in the past. The matter was investigated thoroughly and then brought to the District Attorney's office for further review. The D.A. agreed with findings of the police investigation, wherein no crime was found to have been committed.

At 7:40 PM, the City Council took recess. Ms. Lee was escorted out of the Council Chambers and the meeting.

Matthew Stevenson of San Jose, from Citizens Community Energy, came up. Mayor Tran asked him to come back later when the community choice energy item was scheduled.

Tom Valore, Milpitas resident, requested that agenda item no. 10 (solid waste amendment) be removed from the consent calendar.

Robert Marini, Milpitas resident, wondered why the City Council did not want to increase the fee for recycled water. He gave further statistics on the use of and cost for that product.

Voltaire Montemayor, Milpitas resident, wanted to support the city overall, and commented on some of the proclamations made earlier.

ANNOUNCEMENTS

Acting City Manager Steve Pangelinan stated that the Fiscal Year end report fpr FY 2016-17 would come to the City Council on November 7 (not October) and Council could any discuss surplus then. Also, Milpitas Police Department was in the final steps of implementeing "safe zones" for internet transactions, for people to feel safe making those in a public place (police parking lot) which included cameras.

Councilmember Nuñez noted that the Boy Scouts Troop No. 163 was one of the first scout troops to make a change allowing girls to be included in Cub Scouts and Boy Scouts, including an opportunity to work toward Eagle Scout status.

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

City Attorney Diaz asked Councilmembers if they had any personal conflicts of interest or reportable campaign contributions. None were reported.

APPROVAL OF AGENDA

Motion: to approve the meeting agenda, as amended

Councilmember Nuñez asked to place item no. 13 (resolution to amend Classification Plan) onto the consent calendar.

Vice Mayor Grilli agreed with her colleague, and then asked move up item no. 18 (community choice energy) to be heard first for discussion.

Mayor Tran requested to move his item no. 19 (homeless strategy) to the next regular Council meeting agenda.

Motion/Second: Vice Mayor Grilli/Councilmember Nuñez

Motion carried by a vote of: AYES: 5
NOES: 0

CONSENT CALENDAR

Motion: to approve the Consent Calendar (items noted with *asterisk), as amended

Mayor Tran asked to remove item no. 10 (garbage contract amendment), as requested by a resident. He asked to remove items no. 5 (adopt ordinance), no. 6 (joint resolution- refinancing) and no. 9 (landscaping maintenance contract) from consent.

Councilmember Nuñez requested to remove agenda items no. 7 (Resolution) and no. 11 (improvement agreement) from the consent calendar.

Vice Mayor Grilli requested to hear no. 18 (energy programs) before the consent items.

Mayor Tran requested to hear item no. 17 (Commissions) to be right after no. 18.

Motion/Second: Vice Mayor Grilli/Councilmember Nuñez

Motion carried by a vote of: AYES: 5
NOES: 0

*1. Council Calendar — Accepted City Council calendar for October 2017.

*2. Meeting Minutes — Approved City Council meeting minutes of October 2, 3 and 5, 2017.

*3. Community Garden — Appropriated $2,920 from the Senior Center Holding account to the Recreation and Community Services Senior Center operating budget for the City of Milpitas Community Garden program.

*4. 2018 Meetings — Approved the 2018 City Council meeting schedule, including canceling July meeting dates.

5. Adopt Ordinance No. 38.830 — Planning Director Brad Misner was available to answer questions.

Mayor Tran asked if the ordinance was related to a specific development and staff replied the ordinance related to zone changes for development at 1992 Tarob Court and on Lundy Ave. in the Transit Area to accommodate zoning for the project.

Vice Mayor Grilli felt that the public benefits were not highlighted in the last two weeks. The True Life Company would double its commitment to affordable housing by its contribution (from 5% to 10%) voluntarily.

Mayor Tran spoke in support of the impact on affordable housing from the project, especially based on Vice Mayor Grilli's comment.

Councilmember Phan asked the Mayor why he pulled it from consent. Mayor Tran responded about wanting to understand the impact on affordable housing.

A woman resident asked how many houses would be built as a result of this action. She was concerned about the amount of traffic. Also, the high school population was too high now.

Councilmember Barbadillo stated the ordinance changed zoning for 8.7 acres in the Transit Area Specific Plan. He read aloud what the change would effect and reported that he would vote no, same as he did at the last meeting.

Motion: to waive the second reading and adopt Ordinance No. 38.830 amending the City's Zoning Map

Motion/Second: Vice Mayor Grilli/Councilmember Phan

Motion carried by a vote of: AYES: 3
NOES: 1 (Barbadillo)
ABSTAIN: 1 (Mayor Tran)

6. Joint Resolution – bonds re-financing

Councilmember Nuñez felt this matter was not appropriately listed on the agenda. He believed it must be listed separately, and should not be on consent calendar.

Councilmember Nuñez asked about the firms recommended by staff to use for this financing. He wanted to look at the list of which ones had been used in the past ten years. He felt the need to take a longer look at such firms, and Finance Director Will Fuentes responded to him.

Councilmember Phan agreed with his colleague, about the review of any agreements for services. He agreed this matter did not belong on the consent calendar. Mr. Phan agreed that Council should have more discussion on the re-financing matter.

Mayor Tran asked for explanation of re-financing of the bond obligation for the wastewater system. He asked how much money would be saved by taking the staff recommended action.

Councilmember Nuñez referred to the meeting scheduled on the following day (special Council meeting for report from Citizens Water Rates Task Force). He commented on the process, urgency of action, separate votes, and the anticipated meeting on Wednesday.

Mayor Tran believed there was ample opportunity to contact staff by phone number to ask questions when the agenda was distributed for each Council meeting.

Vice Mayor Grilli said she was ready to make a motion.

Councilmember Phan inquired as to which Councilmembers served on the Council's Finance Subcommittee. The Mayor responded that was himself and Vice Mayor Grilli. Mr. Phan asked if this topic was brought to them and the Mayor said no, but that was not required. The Finance Subcommittee reviewed the Capital Improvement Program projects and the City's annual budget.

(1) Motion: to adopt Joint Resolution of the City Council No. 8705, Successor Agency No. 10 and Public Financing Authority No. 21 adopting a Debt Management Policy

Motion/Second: Vice Mayor Grilli/Councilmember Barbadillo

Motion carried by a vote of: AYES: 3
NOES: 2 (Nuñez, Phan)

(2) Motion: to adopt City Council Resolution No. 8706 authorizing the refinancing of the Wastewater System Obligations (bonds), appointing the financing team and approving related matters

Motion/Second: Vice Mayor Grilli/Councilmember Barbadillo

Motion carried by a vote of: AYES: 3
NOES: 1 (Nuñez)
ABSENT: 1 (Phan)

Councilmember Phan left the dais and the meeting at 11:54 PM (prior to the vote above).

Mayor Tran asked the Finance Director for a report back later on how much money was saved by this action.

7. Resolution- purchase of 4 police vehicles

This item was removed from consent but was not heard. It would be continued to next agenda.

*8. Resolution

1. Adopted Resolution No. 8707 authorizing the Police Chief to execute the agreement with California Office of Traffic Safety for 2018 Selective Traffic Enforcement Program grant.
2. Approved a budget appropriation in the amount of $100,000 to the Milpitas Police Department overtime budget as a result of the 2018 STEP grant.

9. BrightView Landscape

Mayor Tran asked why there was a contract for the park maintenance service, when there was city staff who did maintenance work in Public Works. Purchasing Agent Chris Schroeder responded that there was not enough staff to handle all park maintenance jobs, for up to 26 city parks. Acting Public Works Director Tony Ndah responded additionally. Mr. Schroeder said that until this new contract was approved, Terracare Services has had the service contract for the past five years.

Mayor Tran thanked the Purchasing Agent for his work on this required contract.

Motion:

1. Award a bid to BrightView Landscape Services Inc. and authorize the City Manager to execute the contract with BrightView for City of Milpitas Parks Maintenance Service, initially not to exceed $1,241,776.
2. Authorize the Purchasing Agent to extend the term of the contract annually for each of the four option years with annual price increases per the terms of the agreement and without further City Council action, except for appropriation of funds.

Motion/Second: Vice Mayor Grilli/Councilmember Barbadillo

Motion carried by a vote of: AYES: 4
NOES: 0
ABSENT: 1 (Phan)

10. Amendment to Milpitas Sanitation Agreement

This item was heard second after agenda item no. 18.

Engineering staff Leslie Stobbe presented this request to the City Council for Milpitas Sanitation Inc. which would be an "approved facility" providing post-collection services. Also available were David Sidiqqui from R3 consulting group and Lou Pellegirini of Milpitas Sanitation, Inc. Ms. Stobbe explained the changes to the current new agreement that were necessary and requested in the amendment at this meeting. No changes to the rates to be charged to customers were requested in this amendment.

Councilmember Nuñez requested explanation of Amendment Exhibit L (Rates), in the slide staff presented. He wanted to understand rates approved versus rates for items for additional services to go in the Exhibit L. Mr. Nuñez needed a lot more information before he could vote on changes.

Mayor Tran was concerned on changes to Exhibit L with new rates for service. The Mayor asked for explanation of side yard pickup. He asked further questions to Mr. Pellegrini, who responded on those items.

Councilmember Barbadillo referred to No. 3 on the Amendment No. 2 document, subcontractor. He sought clarification on language and terms, directing comments and questions to Mr. Pellegrini. City Attorney Diaz commented also. Mr. Barbadillo said it would be best to have had a red-lined version of contract changes.

Councilmember Nuñez asked about street sweeping, and wondered about the impact on Milpitas versus the current contract.

Vice Mayor Grilli inquired about the remark that there were no differences in the price to residents. Ms. Stobbe confirmed that was correct while pricing for some infrequent services, such as those for disabled or senior residents, with side yard pick up, were now included on the new exhibit.

Councilmember Phan asked Mr. Pelligrini about the risk of not starting newly in Milpitas on December 1. His company would start then if the amendment was adopted. Mr. Phan wondered why it took so long to prepare. He asked questions related to labor costs and labor peace agreements. Mr. Pellegrini described the union that his employees belonged to. Mr. Phan asked

for labor peace agreement with bargaining labor groups that MSI worked with and Mr. Pelligrini was affirmative on that.

Next, Mayor Tran invited public comment.

Tom Clavel, Milpitas resident, spoke in favor and asked for no further delay to adopt this amendment to the agreement. It was time for the will of the people to be heard on the agreement and to leave the contract with Republic Services.

Voltaire Montemayor, resident, talked about moving forward, despite some questions from the residents. Rates were fairly computed, he felt.

A woman, Milpitas resident of 7 years, said Milpitas was changing with new garbage stations. She was glad to remove Republic Services from this community and looked forward to the new company.

Dave, a 15 year resident, spoke of a friend who visited on the weekend and complained of the smell in this city. He was glad to change to a new garbage provider this year.

Aiwan Su, resident, discussed waste diversion goals for the State of California. Milpitas waste numbers were quoted and that more significant diversion of waste, including recycling rate, was needed for City of Milpitas. Don't delay the new garbage service.

Robin Chen, Milpitas resident, found that separating food scraps and compacting trash would reduce what goes to the landfill. Allow residents to pay a minimum garbage bill, if doing the reduction steps. She asked the Council to approve the amendment.

Wai Chu, 15 year resident of Milpitas, urged City Council to keep the new contract. Residents had waited a long time to change to a new garbage company.

Lynn, Milpitas resident, urged support to vote in favor of the amendment, for the new garbage company and to stop business with Republic. Air quality was important for residents.

Tom Valore, Milpitas resident, noted that questions asked by City Council were great to clarify what was to be accomplished by the amendment. He appreciated hearing the responses. Now residents agreed Council should move forward on the amendment.

Vice Mayor Grilli asked what the implication was if Council did not approve the amendment at this meeting. Mr. Pelligrini reported lots of activity had already occurred to get going by the start date on December 1. MSI would not be able to bring material anywhere if the amendment was not voted upon and the performance bond needed to be in place.

Councilmember Nuñez said the issues were never just one party's fault. This item was not about Republic Services, for him. He provided additional comments on this amendment and the new services by Milpitas Sanitation and comments received from residents.

Vicky, 15 years resident, was looking forward to having new service as of December 1. She urged no delay.

Councilmember Phan was uncomfortable with voting on this item and did not want it to be an uninformed vote. He wanted it to come back at the next meeting. This was all about building relationships.

Darrell Shu, a 23 year resident, said residents wanted a new garbage services company, due to the smell in Milpitas. Last year, the issue was part of the election. He suggested all meeting minutes to be put out to the public on the website. They needed to understand why there would be any delay.

Mayor Tran expressed his goal to allow the contractor to be ready on December 1 and was supportive of Milpitas Sanitation. He asked if six months' no charge would be offered to the elderly and veterans.

Councilmember Barbadillo felt this was part of the transition from the onset and fully understood what was going on. He wanted to be fair to the community and would vote for the amendment.

Motion: to approve Amendment No. 2 to the Agreement with Milpitas Sanitation, Inc. for Collection of Solid Waste and Collection and Processing of Recyclable Materials and Organic Materials

Motion/Second: Vice Mayor Grilli/Councilmember Barbadillo

Motion carried by a vote of: AYES: 3
NOES: 1 (Phan)
ABSTAIN: 1 (Nuñez)

11. Improvement Agreement — This item was removed from consent but was not heard. It would be continued to next agenda.

UNFINISHED BUSINESS

12. Resolution – rooftop solar — This item was removed from consent but was not heard. It would be continued to next agenda.

*****13. Resolution — This item was added to and approved on the Consent Calendar.

Adopted Resolution No. 8708 amending the Classification Plan to re-assign the Police Support Services Manager from the Mid-Con bargaining unit to the Unrepresented Employees group and adjust the annual salary range for Police Support Services Manager to $112,500 - $157,500.

14. RMC Water — This item was removed from consent but was not heard. It would be continued to next agenda.

15. Amendment to Common Interest Agreement — Acting Public Works Director Tony Ndah was ready to answer questions. Councilmember Nuñez sought clarity on the government entities involved, and staff reviewed the agencies involved in the Common Interest Group.

Motion: to approve Amendment No. 1 to the Common Interest, Privilege and Confidentiality Agreement with West Valley Sanitation District, Cupertino Sanitary District, County Sanitation District 2-3 and Burbank Sanitary District of the San José/Santa Clara Regional Wastewater Facility and direct the City Manager to execute the amendment in a form approved by the City Attorney

Motion/Second: Councilmember Nuñez/Vice Mayor Grilli

Motion carried by a vote of: AYES: 4
NOES: 0
ABSENT: 1 (Phan)

16. List of Council Items — This item was removed from consent but was not heard. It would be continued to next agenda

17. Commissions — This item was removed from consent but was not heard. It would be continued to next agenda.

18. Community Choice Energy programs — Economic Development Director Edesa Bitabadal explained how Community Choice Energy programs could work in Milpitas, to allow choice of electric service providers (an alternative to PG&E). One of eight could be selected from those operational in the Bay Area currently. She described Silicon Valley Community Energy, including the cities that are part of that Joint Powers Authority. The Milpitas Economic Development Commission recommended that the City join Silicon Valley Community Energy (SCVE).

She asked a representative from SVCE to come to the podium. Mr. Don Bray, account services manager of SVCE, addressed the Mayor and Council and distributed a letter inviting Milpitas to join his agency as a member. It was launched on April 3, 2017 providing clean energy to 11 cities and unincorporated Santa Clara County. Choices offered were for GreenStart or GreenPrime (all renewable sources). He defined the required steps to join the JPA and to serve customers in Milpitas by May of 2018.

Councilmember Nuñez wanted to take this subject to appropriate City Commissions for a recommendation.

Councilmember Barbadillo asked how this was different from PG&E as a source of electricity. PG&E's were about 33% renewable energy, while SVCE would be 99% renewable sources, so it was considered much cleaner. The Councilmember asked if the costs/invoices to customers would increase over time (currently 1% less than PG&E). He asked for assurance from Mr. Bray that there would continue to be reductions in rates going into the long-term future and inquired if there was any community outreach.

Vice Mayor Grilli recalled that in 2014, she was frustrated when this group was trying to get the City to join this JPA. So, she was pleased now to consider doing so, for the benefit of Milpitas residents.

Mr. Bray described the extensive outreach program, within member cities and communities that would occur if Milpitas joined the JPA.

Councilmember Nuñez asked if Chambers of Commerce in the county had taken a position on SVCE. Mr. Bray said his organization had joined all the Chambers in the Valley, and enjoyed good relationships with the Chambers.

Mayor Tran invited comments from the audience.

Arnold Sher, Milpitas resident, a member of Community Climate group in the city, urged the Council to take action to reduce carbon footprint. She asked the Council to join SVCE.

Tyler, life-long resident and Community Climate lobby leader, asked Council to go ahead and join SVCE, a long-established program already including 12 cities in the county. Renewable energy was essential to reduce carbon footprint.

Bruce Carny, resident of Mountain View, was a leader on sustainability in that City and an environmental activist in the Valley. He urged support to join SCVE.

Matthew Stevenson, volunteer of Climate lobby and a San Jose resident, wanted regular residents to participate in markets, with costs and other considerations. Lower prices and a choice of providers, with new ways to meet demands for energy, would be the result.

Rudy Steffing, resident, said something was not computing. They must use natural gas for generating some of the electricity all the time, and was not always renewable energy. There may be some use of nuclear energy also, which he knew as a retired engineer.

Voltaire Montemayor, resident, was in favor of approval of this program, for renewable energy since future sources of energy would run out. He urged joining.

Tom Clavel, Milpitas resident, president of a citizens group, spoke in favor of joining this contract. It would be very good for the environment even if the savings would be only 1% for customers.

Rob Means, resident, said this was a "no brainer" and the only choice was whether to go for 50% or 100% clean energy renewable program. Set the bar higher than all the other cities in the JPA.

Vice Mayor Grilli asked if the City or the customer chose between the two options, GreenStart or GreenPrime. Mr. Bray said that was the choice of the customer. Mrs. Grilli said Green Prime for City facilities was urged.

Councilmember Phan was supportive of clean energy and thanked SVCE folks for working with City staff. Reject any rhetoric that disparaged PG&E, he urged, which had been a good partner with the City.

Councilmember Nuñez was looking at this favorably. He asked for the impact on the City itself, if joining. Mr. Bray responded that the impact on staff time was minimal. SVCE had its own staff, and had a working group with City staff to reduce any amount of city staff time to implement. Mr. Nuñez was eager to move to the next step and wanted to be clear on all impacts on City staff, all departments, and to understand all liability.

Tom Valore, Milpitas resident, asked what was the interface of current solar systems with appropriate hardware for the new program. Mr. Bray responded about net metering and benefits that would accrue.

David Kane was a Los Altos resident where he had SVCE as his energy provider. He said there were no complications and it was a wonderful program.

Mayor Tran expressed his support and that it would benefit the community, including cost savings for residents of Milpitas.

Councilmember Barbadillo did not like that the local government must adopt an ordinance to establish a CCE program and the agency must have a program certified by state government. There was no guarantee, when the City would only have an RFP. He was not sure of the supply of clean energy. They needed to provide Council with more solid facts, data about the program and why it was better for Milpitas. He asked if PG&E had this alternate energy source, for example.

Motion: to accept the staff report, direct staff to come back with a resolution to join Silicon Valley Community Energy and consider the City joining the GreenPrime option, and answer questions brought up at this meeting

Motion/Second: Vice Mayor Grilli/Councilmember Nuñez

Motion carried by a vote of: AYES: 4
NOES: 1 (Barbadillo)

A request was heard to address item no. 10 next (solid waste agreement amendment).

REPORT

19. Homeless Strategy — Earlier, Mayor Tran had requested to move this item to the next meeting agenda.

NEW BUSINESS

20. Comcast Closure — This item was removed from consent but was not heard. It would be continued to next agenda.

ORDINANCE

21. Ordinance No. 48.21 – Solid Waste Management — This item was removed from consent but was not heard. It would be continued to next agenda.

ADJOURNMENT — Mayor Tran adjourned the joint City Council, Successor Agency and Public Financing Authority meeting at 12:02 AM on Wednesday, October 18, 2017.

The foregoing minutes were approved by Milpitas City Council on November 7, 2017.

Mary Lavelle, Milpitas City Clerk

RESOLUTION NO. 8446 / SA 7 / PFA 16

A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS, THE BOARD OF THE SUCCESSOR AGENCY TO THE FORMER MILPITAS REDEVELOPMENT AGENCY AND THE BOARD OF THE MILPITAS PUBLIC FINANCING AUTHORITY APPROVING THE ADOPTION OF DISCLOSURE POLICIES AND PROCEDURES

WHEREAS, the Securities and Exchange Commission (the "SEC") recommends that issuers of municipal bonds adopt policies and procedures to govern compliance and implement training with respect to their initial disclosure and continuing disclosure undertakings; and

WHEREAS, in response to the SEC's recommendations and in order to better monitor compliance with its disclosure undertakings, the City of Milpitas, the Successor Agency to the Former Milpitas Redevelopment Agency and the Milpitas Public Financing Authority find it desirable to adopt and maintain disclosure policies and procedures; and

WHEREAS, there has been presented to this meeting a proposed form of disclosure policies and procedures (the "Procedures"), a copy of which is attached hereto as Attachment 1.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City, the Board of the Successor Agency to the Former Milpitas Redevelopment Agency, and the Board of the Milpitas Public Financing Authority as follows:

Section 1. The City Council, the Board of the Successor Agency and the Board of the Authority hereby jointly approve and adopt the Disclosure Policies and Procedures attached hereto as Attachment 1, including Exhibit A thereto, presented to the meeting at which this Resolution is adopted,

Section 2. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this 3rd day of February, 2015, by the following vote:

AYES: (5) Mayor/Chair Esteves, Vice Mayor/Vice Chair Montano, and Members Barbadillo, Giordano and Grilli

NOES: (0)

ABSENT: (0)

ABSTAIN: (0)

ATTEST:

Mary Lavelle, City Clerk/Successor Agency Secretary/Public Financing Authority Secretary

APPROVED:

Jose S. Esteves, Mayor / Successor Agency Chair / Public Financing Authority Chair

APPROVED AS TO FORM:

Michael J. Ogaz, City Attorney / Successor Agency Counsel / Public Financing Authority Counsel

ATTACHMENT 1

CITY OF MILPITAS
SUCCESSOR AGENCY TO THE FORMER MILPITAS REDEVELOPMENT AGENCY
MILPITAS PUBLIC FINANCING AUTHORITY

Disclosure Policies and Procedures

Article I
General

These Disclosure Policies and Procedures (the "**Disclosure Procedures**") of the City of Milpitas (the "**City**"), the Successor Agency to the Former Milpitas Redevelopment Agency (the "**Successor Agency**") and the Milpitas Public Financing Authority (the "**Authority**" and together with the City and the Successor Agency, the "**Local Agencies**" and each a "**Local Agency**") are intended to ensure that the each Local Agency is in compliance with all applicable federal and state securities laws.

Article II
Disclosure Coordinator

The chief financial officer of each Local Agency shall be the disclosure coordinator of such Local Agency (each, a "**Disclosure Coordinator**").

Article III
Review and Approval of Official Statements

The Disclosure Coordinator of each Local Agency shall review any Official Statement prepared in connection with any debt issuance by such Local Agency in order to ensure there are no misstatements or omissions of material information in any sections that contain descriptions of information prepared by such Local Agency.

In connection with its review of the Official Statement, the Disclosure Coordinator of each Local Agency shall consult with third parties, including outside professionals assisting such Local Agency, and all members of such Local Agency's staff, to the extent that such Disclosure Coordinator concludes they should be consulted so that the Official Statement will include all "material" information (as defined for purposes of federal securities law).

As part of the review process, the Disclosure Coordinator of each Local Agency shall submit all Official Statements to the legislative body or governing board of such Local Agency (each, a "**Legislative Body**") for approval. The cover letter used by the Disclosure Coordinators to submit the Official Statements shall be in substantially the form of Exhibit A.

The approval of an Official Statement by a Legislative Body shall be docketed as a new business matter and shall not be approved as a consent item. Each Legislative Body shall undertake such review as deemed necessary by such Legislative Body, following consultation with the applicable Disclosure Coordinator, to fulfill the responsibilities of such Legislative Body under applicable federal and state securities laws. In this regard, the Disclosure Coordinator for each Local Agency shall consult with disclosure counsel to the applicable Local Agency to the extent such Disclosure Coordinator considers appropriate.

Article IV
Continuing Disclosure Filings

To the extent that the Local Agencies have entered into continuing disclosure undertakings in connection with their respective debt offerings, the Local Agencies are required each year to file annual reports with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("**EMMA**") system in accordance with such undertakings. Such annual reports are required to include certain updated financial and operating information, and the City's audited financial statements.

To the extent that the Local Agencies have entered into continuing disclosure undertakings in connection with their respective debt offerings, the Local Agencies are also required under their continuing disclosure undertakings to file notices of certain events with EMMA.

The Disclosure Coordinator for each Local Agency is responsible for establishing a system (which may involve the retention or one or more consultants) by which:

(i) such Local Agency will make the annual filings required by its continuing disclosure undertakings on a complete and timely basis, and

(ii) such Local Agency will file notices of enumerated events on a timely basis.

Article V
Public Statements Regarding Financial Information

Whenever the Local Agencies make statements or release information relating to their finances to the public that are reasonably expected to reach investors and the trading markets, the Local Agencies are obligated to ensure that such statements and information are complete, true, and accurate in all material respects.

Article VI
Training

Each Disclosure Coordinator shall ensure that the staff members of their respective Local Agencies involved in the initial or continuing disclosure process and the respective Legislative Bodies of the Local Agencies are properly trained to understand and perform their responsibilities.

Each Disclosure Coordinator shall arrange for disclosure training sessions to be conducted by disclosure counsel for the respective Local Agencies. Such training sessions shall include education on these Disclosure Procedures, the respective disclosure obligations of the Local Agencies under applicable federal and State securities laws and the disclosure responsibilities and potential liabilities of staff members of the Local Agencies and members of their Legislative Bodies. Such training sessions may be conducted using a recorded presentation.

EXHIBIT A

Form of Staff Report

To: Members of the [City Council][Board]

From:

Date: _____

This Staff Report relates to the proposed issuance of _____ (the "Obligations") by the [City][Successor Agency to the Former Milpitas Redevelopment Agency][Milpitas Public Financing Authority]. The [City Council][Board] is asked to approve issuance of the Obligations and all related documents. The near-final versions of these documents are attached.

The attached Preliminary Official Statement has been reviewed and approved for transmittal to the [City Council][Board] by the [City's][Successor Agency's][Authority's] financing team. The distribution of the Preliminary Official Statement by the [City][Successor Agency][Authority] is subject to federal securities laws, including the Securities Act of 1933 and the Securities Exchange Act of 1934. These laws require the Preliminary Official Statement to include all facts that would be material to an investor in the Obligations. Material information is information that there is a substantial likelihood would have actual significance in the deliberations of the reasonable investor when deciding whether to buy or sell the Obligations. If the [City Council][Board] concludes that the Preliminary Official Statement includes all facts that would be material to an investor in the Obligations, it must adopt a resolution that authorizes staff to execute a certificate to the effect that the Preliminary Official Statement has been "deemed final."

The Securities and Exchange Commission (the "SEC"), the agency with regulatory authority over the [City's][Successor Agency's][Authority's] compliance with the federal securities laws, has issued guidance as to the duties of the [City Council][Board] with respect to its approval of the Preliminary Official Statement. In its "Report of Investigation in the Matter of County of Orange, California as it Relates to the Conduct of the Members of the Board of Supervisors" (Release No. 36761 / January 24, 1996) (the "Release"), the SEC indicated that, if a member of the [City Council][Board] has knowledge of any facts or circumstances that an investor would want to know about prior to investing in the Obligations, whether relating to their repayment, tax-exempt status, undisclosed conflicts of interest with interested parties, or otherwise, he or she should endeavor to discover whether such facts are adequately disclosed in the Preliminary Official Statement. In the Release, the SEC indicated that the steps that a member of the [City Council][Board] could take include becoming familiar with the Preliminary Official Statement and questioning staff and consultants about the disclosure of such facts.

Section 1. *Purpose of Financing.*

Section 2. *Documents for Approval; Security for the Obligations.*

Section 3. *Risks Relating to Repayment and Tax-Exempt Status of the Obligations.*

Section 4. *Requested Approvals.*

PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE
CITY OF MILPITAS AND JONES HALL, APLC

This Agreement is made and entered into as of **_____, ____ 2019** ("Effective Date") by and between the City of Milpitas, a municipal corporation organized and operating under the laws of the State of California with its principal place of business at 455 E. Calaveras Boulevard, Milpitas, California 95035 ("City"), and **Jones Hall**, **APLC** a California Corporation with its principal place of business at **475 Sansome Street, San Francisco, CA 94111** (hereinafter referred to as "Consultant"). City and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

RECITALS

A. City is a public agency of the State of California and is in need of professional services for the following project:

BOND COUNSEL AND DISCLOSURE COUNSEL 2019 WASTEWATER REVENUE BONDS

(hereinafter referred to as "the Project").

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for City to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide the City with the services described in the Scope of Services attached hereto as Exhibit A.

2. Compensation.

a. Subject to paragraph 2(b) below, the City shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit B.

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of **Ninety-Eight Thousand Dollars and Zero Cents ($98,000)**. This amount is to cover all printing and related costs, and the City will not pay any additional fees for printing expenses. Periodic payments shall be made within thirty (30) days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the City, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the City by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the City and executed by both Parties before performance of such services, or the City will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the Agreement term and for four (4) years from the date of final payment under the Agreement for inspection by City.

5. Term.

The term of this Agreement shall be from **October _____, 2019** to **September _____, 20__** unless earlier terminated as provided herein. The City reserves the right to review the Consultant's performance at the end of each year and cancel all or part of the Agreement.

6. Delays in Performance.

a. Neither City nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the City, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the City, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Consultant

Consultant is retained as an independent contractor and is not an employee of City. No employee or agent of Consultant shall become an employee of City. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from City as herein provided.

11. Insurance. Consultant shall not commence work for the City until it has provided evidence satisfactory to the City it has secured all insurance required under Exhibit D (Insurance Requirements), attached hereto and incorporated herein by this reference. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required therein.

12. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is One Thousand Dollars and Zero Cents ($1,000.00) or more, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

b. If the services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any

subconsultants, as applicable. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

c. This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant's performance of services, including any delay, shall be Consultant's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the City. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

13. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

14. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Santa Clara, State of California.

15. Termination or Abandonment

a. City has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, City shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. City shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by City and Consultant of the portion of such task completed but not paid prior to said termination. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to City only in the event of substantial failure by City to perform in accordance with the terms of this Agreement through no fault of Consultant.

c. The Consultant understands and accepts that at all times; the Agreement is subject to appropriation of funds by the Milpitas City Council. The Agreement may terminate without penalty, liability or expense of any kind to the City at the end of Agreement term. The City has no obligation to make appropriations for the Agreement in lieu of appropriations for new or other contracts. City budget

decisions are subject to the discretion of the Mayor and City Council. Consultant's assumption of risk of possible non-appropriation is a part of the consideration for the Agreement. This section controls against any and all other provisions of the Agreement.

16. Documents. Except as otherwise provided in "Termination or Abandonment," above, all original field notes, written reports, Drawings and Specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the City.

17. Organization

Consultant shall assign **James Wawrzyniak Jr.** as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the City.

18. Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described above.

19. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

CITY:	CONSULTANT:
City of Milpitas	Jones Hall, APLC
455 E. Calaveras Boulevard	475 Sansome Street, Suite 1700
Milpitas, California 95035	San Francisco, CA 94111
Attn: Walter Rossmann, Director of Finance	James Wawrzyniak, Jr., Shareholder

and shall be effective upon receipt thereof.

20. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and the Consultant.

21. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

22. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of City and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

23. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the provisions unenforceable, invalid or illegal.

24. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of City. Any attempted assignment without such consent shall be invalid and void.

25. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specifically specified in writing.

26. Time of Essence

Time is of the essence for each and every provision of this Agreement.

27. City's Right to Employ Other Consultants

City reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

28. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

29. Wage Theft Prevention

a. Consultant, and any subconsultant it employs to complete work under this Agreement, shall comply with all applicable federal, state and local wage and hour laws. Applicable laws may include, but are not limited to, the Federal Fair Labor Standards Act, the California Labor Code and the Milpitas Minimum Wage Ordinance.

b. BY SIGNING THIS AGREEMENT, CONSULTANT AFFIRMS THAT IT HAS DISCLOSED ANY FINAL JUDGMENTS, DECISIONS OR ORDERS FROM A COURT OR INVESTIGATORY GOVERNMENT AGENCY, FINDING IN THE FIVE (5) YEARS PRIOR TO EXECUTING THIS AGREEMENT THAT CONSULTANT OR ITS SUBCONSULTANTS HAS VIOLATED ANY APPLICABLE WAGE AND HOUR LAWS. CONSULTANT FURTHER AFFIRMS THAT IT OR ITS SUBCONSULTANT(S) HAS EITHER FULLY SATISFIED EACH JUDGMENT, DECISION OR ORDER, OR, IF ANY JUDGMENT, DECISION OR ORDER HAS NOT BEEN FULLY SATISFIED, CONSULTANT AFFIRMS THAT IT OR ITS SUBCONSULTANT(S) IS CURRENTLY SATISFYING SAID JUDGMENT, DECISION OR ORDER THROUGH A PAYMENT OR ALTERNATIVE PLAN APPROVED BY THE APPLICABLE COURT/GOVERNMENT AGENCY AND THAT CONSULTANT OR ITS SUBCONSULTANT(S) ARE IN COMPLIANCE WITH SAID PLAN AS OF THE DATE OF EXECUTING THIS AGREEMENT.

c. If at any time during the term of this Agreement, a court or investigatory government agency issues a final judgment, decision or order finding that Consultant or a subconsultant it employs to perform work under this Agreement has violated any applicable wage and hour law, or Consultant learns of such a judgment, decision, or order that was not previously disclosed in its bid/proposal, Consultant shall inform the City no more than fifteen (15) calendar days after the judgment, decision or order becomes final or from the date of learning of the final judgment, decision or order. Consultant or its subconsultant(s) shall, within thirty (30) calendar days after notifying the City, either (i) fully satisfy any such judgment, decision, or order and provide the City with documentary evidence of satisfying said judgment, decision or order; or (ii) provide the City documentary evidence of a payment or other alternative plan approved by the court/government agency to satisfy the judgment, decision or order. If the Consultant or its subconsultant is subject to a payment or other alternative plan, the Consultant or its subconsultant shall continue to submit documentary evidence every thirty (30) calendar days during the term of the Agreement demonstrating continued compliance with the plan until the judgment, decision or order has been fully satisfied.

d. For purposes of this Section, a "final judgment, decision, or order" refers to one for which all appeals have been exhausted or the time period to appeal has expired. Relevant investigatory government agencies include: the United States Department of Labor, the California Division of Labor Standards Enforcement, the City, or any other governmental entity or division tasked with the investigation and enforcement of wage and hour laws.

e. Failure to comply with any part of this Section constitutes a material breach of this Agreement. Such breach may serve as a basis for immediate termination of this Agreement and/or any other remedies available under this Agreement and/or law.

f. Notice provided to the City shall be addressed to: Attention: Finance Director, 455 E. Calaveras Blvd. Milpitas, CA 95035. The Notice provisions of this Section are separate from any other notice provisions in this Agreement and, accordingly, only notice provided to the above address satisfies the notice requirements in this Section.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF MILPITAS AND JONES HALL, ALPC

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CITY OF MILPITAS
Approved By:

Steven G. McHarris, Interim City Manager

Date

Approved As To Form:

Christopher J. Diaz, City Attorney

Approved:

Walter C. Rossmann, Risk Manager/Director of Finance

JONES HALL, ALPC

Signature

Name

Title

Date

DIR Registration Number (If Applicable)

EXHIBIT A

Scope of Services

The City of Milpitas, together with the Milpitas Municipal Financing Authority, is proceeding to authorize the issuance of long-term bonds for the purpose of financing improvements relating to the City's wastewater system (the "Bonds"); and whereas, in connection with the drafting of the documents and resolutions required to accomplish the authorization and issuance of the Bonds, the City requires the advice and assistance of bond counsel and disclosure counsel; and

Scope of Services:

1. Identification of Client.

The Consultant shall represent the City as Bond Counsel and Disclosure Counsel in connection with the proceedings for the authorization, issuance and sale of the Bonds. The Consultant will not represent, and will owe no duties to, any other party, including but not limited to financial advisor, trustee, bond insurer and underwriter(s) of the Bonds.

Consultant assumes that all other parties involved in the financing will retain such counsel, as they deem necessary and appropriate to represent their interests in this transaction. The Consultant further assumes that all other parties understand that in this transaction the Consultant will represent only the City, the Consultant is not counsel to any other party, and the Consultant is not acting as an intermediary among the parties. The Consultants' services as bond counsel and disclosure counsel are limited to those contracted for in this Agreement; the City's execution of this Agreement will constitute an acknowledgment of those limitations. Consultants' representation of the City will not affect, however, their responsibility to render an objective final legal opinion.

2. Duties of Consultants as Bond Counsel.

Consultants shall do, carry out and perform all of the following Bond Counsel services as are necessary for the issuance and sale of each series of the Bonds:

a. Consultation and cooperation with attorneys, financing consultants and other consultants, underwriters, staff and employees of the City, and assisting such consultants, underwriters, staff and employees in the formulation of a coordinated financial and legal Bond issuance by the City.

b. Preparation of all legal proceedings for the authorization, issuance and delivery of Bonds by the City; including preparation of resolutions authorizing the issuance of such Bonds, fixing the date, denominations, numbers, maturity and interest rates, providing the form of the Bonds and authorizing their execution, authentication and registration; certifying the terms and conditions upon which the same are to be issued; providing for the setting up of special funds for the disposition of proceeds of the sale of the Bonds and providing all other details in connection therewith, including special covenants and clauses for the protection of the interests of the Bondholders; preparation of the resolution selling all or any part of the authorized Bond issue; preparation of all documents required for Bond delivery and supervising such delivery; preparation of all other proceedings incidental to or in connection with the issuance, sale and delivery of the Bonds.

c. Upon completion of proceedings to the satisfaction of Consultants, providing a legal opinion, as traditionally issued by Bond Counsel and satisfactory in form and content to the City Attorney and other parties to the transaction, approving in all regards the legality of all proceedings for the authorization, issuance and delivery of each series of Bonds, which opinion shall be addressed to the City and any other party so requiring and shall inure to the benefit of the purchasers of the Bonds.

d. Supervising the closing of the Bonds to ensure that all closing conditions as set forth in the bond purchase agreements for the Bonds have been satisfied.

e. Any and all legal consultation requested by the City concerning the Bonds.

f. Such other and further services as are normally performed by Bond Counsel in connection with the issuance of bonds or obligations of a similar character to the Bonds.

3. Duties of Consultants as Disclosure Counsel.

In addition to their duties as Bond Counsel to the City, Consultants shall do, carry out and perform all the following services as Disclosure Counsel to the City in connection with the issuance of the Bonds:

a. Participating in the preparation of the Official Statement by consulting with representatives of the City, the City's municipal advisor, the underwriter(s) and others, gathering information about the wastewater system and the City for disclosure in the Official Statement, and having primary responsibility for drafting the Official Statement.

b. Drafting the continuing disclosure undertakings of the City related to the Bonds in accordance with SEC Rule 15c2-12.

c. Rendering an opinion to the City and the underwriter(s) of the Bonds stating that based upon Consultants' participation in the preparation of the Official Statement, nothing has come to their attention to lead them to believe that the Official Statement (except for any financial statements and the financial and statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion included therein, and The Depository Trust Company and its book-entry system and information in the Appendices, as to which Consultant is not required to express a view) as of the date of the Official Statement or the date of closing of the Bonds contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

d. Such additional legal services as are customarily rendered by disclosure counsel on comparable financing transactions.

4. Responsibilities of the City. The City shall cooperate with the Consultant and shall furnish the Consultant with certified copies of all proceedings taken by the City, or other deemed necessary by

Consultant to render an opinion upon the validity of such proceedings. All costs and expenses incurred incidental to the actual issuance and delivery of Bonds, including the cost and expense of preparing certified copies of proceedings required by Consultant in connection with the issuance of the Bonds, the cost of preparing the Bonds for execution and delivery, all printing costs and publication costs, and any other expenses incurred in connection with the issuance of Bonds, shall be paid by the City.

5. Independent Contractor. The Consultant will act as an independent contractor in performing the services required under this Agreement, and under no circumstances shall Consultant be considered an agent, partner, or employee of the City.

6. Assignment. Attorneys may not assign their rights or delegate their obligations under this Agreement, in whole or in part, except with the prior written consent of the City.

7. Conflicts; Prospective Consent. Attorneys represent many political subdivisions and investment banking firms as bond counsel, disclosure counsel and/or underwriter's counsel, including Stifel, Nicolaus & Company, Incorporated, the city of San Jose and the city of Santa Clara. It is possible that during the time that Attorneys are representing the City with respect to the Bonds, Attorneys will also be representing, on other transactions, other political subdivisions and/or other investment banking firm(s) as bond counsel, disclosure counsel and/or underwriter's counsel. Attorneys do not believe such representation, if it occurs, will adversely affect Attorneys' ability to represent the City as provided in this Agreement, either because such matters will be sufficiently different from the issuance of the Bonds so as to make such representations not adverse to our representation of the City with respect to the issuance of the Bonds, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other clients with respect to Attorneys' representation of them will materially limit Attorneys' representation of the City with respect to the issuance of the Bonds. Execution of this Agreement signifies the City s consent to Attorneys' representation of other clients consistent with the circumstances described in this paragraph.

EXHIBIT B

Schedule of Charges/Payments

Consultant will invoice City on a monthly cycle. Consultant will include with each invoice a detailed progress report that indicates the amount of budget spent on each task. Consultant will inform City regarding any out-of-scope work being performed by Consultant. This is a time-and-materials Agreement.

The Consultant will provide Bond Counsel services and Disclosure Counsel services for one series of Bonds issued for the wastewater system; and

Compensation. Compensation will be payable on a series-by-series of Bonds basis as follows:

(a) Bond Counsel Services. For the Bond Counsel services described above, the City will pay Consultant a flat fee of $60,000 for each series of Bonds, contingent on the closing of each such series of Bonds.

(b) Disclosure Counsel Services. For the Disclosure Counsel services described above, assuming each series of Bonds has a separate Official Statement and Continuing Disclosure undertaking, the City will pay Consultant a flat fee of $35,000 for each series of Bonds.

(c) Expense Recovery. In addition to the foregoing fees, Consultant will receive an amount not to exceed $3,000 for each series of Bonds for preparation of official transcripts of the Bond proceedings, messenger and delivery services, costs of legal publication, photocopying and related matters.

Said fees and expenses shall be payable solely from the proceeds of each series of Bonds and shall be entirely contingent upon the successful closing thereof. The compensation set forth is not set by law but is negotiable between the Consultant and the City.

EXHIBIT C

Activity Schedule

This agreement will go into effect immediately and will terminate upon issuance of the Bonds (or earlier termination by a party). Bonds are anticipated to be issued in November 2019.

Termination of Agreement.

(a) Termination by City. This Agreement may be terminated at any time by the City with or without cause upon written notice to Attorneys.

(b) Termination by Attorneys. This Agreement may be terminated by Attorneys upon 15 days' written notice to City if City fails to follow written legal advice given by Attorneys.

(c) Termination Upon Issuance of Bonds. This Agreement shall terminate upon the issuance of the Bonds.

(d) Consequences of Termination. In the event of termination, all finished and unfinished documents shall at the option of the City become its property and shall be delivered to the City by Attorneys.

EXHIBIT D

Insurance Requirements

Please refer to the insurance requirements listed below. Those that have an "X" indicated in the space before the requirement apply to Contractor's or Consultant's Agreement.

Contractor or Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor or Consultant, its agents, representatives, employees or subcontractors.

Contractor or Consultant shall provide its insurance broker(s)/agent(s) with a copy of these requirements and request that they provide Certificates of Insurance complete with copies of all required endorsements.

Contractor or Consultant shall furnish City with copies of original endorsements affecting coverage required by this Exhibit D. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements and certificates are to be received and approved by City before work commences. City has the right to require Contractor's or Consultant's insurer to provide complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications.

Liability Insurance; Costs of Regulatory Agency Investigations. The Consultant must maintain at their own expense at all times during the term of this Agreement policies of insurance, acceptable to the City, covering its workers 'compensation injuries, public liability and professional liability. In the event any investigation, inquiry or other action is instituted by the Securities and Exchange Commission, the Internal Revenue Service or other governmental regulatory agency into the Certificates under federal securities law or federal tax law, the City and Consultant shall meet and confer to discuss the extent to which it is appropriate for the Consultant to represent the common interests of the City and the Consultant in responding to such investigation, inquiry or other action, and the extent to which the cost thereof shall be borne by Consultant.

Commercial General Liability (CGL):

___ Coverage at least as broad as Insurance Services Office ("ISO") Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than $2,000,000.00 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

_X__ Coverage at least as broad as ISO Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than $1,000,000.00 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

___ Coverage at least as broad as ISO Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than $5,000,000.00 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

Automobile Liability:

_X__ Coverage at least as broad as ISO Form Number CA 0001 covering, Code 1 (any auto), of if Contractor or Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limits no less than $1,000,000.00 per accident for bodily injury and property damage.

___ Coverage at least as broad as ISO Form Number CA 0001 covering, Code 1 (any auto), with limits no less than $5,000,000.00 per accident for bodily injury and property damage.

___ Garage keepers' extra liability endorsement to extend coverage to all vehicles in the care, custody and control of the Contractor or Consultant, regardless of where the vehicles are kept or driven.

Professional Liability (Errors and Omissions):

The Employer's Liability policy shall be endorsed to waive any right of subrogation as respects the City, its elected and appointed officials, officers, attorneys, agents, and employees.

_X__ Insurance appropriates to the Contractor or Consultant's profession, with limit no less than $1,000,000.00 per occurrence or claim, $2,000,000.00 aggregate.

___ (If Design/Build), with limits no less than $1,000,000.00 per occurrence or claim, and $2,000,000.00 policy aggregate.

___ Insurance appropriates to the Contractor or Consultant's profession, with limit no less than _____ per occurrence or claim, _____ aggregate

Workers' Compensation Insurance:

_X___ Insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than $1,000,000.00 per accident for bodily injury or disease. *(Not required if Contractor or Consultant provides written verification it has no employees)*

The Contractor or Consultant makes the following certification, required by section 1861 of the California Labor Code:

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

X_____
Contractor/Consultant Signature

Builder's Risk (Course of Construction):

___ Insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions.

Surety Bonds:

___ Contractor shall provide the following Surety Bonds:

1. Bid Bond
2. Performance Bond
3. Payment Bond

The Payment Bond and Performance Bond shall be in a sum equal to the contract price. Bonds shall be duly executed by a responsible corporate surety, authorized to issue such bonds in the State of California and secured through an authorized agent with an office in California.

Contractor's or Consultant's Pollution Legal Liability:

___ Contractor's or Consultant's pollution legal liability and/or Asbestos Legal Liability and/or Errors and Omissions (if project involves environmental hazards) with limits no less than $1,000,000.00 per occurrence or claim and $2,000,000.00 policy aggregate.

If the Contractor or Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Contractor or Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

Other Insurance Provisions:

The insurance policies are to contain, or be endorsed to contain the following provisions:

_X___ Additional Insured Status:

The insurance policies are to contain, or be endorsed to contain the following provision:

The City, its elected and appointed officials, officers, attorneys, agents, and employees are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor or Consultant or any subcontractors including materials, parts, or equipment furnished in connection with such work or operations, including completed operations. General liability coverage can be provided in the form of an endorsement to the Contractor's or Consultant's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used).

The Additional Insured coverage under the Contractor's policy shall be "primary and non-contributory" and will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13.

The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City (if agreed to in a written contract or agreement) before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

_X___ Primary Coverage:

The insurance policies are to contain, or be endorsed to contain the following provision:

For any claims related to this contract, the Contractor's or Consultant's insurance coverage shall be primary insurance as respects the City, its elected and appointed officials, officers, attorneys, agents, and employees. Any insurance or self-insurance maintained by the City, its elected and appointed officials, officers, attorneys, agents, and employees shall be in excess of the Contractor's or Consultant's insurance and shall not contribute with it.

____ Builder's Risk (Course of Construction Insurance) (applicable to Construction Contracts only)

Contractor or Consultant may submit evidence of Builder's Risk insurance in the form of Course of Construction coverage. Such coverage shall name the City as a loss payee as their interest may appear.

If the project does not involve new or major reconstruction, at the option of the City, an Installation Floater may be acceptable. For such projects, a Property Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at the City's site.

_X___ Notice of Cancellation, Suspension or Otherwise Voiding Policies:

Each insurance policy required above shall contain, or be endorsed to contain that coverage shall not be suspended, voided, canceled or reduced in coverage or in limits except with thirty (30) days' prior written notice by certified mail, return receipt requested to the City.

_X___ Waiver of Subrogation:

Contractor or Consultant hereby grants to City a waiver of any right to subrogation which any insurer of said Contractor or Consultant may acquire against the City by virtue of the payment of any loss under such insurance. Contractor or Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer. The Workers' Compensation Policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by Contractor or Consultant, its employees, agents and subcontractors.

____ Completed Operations

For Construction Agreements, Contractor shall maintain insurance as required by this Agreement to the fullest amount allowed by law and shall maintain insurance for a minimum of five (5) years following the completion of this project. In the event Contractor fails to obtain or maintain completed operations coverage as required by this Agreement, the City at its sole discretion may purchase the coverage required and the cost will be paid by Contractor.

THE FOLLOWING PROVISIONS APPLY TO ALL AGREEMENTS

Deductibles and Self-Insured Retentions ("SIR"):

Any deductibles or self-insured retentions must be declared to and approved by City. The City may require the Contractor or Consultant to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. At the option of the City, either (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its elected and appointed officials, officers, attorneys, agents, and employees; or (2) the Contractor or Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

All SIRs must be disclosed to Risk Management for approval and shall not reduce the limits of liability.

Policies containing any SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or the City.

City reserves the right to obtain a full-certified copy of any insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

Acceptability of Insurers:

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to City.

Claims Made Policies: (note - should be applicable only to professional liability, see below)

1. The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor or Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.
4. A copy of the claims reporting requirements must be submitted to the City for review.
5. If the services involve lead-based paint or asbestos identification/remediation, the Contractor's Pollution Liability Policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Contractors Pollution Liability Policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

Subcontractors:

Contractor or Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors.

Subcontractor agrees to be bound to Contractor and City in the same manner and to the same extent as Contractor is bound to City under this Agreement and any other contract documents. Subcontractor further agrees to include the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, with any sub-subcontractor to the extent they apply to the scope of the sub-subcontractor's work. A copy of the City indemnity and insurance provisions will be furnished to the subcontractor upon request.

Verification of Coverage:

Contractor or Consultant shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor or Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Special Risks or Circumstances

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage or other special circumstances.

Failure to Comply:

Each insurance policy required above shall contain or be endorsed to contain that any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its elected and appointed officials, officers, attorneys, agents, and employees.

Applicability of Coverage:

Each insurance policy required above shall contain or be endorsed to contain that the Contractor's or Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

CITY OF MILPITAS/MILPITAS MUNICIPAL FINANCING AUTHORITY AGENDA REPORT (AR)

Item Title:	**Adopt Resolutions Authorizing the Sale and Issuance of tax-exempt Water Revenue Bonds and Authorize the Interim City Manager to Execute a Contract with Jones Hall, A Professional Law Corporation (Staff Contact: Walter C. Rossmann, 408-586-3111)**
Category:	Leadership and Support Services
Meeting Date:	10/15/2019
Staff Contact:	Walter C. Rossmann, 408-586-3111
Recommendations**:**	1. Adopt resolutions of the City Council and the Milpitas Municipal Financing Authority authorizing and directing the City Manager, Assistant City Manager or Director of Finance to execute the sale and issuance of 2019 Water Revenue Bonds with an estimated aggregate principal amount not to exceed $21.0 million to finance the acquisition, construction and/or improvement of capital improvements to the Water System. 2. Authorize the Interim City Manager to execute a contract with Jones Hall, A Professional Law Corporation, for Bond Counsel Services.

Background:

This staff report relates to the proposed issuance of the 2019 tax-exempt Water Revenue Bonds, (the "Bonds") by the Milpitas Municipal Financing Authority (the "Authority"). The City Council serving in its role as governing body of the Authority is asked to approve issuance of the Bonds and all related documents. The near-final versions of these documents are attached.

As a water service provider, the City must maintain the distribution system that provides water to our customers in compliance with numerous federal and state laws and regulations. This includes 200 miles of pipeline, 4 pump stations, 5 storage tanks and other water system appurtenances. Portions of the City's water infrastructure are over 60 years old and as water system infrastructure continues to age, the risk of infrastructure failure increases. The City has identified approximately $46.3 million in high priority projects in its water system Capital Improvement Program needed over the next 5 years, to improve the reliability of the City's water system and ensure the safe delivery of potable water to residents and businesses. Some of these critical projects include:

- **Well Upgrade Project** – project to construct a new well and improve the reliability, taste, odor, and water hardness at the City's existing wells. Historically, the City's wells have provided the City with emergency water supply, in case SFPUC and/or SCVWD systems are not available due to an earthquake or other catastrophe.

- **Automated Meter Replacement Program** – project provides for replacement and/or retrofit of all City water meters with automated remote reading meters. The meters will provide electronic results for over 17,000 water accounts, thus eliminating the need for manual meter reads and allowing customers to continuously monitor water usage.

- **Water Supervisory Control and Data Acquisition (SCADA) Project** – project provides for real-time data, remote monitoring, and operation of pumps and valves to allow operators to implement corr

actions and maintain water supply. Currently operators rely on unsophisticated alarms at limited locations and customer complaints to become aware of water system problems. Operators must drive to sites to evaluate the problem and implement corrective action, such as starting a back-up pump, when the main pumps fail.

The City's FY 2019-2024 Capital Improvement Program and adopted Water Rate Study prior approvals were based on the City issuing bonds to finance $20.0 million to fund a portion of the City's water system capital improvements. The issuance of bonds to fund capital projects, helps smooth the impact of rate increases on customers, and ensures intergenerational equity over the expected life of the water system. At the January 29, 2019 Fiscal Year 2019-20 Budget Study Session and the May 15, 2019 Study Session on the FY 2019-20 Operating Budget and the 2019-24 Five Year Capital Improvement Program the issuance of Bonds was discussed. The FY 2019-20 Adopted Budget as approved by Council assumes the bond proceeds to fund infrastructure improvements.

Today's interest rate environment is very favorable for issuing long-term debt, which means historically very low borrowing costs for the City. The current 10-year yield is 1.42% and the 30-year yield is 1.83%. These rates are approximately 150 basis points lower than they were a year ago.

Analysis:

Staff, working with its consultants, has determined that, due to prevailing financial market conditions, it is in the best interests of the City at this time to issue the Bonds since interest rates are at or near historic lows. The Bonds will generate proceeds of $20.0 million to fund a portion of the City's water system capital improvements. The Bonds will mature in FY 2049 and the City will make semi-annual debt service payments on December 1 and June 1, starting on June 1, 2020. This term and resulting annual principal and interest payments are in alignment with the Council approved rate study.

The City will be obtaining an underlying credit rating for the Bonds from Standards & Poor's. It is expected the credit rating from Standards & Poor's will help the City obtain the best possible interest rates. The City's Water System currently has no debt outstanding and this will be its inaugural rating.

The resolutions being presented for approval authorizes the issuance of the Bonds and approves the form and authorizes execution of the related financing documents including a draft of a Preliminary Official Statement that describes the terms of the Bonds. The resolutions contain parameters that the principal amount of the Bonds cannot exceed $21 million, the Underwriter's Discount with respect to the Bonds shall not exceed 0.50% of the principal amount of the Bonds, and the true interest cost of the bonds shall not exceed 5%. The financing documents will be finalized when the exact terms of the Bonds are determined at the time the Bonds are sold to investors, anticipated to occur around October 24th with an anticipated bond closing of early November. The forms of the documents to be approved are:

- **Indenture of Trust –** The Indenture is a contract between the Authority and U.S. Bank National Association, acting as Trustee. The Indenture specifies the Trustee, dated date, maturity date or dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds.
- **Installment Sale Agreement –** The Installment Sale Agreement is a contract between the Authority and the City, under which the Authority agrees to provide financing for the Wastewater Projects and to sell the completed Wastewater Projects to the City in consideration of the payment by the City of semiannual installment payments which are sufficient to provide revenues with which to pay principal of, and interest on, the Bonds when due.
- **Bond Purchase Agreement –** The Bond Purchase Agreement is a contract between the Authority, the City and Stifel, Nicolaus & Company, as underwriter (the "Underwriter"), whereby the Authority agrees to sell the Bonds to the Underwriter and the Underwriter agrees to buy the Bonds from the Authority for resale to the public.

- **Preliminary Official Statement –** The Preliminary Official Statement is the offering statement used by the Underwriter to inform the marketplace of the terms of the Bonds and contains all relevant information for the investor to decide whether to purchase the Bonds.
- **Continuing Disclosure Certificate -** Contained in the Preliminary Official Statement is the form of the Continuing Disclosure Certificate, which requires the City to submit annual continuing disclosure reports and notice of certain listed events to the marketplace as long as the Bonds are outstanding. Willdan Financial Services, as dissemination agent, assists the City with this responsibility.

The financing team consisting of bond counsel, financial advisor, staff, and the City Attorney's Office reviewed and approved for transmittal the Preliminary Official Statement to the City Council, sitting as the governing body of the Authority. The distribution of the Preliminary Official Statement by the Authority is subject to federal securities laws, including the Securities Act of 1933 and the Securities Exchange Act of 1934. These laws require the Preliminary Official Statement to include all facts that would be material to an investor related to the purchase of the Bonds. Material information is information that there is a substantial likelihood would have actual significance in the deliberations of the reasonable investor when deciding whether to buy or sell the Bonds. If the members of the City Council conclude that the Preliminary Official Statement includes all facts that would be material to an investor in the Bonds, it may adopt a resolution that authorizes staff to execute a certificate to the effect that the Preliminary Official Statement has been "deemed final."

The Securities and Exchange Commission (the "SEC"), the agency with regulatory authority over compliance with federal securities laws, has issued guidance as to the duties of the members of the City Council, sitting as the governing body of the Authority, with respect to its approval of the Preliminary Official Statement. In its "Report of Investigation in the Matter of County of Orange, California as it Relates to the Conduct of the Members of the Board of Supervisors" (Release No. 36761, January 24, 1996), the SEC indicated that, if a member of the governing body has knowledge of any facts or circumstances that an investor would want to know about prior to investing in the Bonds, whether relating to their repayment, tax-exempt status, undisclosed conflicts of interest with interested parties, or otherwise, he or she should endeavor to discover whether such facts are adequately disclosed in the Preliminary Official Statement. In the release, the SEC indicated that the steps that a member of the governing body could take include becoming familiar with the Preliminary Official Statement and questioning staff and consultants about the disclosure of such facts.

The proposed bonds are being issued under the City's adopted debt and disclosure policies (see attached) approved by the City Council on October 17, 2017 and the Authority's debt policy anticipated to be approved by the Board on October 15, 2019. The proposed bonds meet all requirements outlined in the City's adopted policies.

Pursuant to the requirements of Section 5852.1 of the California Government Code ("Code"), set forth below are good faith estimates provided by the Municipal Advisor, based on market conditions as of September 6, 2019. The following estimates and the final costs will depend on market conditions and can be expected to vary from the estimated amounts set forth below.

- The true interest cost of the Bonds is estimated at 3.49% calculated as provided in Section 5852.1(a)(1)(A) of the Code.
- The finance charge of the Bonds, including all fees and charges paid to third parties, including underwriter's discount, is estimated at $263,641.
- Proceeds of the Bonds received by the Authority for the sale of the Bonds, less the finance charge, is equal to $20,000,000.
- The total payment amount including principal and interest calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at $32,703,092.

Bond Counsel Services

The issuance of bonds requires specialized legal services. Staff has engaged Jones Hall, A Professional Law Corporation, to support the issuances of the water bonds and seeks Council approval of the attached contract in the amount of $98,000. The contract amount for each contract supporting the bond issuance of the wa

bonds and the companion item on tonight's agenda for the wastewater bonds are within the City Manager's contract approval authority of $100,000. However, since these contracts are for similar legal services the combined contract amounts require Council approval for award of contract. Therefore, staff in consultation with the City Attorney's recommends that the Council authorizes the interim City Manager to execute the contract.

Policy Alternatives:

Alternative 1: Do not issue bonds to finance the Water System's capital improvements and use existing reserves and debt payment savings to pay for improvements

Pros: Avoids interest payments over 30 years in the amount of $12.7 million
Cons: Much needed critical improvements to the Water System will not be possible
Reason not recommended: Portions of the City's water infrastructure are over 60 years old and in need of renewal and/or replacement to lower the risk of infrastructure failure. The City has identified approximately $46.3 million in high priority projects in its water system Capital Improvement Program needed over the next 5 years, to improve the reliability of the City's water system and ensure the safe delivery of potable water to residents and businesses. The issuance of these bonds to fund capital projects, helps smooth the impact of rate increases on customers, and ensures intergenerational equity over the expected life of the water system.

Fiscal Impact:
The sale of the Bonds will have no financial impact on the City's General Fund, as all payments of principal and interest on the Bonds will be paid solely from Water System Net Revenues. It is estimated that the average annual debt service payment will be approximately $1.11 million which has been included in the rate increases for the current and next three fiscal years as approved by the Council on February 19, 2019.

California Environmental Quality Act:
Not applicable

Recommendations:
1. Adopt resolutions of the City Council of the City of Milpitas and the Milpitas Municipal Financing Authority authorizing and directing the City Manager, Assistant City Manager or Director of Finance to execute the sale and issuance of 2019 Water Revenue Bonds with an estimated aggregate principal amount not to exceed $21.0 million to finance the acquisition, construction and/or improvement of capital improvements to the Water System.
2. Authorize the City Manager to execute a contract with Jones Hall, A Professional Law Corporation, for Bond Counsel Services.

Attachments:
1. City Council Resolution
2. Municipal Financing Authority Resolution
3. Indenture of Trust
4. Installment Sale Agreement
5. Bond Purchase Agreement
6. Preliminary Official Statement
7. City Debt Policy
8. Disclosure Policies
9. Professional Services Agreement with Jones Hall

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS APPROVING, AUTHORIZING AND DIRECTING EXECUTION OF CERTAIN FINANCING DOCUMENTS AND DIRECTING CERTAIN RELATED ACTIONS IN CONNECTION WITH FINANCING CERTAIN IMPROVEMENTS TO THE CITY'S WATER SYSTEM

WHEREAS, the City of Milpitas (the "City") and the City of Milpitas Housing Authority have entered into a Joint Exercise of Powers Agreement, dated as of March 1, 2016, establishing the Milpitas Municipal Financing Authority (the "Authority") for the purpose, among others, of having the Authority issue its bonds to finance the acquisition, construction and improvement of certain public capital improvements; and

WHEREAS, for the purpose of raising funds necessary to finance certain improvements to the City's water system (the "Water Projects"), the Authority proposes to authorize the issuance of its revenue bonds under the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), designated as the Milpitas Municipal Financing Authority 2019 Water Revenue Bonds (the "Bonds"); and

WHEREAS, pursuant to an Installment Sale Agreement between the City and the Authority (the "Installment Sale Agreement"), the City will purchase the Water Projects from the Authority, and the Authority will use the installment payments paid by the City pursuant to the Installment Sale Agreement to pay debt service on the Bonds; and

WHEREAS, there has been prepared a Preliminary Official Statement containing information to be used in connection with the sale of the Bonds; and

WHEREAS, the information required to be obtained and disclosed pursuant to Government Code Section 5852.1 prior to the issuance of the Bonds is set forth in the staff report accompanying this Resolution; and

WHEREAS, the City Council of the City has duly considered such transactions and wishes at this time to approve the financing documents related to the Bonds and certain related actions;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MILPITAS, AS FOLLOWS:

Section 1. Issuance of Bonds by the Authority. The City Council hereby approves the issuance of the Bonds by the Authority under the Act for the purpose of providing funds to finance the acquisition, construction and installation of the Water Projects. The aggregate principal amount of the Bonds shall not exceed $21,000,000.

Section 2. Approval of Installment Sale Agreement. The City Council hereby approves the Installment Sale Agreement between the Authority and the City, under which the Authority agrees to provide financing for the Water Projects and to sell the completed Water Projects to the City in consideration of the payment by the City of semiannual installment payments which are sufficient to provide revenues with which to pay principal of and interest on the Bonds when due. The Installment Sale Agreement is hereby approved in substantially the form on file with the City Clerk together with any changes therein or additions thereto deemed advisable by the City Manager, the Assistant City Manager or the Finance Director (each, an "Authorized Officer"), and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the City to execute, and the City Clerk is hereby authorized and directed to attest to, if necessary, the final form of the Installment Sale Agreement.

Section 3. Sale of Bonds by the Authority. The City Council hereby approves the negotiated sale of the Bonds by the Authority to Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter"). The Bonds shall be sold to the Underwriter under the Bond Purchase Agreement among the Authority, the City and the Underwriter, which is hereby approved in substantially the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by an Authorized Officer, and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the City to accept an offer from the Underwriter to purchase the Bonds from the Authority and to the final form of the Bond Purchase Agreement in the name of the City.

Section 4. Official Statement. The City Council hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, a preliminary Official Statement for the Bonds in the form on file with the City Clerk. An Authorized Officer is authorized, at the request of the Underwriter, to execute an appropriate certificate affirming the City Council's determination that said preliminary Official Statement has been deemed final within the meaning of said Rule. The City Council approves the distribution of the preliminary Official Statement by the Underwriter to prospective investors, in substantially the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by an Authorized Officer. An Authorized Officer is authorized and directed to approve any changes in or additions to a final form of an Official Statement for the Bonds, and the execution thereof by an Authorized Officer will be conclusive evidence of approval of any such changes and additions. The City Council authorizes the distribution of the final Official Statement by the Underwriter, which will include final pricing information related to the Bonds.

Section 5. Official Actions. The Authorized Officers of the City are each authorized and directed in the name and on behalf of the City to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, including but not limited to a Continuing Disclosure Certificate in substantially the form attached to the Official Statement which is approved under Section 4, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this Resolution any officer of the City is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of any person serving in such role in an interim capacity or by any officer or person designated by such officer to act on his or her behalf.

Section 6. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this _____day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

_____
Mary Lavelle, City Clerk

APPROVED:

_____
Rich Tran, Mayor

APPROVED AS TO FORM:

_____
Christopher Diaz, City Attorney

RESOLUTION NO. ____

A RESOLUTION OF THE BOARD OF THE MILPITAS MUNICIPAL FINANCING AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF WATER REVENUE BONDS IN AN AMOUNT NOT TO EXCEED $21,000,000 TO ASSIST IN FINANCING CERTAIN IMPROVEMENTS TO THE WATER SYSTEM OF THE CITY OF MILPITAS, AND APPROVING RELATED DOCUMENTS AND ACTIONS

WHEREAS, the City of Milpitas (the "City") and the City of Milpitas Housing Authority have entered into a Joint Exercise of Powers Agreement, dated as of March 1, 2016, establishing the Milpitas Municipal Financing Authority (the "Authority") for the purpose, among others, of having the Authority issue its bonds to finance the acquisition, construction and improvement of certain public capital improvements; and

WHEREAS, for the purpose of raising funds necessary to finance certain improvements to the City's water system (the "Water Projects"), the Authority proposes to authorize the issuance of its revenue bonds under the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), designated as the Milpitas Municipal Financing Authority 2019 Water Revenue Bonds (the "Bonds"); and

WHEREAS, pursuant to an Installment Sale Agreement between the City and the Authority (the "Installment Sale Agreement"), the City will purchase the Water Projects from the Authority, and the Authority will use the installment payments made by the City to the Authority pursuant to the Installment Sale Agreement to pay debt service on the Bonds; and

WHEREAS, there has been prepared a Preliminary Official Statement containing information to be used in connection with the sale of the Bonds; and

WHEREAS, the information required to be obtained and disclosed pursuant to Government Code Section 5852.1 prior to the issuance of the Bonds is set forth in the staff report accompanying this Resolution; and

WHEREAS, the governing board (the "Board") of the Authority has duly considered such transactions and wishes at this time to approve the financing documents related to the Bonds and certain related actions.

NOW, THEREFORE, BE IT RESOLVED, BY THE GOVERNING BOARD OF THE MILPITAS MUNICIPAL FINANCING AUTHORITY, AS FOLLOWS:

Section 1. Issuance of Bonds. The Board hereby authorizes the issuance of the Bonds under the Act for the purpose of providing funds to finance the acquisition, construction and installation of the Water Projects. The aggregate principal amount of the Bonds shall not exceed $21,000,000.

Section 2. Approval of Related Financing Agreements. The Board hereby approves each of the following agreements relating to the issuance and sale of the Bonds, in substantially the respective forms on file with the Secretary, together with any changes therein or additions thereto deemed advisable by the Executive Director or the Treasurer (each, an "Authorized Officer"), and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the Authority to execute, and the Secretary is hereby authorized and directed to attest to, if necessary, the final form of each of the following agreements:

- Indenture of Trust, between the Authority and U.S. Bank National Association, as trustee, setting forth the terms and provisions relating to the Bonds.

- Installment Sale Agreement, between the Authority and the City, under which the Authority agrees to provide financing for the Water Projects and to sell the completed Water Projects to the City in consideration of the payment by the City of semiannual installment payments which are sufficient to provide revenues with which to pay principal of, and interest on, the Bonds when due.

Section 3. Sale of Bonds. The Board hereby approves the sale of the Bonds by negotiation with Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter"). The Bonds shall be sold to the Underwriter under th

Purchase Agreement among the Authority, the City and the Underwriter, which is hereby approved in substantially the form on file with the Secretary, together with any changes therein or additions thereto deemed advisable by an Authorized Officer, and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions; provided, that the Underwriter's discount shall not exceed 0.5%, and the true interest cost of the Bonds shall not exceed 4.50%. An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the Authority to accept an offer from the Underwriter to purchase the Bonds from the Authority and to execute the final form of the Bond Purchase Agreement in the name of the Authority.

Section 4. Official Statement. The Board hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, a preliminary Official Statement for the Bonds in the form on file with the Secretary. An Authorized Officer is authorized, at the request of the Underwriter, to execute an appropriate certificate affirming the Authority's determination that said preliminary Official Statement has been deemed final within the meaning of said Rule. The Board approves the distribution of the preliminary Official Statement by the Underwriter to prospective investors, in substantially the form on file with the Secretary together with any changes therein or additions thereto deemed advisable by an Authorized Officer. An Authorized Officer is authorized and directed to approve any changes in or additions to a final form of an Official Statement for the Bonds, and the execution thereof by an Authorized Officer will be conclusive evidence of approval of any such changes and additions. The Board authorizes the distribution of the final Official Statement by the Underwriter, which will include final pricing information related to the Bonds.

Section 5. Official Actions. The Authorized Officers of the Authority are each authorized and directed in the name and on behalf of the Authority to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this Resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of any person serving in such role in an interim capacity or by any officer or person designated by such officer to act on his or her behalf.

Section 6. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this _____day of _____, 2019, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

_____
Mary Lavelle, Secretary

APPROVED:

_____
Rich Tran, Chair

APPROVED AS TO FORM:

_____
Christopher J. Diaz, General Counsel

INDENTURE OF TRUST

Dated as of _____ 1, 2019

between the

MILPITAS MUNICIPAL FINANCING AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Authorizing the Issuance of

$_____
Milpitas Municipal Financing Authority
2019 Water Revenue Bonds

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APPENDIX A FORM OF 2019 BOND
APPENDIX B PROJECT FUND WRITTEN REQUISITION

INDENTURE OF TRUST

This INDENTURE OF TRUST (this "Indenture"), dated as of _____ 1, 2019, is between the MILPITAS MUNICIPAL FINANCING AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Authority"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, with a corporate trust office in Los Angeles, California, being qualified to accept and administer the trusts hereby created (the "Trustee").

B A C K G R O U N D :

1. The City of Milpitas (the "City") presently owns, operates and/or contracts for facilities and property for the supply, treatment and distribution of water within the service area of the City (as further defined herein, the "Water System"), and the City wishes to raise funds to finance additional obligations of the Water System as described in Appendix B to the hereinafter defined Installment Sale Agreement (the "2019 Water Project").

2. The Authority has been organized for the purpose of assisting the City in its public purposes, and to that end the Authority is authorized to assist the City in financing the costs of acquisition, construction and installation of the 2019 Water Project.

3. The Authority, at this time, is entering into the Installment Sale Agreement dated as of _____ 1, 2019 (the Installment Sale Agreement") with the City in order to finance the 2019 Water Project.

4. For the purpose of obtaining funds to finance the 2019 Water Project, the Authority has authorized the issuance of its Milpitas Municipal Financing Authority 2019 Water Revenue Bonds (the "2019 Bonds"), in the aggregate principal amount of $_____ under this Indenture and under the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the "Bond Law").

5. The debt service on the 2019 Bonds will be payable from Installment Payments made under the Installment Sale Agreement.

6. Repayment of the Installment Payments by the City shall be secured by a pledge of the Net Revenues of the Water System, on a parity with the pledge in favor of the holders of Parity Debt (as defined herein), if any.

7. In order to provide for the authentication and delivery of the Bonds (including the 2019 Bonds), to establish and declare the terms and conditions upon which the Bonds (including the 2019 Bonds) are to be issued and to secure the payment of the principal thereof, premium (if any) and interest thereon, the Authority has authorized the execution and delivery of this Indenture.

8. The Authority has found and determines, and hereby affirms, that all acts and proceedings required by law necessary to make the Bonds (including the 2019 Bonds), when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the Authority, and to constitute this Indenture a

valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture have been in all respects duly authorized.

A G R E E M E N T :

In order to secure the payment of the principal of and the interest and redemption premium (if any) on all the Outstanding Bonds under this Indenture according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Authority and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

SECTION 1.01. Definitions. Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms set forth in this Indenture shall have the meanings assigned to them in this Section 1.01.

"Additional Bonds" means all bonds ranking on a parity with the 2019 Bonds originally issued hereunder, issued in accordance with Section 3.06.

"Additional Payments" means the amounts payable by the City under Section 4.7 of the Installment Sale Agreement.

"Agreement" shall mean that certain Joint Exercise of Powers Agreement, dated as of March 1, 2016, by and between the City and the City of Milpitas Housing Authority, creating the Authority, together with any amendments thereof and supplements thereto.

"Authority" means the Milpitas Municipal Financing Authority, a joint exercise of powers authority duly organized and existing under the laws of the State of California and the Agreement.

"Authorized Investments" means any of the following, but only to the extent that the same are acquired at Fair Market Value, which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

(a) Federal Securities;

(b) (i) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including: Export-Import Bank, Farm Credit System Financial Assistance Corporation, Rural Economic Community Development Administration (formerly Farmers Home Administration), General Services Administration, U.S. Maritime Administration, Small Business Administration, Government National Mortgage Association, U.S. Department of Housing & Urban Development, Federal Housing Administration and Federal Financing Bank. and (ii) direct obligations for any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America: senior debt obligations rated "Aaa" by Moody's and "AAA" by S&P issued by Fannie Mae or Federal Home Loan Mortgage Corporation (FHLMC); obligations of the Resolution Funding Corporation (REFCORP); senior debt obligations of the Federal Home Loan Bank System; and senior debt obligations of other Government Sponsored Agencies;

(c) U.S. dollar denominated deposit accounts federal funds and banker's acceptances with domestic commercial banks, which may include the Trustee, its parent holding company, if any, and their affiliates, which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P or are collateralized by Federal Securities and maturing no more than 360 days after the date of purchase, provided that ratings on holding companies are not considered as the rating of the bank;

(d) commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P, and which matures not more than 270 calendar days after the date of purchase;

(e) investments in a money market fund, including those of an affiliate of the Trustee, rated "AAAm" or "AAAm-G" or better by S&P, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee or such holding company provide investment advisory or other management services;

(f) pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (i) which are rated, based upon an irrevocable escrow account or fund, in the highest rating category of Moody's and S&P or any successors thereto; or (ii)(A) subject to the approval of S&P, which are fully secured as to principal and interest and prepayment premium, if any, by an escrow consisting only of Federal Securities, which escrow may be applied only to the payment of such principal of and interest and prepayment premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified prepayment date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and prepayment premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the prepayment date or dates specified in the irrevocable instructions referred to above, as appropriate; and

(g) the Local Agency Investment Fund of the State of California, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

"Authorized Official" means: (a) with respect to the Authority, its Executive Director, Treasurer or any other person designated as an Authorized Official of the Authority by a Written Certificate of the Authority signed by its Executive Director or Treasurer and filed with the City and the Trustee; and (b) with respect to the City, its City Manager, Finance Director or any other person designated as an Authorized Official of the City by a Written Certificate of the City signed by its City Manager or Finance Director and filed with the Authority and the Trustee.

"Bond Counsel" means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Authority of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Tax Code.

"Bond Fund" means the fund by that name established and held by the Trustee under Section 5.01.

"Bond Law" means the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code, as in effect on the Closing Date or as thereafter amended in accordance with its terms.

"Bond Registration Books" means the records maintained by the Trustee under Section 2.06 for the registration and transfer of ownership of the Bonds.

"Bond Year" means the twelve-month period beginning on June 2 in each year and ending on June 1 in the following year except that (i) the first Bond Year with respect to the 2019 Bonds shall begin on the Closing Date, and (ii) the last Bond Year with respect to the 2019 Bonds may end on a redemption date prior to maturity of the 2019 Bonds or the final maturity date of the 2019 Bonds.

"Bonds" means the Outstanding 2019 Bonds and any Outstanding Additional Bonds.

"Business Day" means any day other than a Saturday, Sunday or a day on which the Trustee is authorized by law to remain closed.

"Charges" means fees, tolls, assessments, rates and charges prescribed by the Council for the services and facilities of the Water System furnished by the City.

"City" means the City of Milpitas, a municipal corporation duly organized and existing under the laws of the State of California.

"Closing Date" means, with respect to the 2019 Bonds, the date of delivery of the Bonds to the Original Purchaser of the 2019 Bonds.

"Continuing Disclosure Certificate" means, with respect to each series of Bonds, that certain Continuing Disclosure Certificate executed by the City and dated the date of original execution and delivery of such Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance" means all expenses incurred in connection with the authorization, issuance, sale and delivery of any Bonds, including but not limited to compensation, fees and expenses of the City, Authority and the Trustee and their respective counsel, compensation to any financial consultants and underwriters, legal fees and expenses, municipal bond insurance or surety bond premiums, filing and recording costs, rating agency fees, costs of preparation and reproduction of documents and costs of printing.

"Costs of Issuance Fund" means the fund by that name established and held by the Trustee under Section 3.03.

"Council" means the Council of the City or any other legislative body of the City hereafter provided for pursuant to law.

"Debt Service" means, during any period of computation, the amount obtained for such period by totaling the following amounts:

(a) The principal amount of all Outstanding Serial Bonds payable by their terms in such period;

(b) The principal amount of all Outstanding Term Bonds scheduled to be paid or redeemed by operation of mandatory Sinking Fund Installments in such period; and

(c) The interest which would be due during such period on the aggregate principal amount of Bonds which would be Outstanding in such period if the Bonds are paid or redeemed as scheduled.

[[For purposes of this definition, all Variable Rate Bonds shall be deemed to bear interest as follows:

(i) Except as provided in (iii) below, Variable Rate Bonds the interest on which is excluded from gross income for purposes of federal income taxation, shall be assumed to bear interest at 100% of the most recently published Bond Buyer "Revenue Bond Index" (or comparable index if no longer published); and

(ii) Except as provided in (iii) below, Variable Rate Bonds the interest on which is not excluded from gross income for purposes of federal income taxation, shall be assumed to bear interest at the interest rate on direct U.S. Treasury obligations with comparable maturities, plus 50 basis points; and

(iii) Variable Rate Bonds for which an interest rate swap agreement is in place providing for a synthetic fixed interest rate to maturity or for a specific term, the interest rate on such Variable Rate Bonds shall be assumed to be the synthetic fixed interest rate specified in such interest rate swap agreement for such term.]] [**Discuss**]

"Defeasance Obligations" means the Federal Securities listed in clause (a) of the definition thereof.

"Depository" means (a) initially, DTC, and (b) any other Securities Depositories acting as Depository under Section 2.05.

"Depository System Participant" means any participant in the Depository's book-entry system.

"DTC" means The Depository Trust Company, and its successors and assigns.

"Event of Default" means any of the events specified in Section 7.01.

"Excess Investment Earnings" means an amount required to be rebated to the United States of America under Section 148(f) of the Tax Code due to investment of gross proceeds of the Bonds at a yield in excess of the yield on the Bonds.

"Federal Securities" means, with respect to the Bonds: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; or (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America; specifically:

U.S. treasury Obligations,
all direct or fully guaranteed obligations,
Farmers Home Administration,
General Services Administration,
Guaranteed Title IX financing,
Government National Mortgage Association (GNMA), and
State and Local Government Series.

"Fiscal Year" means any twelve-month period extending from July 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the Authority as its official fiscal year period.

"Gross Revenues" means all Charges (including surcharges, if any) received for, and all other gross income and receipts derived by the City from, the ownership and operation of the Water System or otherwise arising from the Water System, including but not limited to (a) any amounts transferred to the Water Fund from a Rate Stabilization Fund, and (b) investment earnings on amounts held in the Water Fund or in any other fund established with respect to the Water System. Gross Revenues do not include (i) refundable deposits made to establish credit, (ii) the proceeds of any *ad valorem* property taxes, (iii) the proceeds of any special assessments or special taxes levied upon real property within any improvement district served by the City for the purpose of paying special assessment bonds or special tax obligations of the City relating to the Water System and (iv) connection charges.

"Indenture" means this Indenture of Trust, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture under the provisions hereof.

"Independent Certified Public Accountant" means any certified public accountant or firm of such accountants appointed and paid by the City, and who, or each of whom-

(a) is in fact independent and not under domination of the City;

(b) does not have any substantial identity of interest, direct or indirect, with the City; and

(c) is not and no member of which is connected with the City as an officer or employee of the City, but who may be regularly retained to make annual or other audits of the books of or reports to the City.

"Independent Consultant" means any financial or engineering consultant (including without limitation any Independent Certified Public Accountant) with an established reputation in the field of municipal finance or firm of such consultants appointed and paid by the City, and who, or each of whom-

(a) is in fact independent and not under domination of the City;

(b) does not have any substantial identity of interest, direct or indirect, with the City; and

(c) is not and no member of which is connected with the City as an officer or employee of the City, but who may be regularly retained to make annual or other audits of the books of or reports to the City.

"Information Services" means in accordance with then-current guidelines of the Securities and Exchange Commission, the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board (at http://emma.msrb.org), or such service or services as the Authority may designate in a certificate delivered to the Trustee.

"Interest Account" means the account by that name established and held by the Trustee in the Bond Fund under Section 5.02.

"Installment Payment Date" means, with respect to any Interest Payment Date, the 3rd Business Day immediately preceding such Interest Payment Date.

"Installment Payments" means all payments required to be paid by the City on any date under Section 4.4 of the Installment Sale Agreement, including any amounts payable upon delinquent installments and including any prepayment thereof under Section 7.2 or 7.3 of the Installment Sale Agreement, but does not include Additional Payments.

"Installment Sale Agreement" means the Installment Sale Agreement dated as of _____ 1, 2019, between the City and the Authority, together with any duly authorized and executed amendments thereto.

"Interest Payment Dates" means each June 1 and December 1, commencing June 1, 2020, so long as any Bonds remain unpaid, provided that Variable Rate Bonds shall have such Interest Payment Dates as are specified in the Supplemental Indenture pursuant to which such Variable Rate Bonds are issued.

"Maintenance and Operation Costs" means the reasonable and necessary costs and expenses paid by the City to maintain and operate the Water System, including but not limited to (a) costs of electricity and other forms of energy supplied to the Water System, (b) the reasonable expenses of management and repair and other costs and expenses necessary to maintain and preserve the Water System in good repair and working order, (c) payments under any contracts, notes or leases executed in connection with the City's acquisition of the Water System or any part thereof that are not capital costs, and (d) payment of expenses relating to the acquisition of water for the Water System. Maintenance and Operation Costs does not include (i) debt service payable on obligations incurred by the City, or for which the City is responsible in whole or in part, including but not limited to the Bonds, (ii) capital costs in excess of those, if any, required in (b) above, including payment of capital costs by the City in connection with water treatment and distribution, (iii) depreciation, replacement and obsolescence charges or reserves therefor, (iv) amortization of intangibles or other bookkeeping entries of a similar nature, and (v) any overhead costs of the City to be repaid through annual transfers to the City's General Fund.

"Maximum Annual Debt Service" means, as of the date of calculation, the maximum amount of Debt Service for the current or any future Fiscal Year.

"Moody's" means Moody's Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors or assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority or the City.

"Net Revenues" means, for any period of computation, the amount of the Gross Revenues during such period, less the amount of Maintenance and Operation Costs during such period.

"Original Purchaser" means, in the case of the 2019 Bonds, _____.

"Nominee" means (a) initially, Cede & Co. as nominee of DTC, and (b) any other nominee of the Depository designated under Section 2.04(a).

"Operation and Maintenance Costs" means the reasonable and necessary costs and expenses paid by the City for maintaining and operating the Water System, including but not limited to (a) costs of utilities, including the costs of acquisition of Water, electricity and other forms of energy supplied to the Water System, (b) the reasonable expenses of management and repair and other costs and expenses necessary to maintain and preserve the Water System in good repair and working order, and (c) the reasonable administrative costs of the City attributable to the operation and maintenance of the Water System, including insurance and other costs described in Article V of the Installment Sale Agreement; but in all cases excluding (i) debt service payable on obligations incurred by the City with respect to the Water System, including but not limited to the Installment Payments and any Parity Debt, (ii) depreciation, replacement and obsolescence charges or reserves therefor, and (iii) amortization of intangibles or other bookkeeping entries of a similar nature.

"Original Purchaser" means, with respect to the 2019 Bonds, _____, as the original purchasers of the 2019 Bonds at the negotiated sale thereof.

"Outstanding", when used as of any particular time with reference to Bonds, means, subject to the last paragraph of Section 10.01 of the Indenture, all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.02, including Bonds (or portions thereof) described in Section 11.09; and (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee under this Indenture.

"Overdue Rate" means the highest rate of interest on any of the Outstanding Bonds.

"Owner", whenever used herein with respect to a Bond, means the person in whose name the ownership of such Bond is registered on the Bond Registration Books.

"Parity Debt" means any bonds, notes, leases, installment sale agreements or other obligations of the City payable from and secured by a pledge of and lien upon any of the Net Revenues on a parity with the Installment Payments.

"Parity Debt Instrument" means the resolution, trust indenture or installment sale agreement adopted, entered into or executed and delivered by the City, and under which Parity Debt are issued.

"Principal Account" means the account by that name established and held by the Trustee in the Bond Fund under Section 5.02.

"Principal Corporate Trust Office" means such corporate trust office of the Trustee as may be designated from time to time by written notice from the Trustee to the City. Except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the corporate trust office of U.S. Bank National Association in St. Paul,

Minnesota or such other office or agency of the Trustee at which at any particular time, its corporate trust agency or operations shall be conducted.

"Project Fund" means the fund by that name established and held by the Trustee under Section 3.04.

"Project Costs" means, with respect to the 2019 Water Project, all costs of the acquisition, construction and installation thereof which are paid from moneys on deposit in the Project Fund, including but not limited to:

(a) all costs required to be paid to any person under the terms of any agreement for or relating to the acquisition, construction and installation of the 2019 Water Project;

(b) obligations incurred for labor and materials in connection with the acquisition, construction and installation of the 2019 Water Project;

(c) the cost of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect in connection with the acquisition, construction and installation of the 2019 Water Project;

(d) all costs of engineering and architectural services, including the actual out-of-pocket costs for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, development fees, sales commissions, and for supervising construction, as well as for the performance of all other duties required by or consequent to the proper acquisition, construction and installation of the 2019 Water Project;

(e) any sums required to reimburse the City for advances made for any of the above items or for any other costs incurred and for work done which are properly chargeable to the acquisition, construction and installation of the 2019 Water Project;

(f) all financing costs incurred in connection with the acquisition, construction and installation of the 2019 Water Project; and

(g) the interest components of the Installment Payments allocable to the 2019 Water Project, which come due during the period of acquisition, construction and installation of the 2019 Water Project.

"Rate Stabilization Fund" means the fund by that name established and held by the City under Section 5.13 of the Installment Sale Agreement.

"Record Date" means, with respect to any Interest Payment Date, the 15th calendar day of the month preceding such Interest Payment Date, whether or not such day is a Business Day.

"Redemption Fund" means the fund by that name established and held by the Trustee under Section 5.05.

"Revenues" means: (a) all amounts received by the Authority or the Trustee pursuant or with respect to the Installment Sale Agreement, including, without limiting the generality of the foregoing, all of the Installment Payments (including both timely and delinquent payments, any late charges, and whether paid from any source, but excluding any Additional Payments), prepayments, insurance proceeds, condemnation proceeds, and (b) all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to this Indenture.

"Securities Depositories" means DTC; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Authority designates in written notice filed with the Trustee.

"Serial Bonds" means all Bonds other than Term Bonds.

"S&P" means S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the City.

"Supplemental Indenture" means any indenture hereafter duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or amending this Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

"Term" means, when used with respect to the Installment Sale Agreement, the time during which the Installment Sale Agreement is in effect, as provided in Section 4.2 thereof.

"Term Bonds" means the 2019 Bonds maturing June 1, 20__ and June 1, 20__, and any Additional Bonds identified as such in the applicable Supplemental Indenture.

"Trustee" means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, or its successor or successors, as Trustee hereunder as provided in Article VIII.

"2019 Bonds" means the Milpitas Municipal Financing Authority 2019 Water Revenue Bonds in the original principal amount of $_____.

"2019 Water Project" means the facilities, improvements and other property described more fully in Appendix B attached to the Installment Sale Agreement, as that Appendix may be amended from time to time in accordance with the Installment Sale Agreement.

"Variable Rate Bonds" means bonds that bear interest at a rate which may change from time to time.

"Water Fund" means the fund by that name established and held by the City pursuant to Section 4.5 of the Installment Sale Agreement.

"Water System" means the entire system of the City for the treatment, production, storage and distribution of water within the service area of the City, including but not limited to all facilities, properties, lands, rights, entitlements and other property useful in connection therewith, together with all extensions thereof and improvements thereto at any time acquired, constructed or installed by the City.

"Written Certificate," "Written Request" and "Written Requisition" of the Authority or the City mean, respectively, a written certificate, request or requisition signed in the name of the Authority or the City by its Authorized Official. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

SECTION 1.02. Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Indenture, and has taken all actions necessary to authorize the execution hereof by the officers and persons signing it.

SECTION 1.03. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

THE 2019 BONDS

SECTION 2.01. Authorization of 2019 Bonds. The Authority has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the 2019 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now duly empowered, under each and every requirement of law, to issue the 2019 Bonds in the manner and form provided in this Indenture.

The Authority hereby authorizes the issuance of the 2019 Bonds in the aggregate principal amount of $_____ under the Bond Law for the purposes of providing funds to enable the City to finance the 2019 Water Project. The Bonds are authorized and issued under, and are subject to the terms of, this Indenture and the Bond Law. The Bonds are designated the "Milpitas Municipal Financing Authority 2019 Water Revenue Bonds."

SECTION 2.02. Terms of the 2019 Bonds.

(a) Payment Provisions. The 2019 Bonds shall be issued in fully registered form without coupons in denominations of $5,000 or any integral multiple thereof. The 2019 Bonds shall mature on June 1 in each of the years and in the amounts, and bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates, as follows:

Maturity Date (June 1)	Principal Amount	Interest Rate

Interest on the 2019 Bonds is payable from the Interest Payment Date next preceding the date of authentication thereof unless:

(a) a 2019 Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it will bear interest from such Interest Payment Date,

(b) a 2019 Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the Closing Date, or

(c) interest on any 2019 Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been paid in full, payable on each Interest Payment Date.

Interest is payable on each Interest Payment Date to the persons in whose names the ownership of the 2019 Bonds is registered on the Bond Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Interest on any 2019 Bond which is not punctually paid or duly provided for on any Interest Payment Date is payable to the person in whose name the ownership of such 2019 Bond is registered on the Bond Registration Books at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice of which is given to such Owner by first-class mail not less than 10 days prior to such special record date.

The Trustee will pay interest on the 2019 Bonds by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners of the 2019 Bonds at their respective addresses shown on the Bond Registration Books as of the close of business on the preceding Record Date. At the written request of the Owner of 2019 Bonds in an aggregate principal amount of at least $1,000,000, which written request is on file with the Trustee as of any Record Date, the Trustee will pay interest on such 2019 Bonds on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account of a financial institution within the United States of America as specified in such written request, which written request will remain in effect until rescinded in writing by the Owner. The Trustee will pay principal of the 2019 Bonds in lawful money of the United States of America by check of the Trustee upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee.

SECTION 2.03. Form and Execution of 2019 Bonds. The 2019 Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, are set forth in Appendix A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

The Chair, the Executive Director or the Treasurer of the Authority shall execute, and the Secretary of the Authority shall attest, each 2019 Bond. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any 2019 Bond ceases to be such officer before the Closing Date, such signature will nevertheless be as effective as if the officer had remained in office until the Closing Date. Any 2019 Bond may be signed and attested on behalf of the Authority by such persons as at the actual date of the execution of such 2019 Bond are the proper officers of the Authority, duly authorized to execute debt instruments on behalf of the Authority, although on the date of such 2019 Bond any such person was not an officer of the Authority.

Only those 2019 Bonds bearing a certificate of authentication in the form set forth in Appendix A, manually executed and dated by the Trustee, are valid or obligatory for any

purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee is conclusive evidence that such Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.04. Transfer and Exchange of Bonds.

(a) Transfer. Any Bond may, in accordance with its terms, be transferred, upon the Bond Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Principal Corporate Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee shall collect any tax or other governmental charge on the transfer of any Bonds under this Section 2.03. Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of like series, interest rate, maturity and aggregate principal amount. The Authority shall pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer of Bonds.

(b) Exchange. The Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of the same series, interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of any Bonds under this subsection (b). The Authority shall pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange of Bonds.

(c) Limitations. The Trustee may refuse to transfer or exchange, under the provisions of this Section 2.03, any Bonds selected by the Trustee for redemption under Article IV, or any Bonds during the period established by the Trustee for the selection of Bonds for redemption.

SECTION 2.05. Book-Entry System.

(a) Original Delivery. The Bonds will be initially delivered in the form of a separate single fully registered bond (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the Trustee shall register the ownership of each Bond on the Bond Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Bonds shall be registered in the name of the Nominee on the Bond Registration Books.

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, the Authority and the Trustee has no responsibility or obligation to any Depository System Participant or to any person on behalf of which the Nominee holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, the Authority and the Trustee has no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bond Owner as shown in the Bond Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed if the Authority elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bond Owner as shown in the Bond Registration Books, of any amount with

respect to principal, premium, if any, or interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The Authority and the Trustee may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal of and premium, if any, and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and the interest and premium, if any, on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner shall receive a Bond evidencing the obligation of the Authority to make payments of principal, interest and premium, if any, under this Indenture. Upon delivery by the Depository to the Authority of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Authority shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the Authority shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Authority or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Bond Owners. Upon the written acceptance by the Trustee, the Trustee shall agree to take all action reasonably necessary for all representations of the Trustee in such letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of such letter, the Authority may take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. If either (i) the Depository determines not to continue to act as Depository for the Bonds, or (ii) the Authority determines to terminate the Depository as such, then the Authority shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Authority and the Trustee in the issuance of replacement Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Bonds are to be issued. The Depository, by accepting delivery of the Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Authority fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Bond Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

If the Authority determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Authority may notify the Depository System Participants of the availability of such certificated Bonds through the Depository. In such event, the Trustee will authenticate, transfer and exchange Bonds as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Trustee and the Authority shall cooperate with the Depository in taking appropriate action (y) to

make available one or more separate certificates evidencing the Bonds to any Depository System Participant having Bonds credited to its account with the Depository, or (z) to arrange for another Securities Depository to maintain custody of a single certificate evidencing such Bonds, all at the Authority's expense.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium, if any, on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

SECTION 2.06. Bond Registration Books. The Trustee will keep or cause to be kept, at the Principal Corporate Trust Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall upon reasonable notice as agreed to by the Trustee, be open to inspection during regular business hours by the Authority; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as hereinbefore provided.

SECTION 2.07. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond is mutilated, the Authority, at the expense of the Owner of such Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. The Trustee shall cancel every mutilated Bond surrendered to it and deliver such mutilated Bond to, or upon the order of, the Authority. If any Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory and if indemnity satisfactory to the Trustee is given, the Authority, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the Trustee in connection therewith. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen will constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued under this Indenture.

Notwithstanding any other provision of this Section 2.07, in lieu of delivering a new Bond for which principal has become due for a Bond which has been mutilated, lost, destroyed or stolen, the Trustee may make payment of such Bond in accordance with its terms upon receipt of indemnity satisfactory to the Trustee.

SECTION 2.08. Applicability to Additional Bonds. Unless otherwise specified in the Supplemental Indenture pursuant to which an issue of Additional Bonds are issued, the provisions of Sections 2.04 through 2.07 shall apply to such issue of Additional Bonds.

ARTICLE III

ISSUANCE OF 2019 BONDS; APPLICATION OF PROCEEDS

SECTION 3.01. Issuance of the 2019 Bonds. At any time after the execution of this Indenture, the Authority may execute and the Trustee shall authenticate and, upon the Written Request of the Authority, deliver the 2019 Bonds to the Original Purchaser.

SECTION 3.02. Application of Proceeds of Sale of the 2019 Bonds. Upon the receipt of payment for the 2019 Bonds on the Closing Date, the Trustee shall receive the net proceeds of sale thereof, being $_____, calculated as follows: $_____ (constituting the par amount of the 2019 Bonds), plus [net] original issue premium in the amount of $_____, and less an Original Purchaser's discount of $_____, which the Trustee shall apply as follows:

(a) The Trustee shall deposit the amount of $_____ in the Costs of Issuance Fund.

(b) The Trustee shall deposit the amount of $_____, constituting the remainder of such proceeds, in the Project Fund.

The Trustee may establish and maintain a temporary account or fund to facilitate and record such deposits and transfers.

SECTION 3.03. Establishment and Application of Costs of Issuance Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund" into which the Trustee shall deposit a portion of the proceeds of sale of the 2019 Bonds under Section 3.02(a). The Trustee shall disburse amounts in the Costs of Issuance Fund from time to time to pay the Costs of Issuance upon submission of a Written Requisition of the Authority stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. The Trustee may conclusively rely on such Written Requisitions and shall be fully protected in relying thereon. On _____, 2019, or upon the earlier Written Request of the Authority, the Trustee shall transfer all amounts remaining in the Costs of Issuance Fund to the Project Fund, and shall thereupon close the Costs of Issuance Fund.

SECTION 3.04. Project Fund. The Trustee will establish and maintain a separate fund to be known as the "Project Fund" into which the Trustee shall deposit a portion of the proceeds of sale of the 2019 Bonds under Section 3.02(b). Except as otherwise provided herein, moneys in the Project Fund will be used solely for the payment of the Project Costs. The Trustee will disburse moneys in the Project Fund from time to time to pay Project Costs (or to reimburse the City for payment of Project Costs) in accordance with Written Requisitions filed by the City with the Trustee. Each such Written Requisition must state, with respect to each payment to be made thereby, (i) the name and address of the firm or corporation to whom payment is to be made, (ii) the amount and purpose of the payment and (iii) that each payment constitutes a Project Cost. Each Written Requisition must be accompanied by an invoice or statement evidencing each payment to be made thereunder. The Trustee has no responsibility for payments made in accordance with this Section 3.04. The City shall maintain accurate records showing all disbursements from the Project Fund.

Upon the receipt by the Trustee of a Written Certificate of the City under Section 3.6 of the Installment Sale Agreement, stating that the 2019 Water Project has been completed, the Trustee shall withdraw from the Project Fund and deposit in the Interest Account all amounts remaining on deposit in the Project Fund, other than amounts estimated by the City (as identified in such Written Certificate) to be required to pay future Project Costs. Upon the filing with the Trustee of a Written Certificate of the City stating that no further amounts are intended to be requisitioned from the Project Fund, the Trustee shall thereupon close the Project Fund and transfer all remaining amounts therein to the Interest Account. If and to the extent so directed in writing by a City Representative, the Trustee shall apply all or a portion of the amounts so transferred from the Project Fund to the Interest Account to be applied to pay interest on the 2019 Bonds or to the Redemption Fund to be applied to the prepayment of Installment Payments relating to the 2019 Bonds under Section 7.2 of the Installment Sale Agreement and the corresponding redemption of the 2019 Bonds under Sections 4.01(a).

SECTION 3.05. Validity of 2019 Bonds. The recital contained in the 2019 Bonds that the same are issued under the Constitution and laws of the State of California shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

SECTION 3.06. Additional Bonds. (A) In addition to the 2019 Bonds authorized to be issued under this Indenture, the Authority, may, by Supplemental Indenture, issue one or more series of Additional Bonds secured by Revenues on a parity with the 2019 Bonds, and may issue and deliver such Additional Bonds in such principal amount as shall be determined by the Authority, but only upon compliance by the Authority with the provisions of this Section, including the following specific conditions which are hereby made conditions precedent to the issuance of such Additional Bonds:

(a) The parties to this Indenture shall have executed a Supplemental Indenture which sets forth the terms and provisions of such Additional Bonds, including the establishment of such funds and accounts, which may be separate and apart from the funds and accounts established hereunder for the 2019 Bonds, as shall be necessary or appropriate;

(b) The scheduled principal and interest payable with respect to such Additional Bonds shall be payable only on Interest Payment Dates applicable to the 2019 Bonds, provide that the Interest Payment Dates with respect to Variable Rate Bonds shall be as provided in the applicable Supplemental Indenture;

(c) The Installment Sale Agreement shall have been supplemented or amended, if necessary, to (i) increase or adjust the Installment Payments due and payable on each Installment Payment Date to an amount sufficient to pay the principal, premium (if any) and interest payable with respect to all Outstanding Bonds, including all Additional Bonds as and when, if any, the same mature or become due and payable (except to the extent such principal, premium and interest may be payable out of moneys then on deposit with the Trustee in accordance with this Indenture), (ii) if appropriate, identify the additions, betterments, extensions, improvements or replacements to the Water System, or such other real or personal property, to be financed, acquired or constructed or otherwise made subject to the Installment Sale Agreement, by the preparation, execution and delivery of such Additional Bonds, and (iii) make such other revisions to the Installment Sale Agreement as are necessitated by the issuance

of such Additional Bonds (provided, however, that such other revisions shall not prejudice the rights of the Owners of Outstanding Bonds as granted them under the terms of this Indenture);

(d) There shall have been delivered to the Trustee a counterpart of the amendments required by subsection (c) hereof; and

(e) The Trustee shall have received a Written Certificate of the Authority that the requirements of Section 5.8 of the Installment Sale Agreement have been satisfied.

(B) Upon delivery to the Trustee of the foregoing instruments, the Trustee shall authenticate Additional Bonds representing the aggregate principal amount specified in such Supplemental Indenture, and such Additional Bonds shall be equally and ratably secured with all Bonds, including any Additional Bonds, theretofore prepared, executed and delivered, all without preference, priority or distinction (other than with respect to maturity, payment, prepayment or sinking fund payment (if any)) of any one Bond, including Additional Bonds, over any other; provided, however, that no provision of this Indenture shall require the City to consent to or otherwise permit the preparation, execution and delivery of Additional Bonds, it being understood and agreed that any such consent or other action of the City to permit the preparation, execution and delivery of Additional Bonds, or lack thereof, shall be in the sole discretion of the City.

(C) Whenever the Authority shall have determined to issue Additional Bonds pursuant to this Section 3.06, the Authority shall adopt a Supplemental Indenture determining that the issuance of such Additional Bonds is necessary for the purposes specified herein, specifying the principal amount of such Additional Bonds and prescribing the terms and conditions of such Additional Bonds and the funds to be established for the security and payment thereof. Before such Additional Bonds shall be issued and delivered, the Authority shall file with the Trustee a Written Certificate of the Authority certifying that the requirements set forth in Section 3.06 have been either met or provided for, together with a copy of the amendment to the Installment Sale Agreement required hereby.

(D) Nothing contained in the Section 3.06 shall restrict the ability of the City to issue Parity Debt pursuant to the Installment Sale Agreement that do not secure Additional Bonds issued pursuant to this Section 3.06.

ARTICLE IV

REDEMPTION OF BONDS

SECTION 4.01. Terms of Redemption.

(a) Optional Redemption from any Source of Available Funds. The 2019 Bonds maturing on or before June 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The 2019 Bonds maturing on or after June 1, 20__, are subject to redemption in whole, or in part at the Written Request of the Authority among maturities on such basis as the Authority may designate and by lot within a maturity, at the option of the Authority, on any date on or after June 1, 20__, from any available source of funds, at a redemption price equal to the principal amount of the 2019 Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

The Authority must give the Trustee written notice of its intention to redeem Bonds under this subsection (a), and the manner of selecting such Bonds for redemption from among the maturities thereof, in sufficient time to enable the Trustee to give notice of such redemption in accordance with Section 4.03.

(b) Redemption From Proceeds of Insurance, Sale and Condemnation. The Bonds, including the 2019 Bonds, are subject to mandatory redemption, on any date, in whole, or in part on a pro rata basis among maturities, from the net proceeds of insurance, sale or condemnation credited towards the prepayment of the Installment Payments by the City under Section 7.3 of the Installment Sale Agreement. The Bonds, including the 2019 Bonds, are subject to redemption under this subsection at a redemption price equal to the principal amount represented thereby to be prepaid, without premium, together with accrued interest represented thereby to the redemption date.

(c) Mandatory Sinking Fund Redemption Relating to the 2019 Bonds. The Term Bonds shall also be subject to redemption, by lot, on June 1 in each of the years as set forth in the following table, from deposits made for such purpose pursuant to Section 5.02(b), at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof may be purchased pursuant to the succeeding paragraph of this subsection (c), in the aggregate respective principal amounts and on the respective dates as set forth in the following table; provided, however, that if some but not all of the Term Bonds have been redeemed pursuant to subsections (a) or (b) above, the total amount of all future payments pursuant to this subsection (c) with respect to such Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments in integral multiples of $5,000 as determined by the Authority (written notice of which determination shall be given by the Authority to the Trustee).

2019 Term Bonds Maturing June 1, 20__

Sinking Fund Redemption Date (June 1)	Principal Amount To Be Redeemed

2019 Term Bonds Maturing June 1, 20__

Sinking Fund Redemption Date (June 1)	Principal Amount To Be Redeemed

In lieu of redemption of the Term Bonds pursuant to the preceding paragraph, amounts on deposit in the Bond Fund (to the extent not required to be deposited by the Trustee in the Interest Account or the Principal Account pursuant to Section 5.02 during the current Bond Year) may also be used and withdrawn by the Authority, upon the Written Request of the Authority delivered to the Trustee, at any time for the purchase of such Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Authority may in its discretion determine. The par amount of any of such Term Bonds so purchased by the Authority in any twelve-month period ending on April 1 in any year shall be credited towards and shall reduce the par amount of such Term Bonds required to be redeemed pursuant to this subsection (c) on the next succeeding June 1.

SECTION 4.02. Selection of Bonds for Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the Bonds of a single maturity of the same issue, the Trustee shall select the Bonds of that maturity to be redeemed by lot in any manner which the Trustee in its sole discretion deems appropriate. For purposes of such selection, the Trustee shall treat each Bond as consisting of separate $5,000 portions and each such portion shall be subject to redemption as if such portion were a separate Bond.

SECTION 4.03. Notice of Redemption. The Trustee shall mail notice of redemption of the Bonds by first class mail, postage prepaid, not less than 20 nor more than 60 days before any redemption date, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Bond Registration Books and to one or more Securities Depositories and to the Information Services. Each notice of redemption shall state the date of the notice, the redemption date, the place or places of redemption, whether less than all of the Bonds (or all Bonds of a single maturity) are to be redeemed, the CUSIP numbers and (in the event that not all Bonds within a maturity are called for redemption) Bond numbers of the Bonds to be redeemed and the maturity or maturities of the Bonds to be redeemed, and in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be

redeemed. Each such notice shall also state that on the redemption date there will become due and payable on each of said Bonds the redemption price thereof, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered. Each notice relating to a redemption pursuant to Section 4.01(a) or Section 4.01(b) shall further state that such redemption may be rescinded by the Authority on or prior to the date set for redemption. Neither the failure to receive any notice nor any defect therein shall affect the sufficiency of the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date. Notice of redemption of Bonds shall be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

The Authority shall have the right to rescind any redemption pursuant to Section 4.01(a) or Section 4.01(b) by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default hereunder. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

SECTION 4.04. Execution of New Bonds Upon Partial Redemption of Bonds. Upon surrender of any Bonds redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered.

SECTION 4.05. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, including any applicable premium, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

All Bonds redeemed under the provisions of this Article shall be canceled by the Trustee upon surrender thereof and destroyed in accordance with the retention policy of the Trustee then in effect.

ARTICLE V

REVENUES; FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST

SECTION 5.01. Security for the Bonds; Bond Fund.

(a) Pledge of Revenues and Other Amounts. Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Revenues and all amounts held in any fund or account established under this Indenture (other than the Project Fund and Cost of Issuance Fund) are hereby pledged to secure the payment of the principal of and interest and premium (if any) on the Bonds in accordance with their terms and the provisions of this Indenture. Said pledge constitutes a lien on and security interest in the Revenues and such amounts and shall attach, be perfected and be valid and binding from and after the Closing Date, without the need for any physical delivery thereof or further act.

(b) Assignment to Trustee. The Authority hereby irrevocably transfers, assigns and sets over to the Trustee, without recourse to the Authority, all of its rights in the Installment Sale Agreement (excepting only the Authority's rights under Sections 4.7, 5.2 and 6.4 thereof), including but not limited to all of the Authority's rights to receive and collect all of the Installment Payments, and the Trustee hereby accepts such assignment. The Trustee is entitled to collect and receive all of the Installment Payments, and any Installment Payments collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee is also entitled to and shall, subject to the provisions of Article VIII, take all steps, actions and proceedings which the Trustee determines to be reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the City under the Installment Sale Agreement.

(c) Deposit of Revenues in Bond Fund. All Revenues shall be promptly deposited by the Trustee upon receipt thereof in a special fund designated as the "Bond Fund" which the Trustee shall establish, maintain and hold in trust; except that all moneys received by the Trustee and required hereunder or under the Installment Sale Agreement to be deposited in the Redemption Fund shall be promptly deposited in such fund. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in this Indenture. Any surplus remaining in the Bond Fund, after payment in full of (i) the principal of and interest on the Bonds or provision therefore under Article X, and (ii) any applicable fees and expenses of the Trustee, shall be withdrawn by the Trustee and remitted to the City.

SECTION 5.02. Allocation of Revenues. On or before each Interest Payment Date, the Trustee shall transfer from the Bond Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain within the Bond Fund), the following amounts in the following order of priority:

(a) *Deposit to Interest Account*. The Trustee shall deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to be at least equal to the amount of interest becoming due and payable on such Interest Payment Date on all Bonds then Outstanding.

(b) *Deposit to Principal Account*. The Trustee shall deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds coming due and payable on each June 1, including the aggregate principal amount of the Term Bonds (if any) which are subject to mandatory sinking fund redemption on such June 1 pursuant to Section 4.01(c) or any analogous provision in a Supplemental Indenture.

SECTION 5.03. Application of Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it comes due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

SECTION 5.04. Application of Principal Account. All amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal amount of the Bonds on their respective maturity dates, including the aggregate principal amount of the Term Bonds (if any) which are subject to mandatory sinking fund redemption on such June 1 pursuant to Section 4.01(c) or any analogous provision in a Supplemental Indenture.

SECTION 5.05. Application of Redemption Fund. The Trustee shall establish and maintain the Redemption Fund, into which the Trustee shall deposit a portion of the Revenues received representing optional prepayments of the Installment Payments, in accordance with a Written Request of the Authority. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal and premium (if any) of the Bonds to be redeemed under Sections 4.01(a) or (b); *provided, however*, that at any time prior to the selection of Bonds for redemption, the Trustee may apply such amounts to the purchase of Bonds at public or private sale, when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed under a Written Request of the Authority, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the Bonds. The Trustee shall be entitled to conclusively rely on any Written Request of the Authority received under this Section 5.05, and shall be fully protected in relying thereon.

SECTION 5.06. Investments. All moneys in any of the funds or accounts established with the Trustee under this Indenture shall be invested by the Trustee solely in Authorized Investments. Such investments shall be directed by the Authority under a Written Request of the Authority filed with the Trustee at least 2 Business Days in advance of the making of such investments. In the absence of any such directions from the Authority, the Trustee shall invest any such moneys in Authorized Investments described in clause (f) of the definition thereof. Authorized Investments purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. To the extent Authorized Investments are registrable, such Authorized Investments must be registered in the name of the Trustee.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the Bond Fund, provided that interest earnings on amounts on deposit in the Project Fund shall be retained therein unless the Authority otherwise directs in writing. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder. The Trustee or any of its affiliates may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made under this Section 5.06.

The Trustee may make any investments hereunder through its own bond or investment department or trust investment department, or those of its parent or any affiliate. The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder. The Trustee is hereby authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or is dealing as a principal for its own account.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority will not receive such confirmations to the extent permitted by law. The Trustee will furnish the Authority periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

The moneys on deposit in the funds and accounts established under this Indenture shall not be deemed "surplus" under Section 53601 of the Government Code.

SECTION 5.07. Valuation and Disposition of Investments.

(a) Except as otherwise provided in subsection (b) of this Section, the Authority covenants that all investments of amounts deposited in any fund or account created by or under this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Tax Code) shall be acquired, disposed of and valued at the Fair Market Value thereof as such term is defined in subsection (d) below. The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Authority in any Written Request of the Authority.

(b) Except as provided in the preceding subsection (b), for the purpose of determining the amount in any fund or account established hereunder, the value of Authorized Investments credited to such fund shall be valued by the Trustee at least annually on or before June 1. The Trustee may sell or present for redemption, any Authorized Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Authorized Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from any such Authorized Investment.

(d) For purposes of this Section 5.09, the term "Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, or (iii) the investment is a United States Treasury Security -- State and Local Government Series which is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

(e) To the extent of any valuations made by the Trustee hereunder, the Trustee may utilize and rely upon computerized securities pricing services that may be available to it, including those available through its regular accounting system.

ARTICLE VI

COVENANTS OF THE AUTHORITY

SECTION 6.01. Punctual Payment. The Authority shall punctually pay or cause to be paid the principal of and interest and premium (if any) on all the Bonds in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of the Revenues and other amounts pledged for such payment as provided in this Indenture.

SECTION 6.02. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which have not been so extended. Nothing in this Section 6.02 limits the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance does not constitute an extension of maturity of the Bonds.

SECTION 6.03. Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, and reserves the right to issue other obligations for such purposes.

SECTION 6.04. Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized under law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues and other amounts purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding special obligations of the Authority in accordance with their terms, and the Authority and the Trustee shall at all times, subject to the provisions of Article VIII and to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Bond Owners under this Indenture against all claims and demands of all persons whomsoever.

SECTION 6.05. Accounting Records. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of Bonds and all funds and accounts established under this Indenture. The Trustee shall make such books of record and account available for inspection by the Authority and the City during business hours, upon reasonable notice, and under reasonable circumstances.

SECTION 6.06. Limitation on Additional Obligations. The Authority covenants that no additional bonds, notes or other indebtedness, other than Additional Bonds, shall be issued or incurred which are payable out of the Revenues in whole or in part.

SECTION 6.07. Tax Covenants.

(a) Private Business Use Limitation. The Authority shall assure that the proceeds of the 2019 Bonds are not used in a manner which would cause the 2019 Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The Authority may not take any action or permit or suffer any action to be taken if the result of the same would be to cause the 2019 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The Authority may not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the 2019 Bonds or of any other obligations which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date, would have caused the 2019 Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code.

(d) Maintenance of Tax Exemption. The Authority shall take all actions necessary to assure the exclusion of interest on the 2019 Bonds from the gross income of the Owners of the 2019 Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

(e) Rebate of Excess Investment Earnings to United States. The Authority shall calculate or cause to be calculated all amounts of excess investment earnings with respect to the 2019 Bonds which are required to be rebated to the United States of America under Section 148(f) of the Tax Code, at the times and in the manner required under the Tax Code. The Authority shall pay when due an amount equal to excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code, such payments to be made from any source of legally available funds of the Authority. The Authority shall keep or cause to be kept, and retain or cause to be retained for a period of 6 years following the retirement of the 2019 Bonds, records of the determinations made under this subsection (e).

SECTION 6.08. Enforcement of Installment Sale Agreement. The Trustee shall promptly collect all amounts (to the extent any such amounts are available for collection) due from the City under the Installment Sale Agreement. Subject to the provisions of Article VIII, the Trustee shall enforce, and take all steps, actions and proceedings which the Trustee determines to be reasonably necessary for the enforcement of all of its rights thereunder as assignee of the Authority and for the enforcement of all of the obligations of the City under the Installment Sale Agreement.

SECTION 6.09. Waiver of Laws. The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

SECTION 6.10. Further Assurances. The Authority will make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the

better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Indenture.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.01. Events of Default. The following events constitute Events of Default hereunder:

(a) Failure to pay any installment of the principal of any Bonds when due, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.

(b) Failure to pay any installment of interest on the Bonds when due.

(c) Failure by the Authority to observe and perform any of the other covenants, agreements or conditions on its part contained in this Indenture or in the Bonds, if such failure has continued for a period of 60 days after written notice thereof, specifying such failure and requiring the same to be remedied, has been given to the Authority by the Trustee *provided, however*, if in the reasonable opinion of the Authority the failure stated in the notice can be corrected, but not within such 60 day period, such failure shall not constitute an Event of Default if the Authority institutes corrective action within such 60 day period and thereafter diligently and in good faith cures the failure in a reasonable period of time.

(d) The commencement by the Authority of a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

(e) The occurrence and continuation of an event of default under and as defined in the Installment Sale Agreement.

SECTION 7.02. Acceleration; Other Remedies. If any Event of Default occurs, then, and in each and every such case during the continuance of such Event of Default, the Trustee may, and shall, at the written direction of the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding shall, in each case, upon receipt of indemnification satisfactory to Trustee against the costs, expenses and liabilities to be incurred in connection with such action, upon notice in writing to the Authority, declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Bonds contained to the contrary notwithstanding.

The foregoing provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, the Authority shall pay to or shall deposit with the Trustee a sum sufficient to pay all principal of the Bonds maturing prior to such declaration and all matured installments of interest (if any) upon all the Bonds, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee, or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee, on behalf of the Owners of all of the Bonds, shall rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon; provided,

however, that no such rescission and annulment shall extend to or shall affect any subsequent Event of Default, or shall impair or exhaust any right or power consequent thereon.

In addition to declaring the principal of all of the Bonds, and the interest accrued thereon, to be immediately due and payable as set forth above, the Trustee shall have the right to pursue any other remedy provided by law or in equity or otherwise after an Event of Default has occurred.

SECTION 7.03. Application of Revenues and Other Funds After Default. If an Event of Default occurs and is continuing, all Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Indenture shall be applied by the Trustee in the following order of priority:

(a) To the payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its legal counsel including outside counsel and the allocated costs of internal attorneys) incurred in and about the performance of its powers and duties under this Indenture; and

(b) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping or otherwise noting thereon of the payment if only partially paid, or surrender thereof if fully paid) in accordance with the provisions of this Indenture, as follows:

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by acceleration or redemption, with interest on the overdue principal at the rate borne by the respective Bonds (to the extent permitted by law), and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference.

SECTION 7.04. Trustee to Represent Bond Owners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds, this Indenture and applicable provisions of any law. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of this Indenture.

SECTION 7.05. Limitation on Bond Owners' Right to Sue. Notwithstanding any other provision hereof, no Owner of any Bonds has the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Installment Sale Agreement or any other applicable law with respect to such Bonds, unless (a) such Owner has given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding have requested the Trustee in writing to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Owner or Owners have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee has failed to comply with such request for a period of 60 days after such written request has been received by, and said tender of indemnity has been made to, the Trustee; and (e) no direction inconsistent with such written request has been given to the Trustee during such 60 day period by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, this Indenture, the Installment Sale Agreement or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of this Indenture.

SECTION 7.06. Absolute Obligation of Authority. Nothing in Section 7.06 or in any other provision of this Indenture or in the Bonds contained affects or impairs the obligation of the Authority, which is absolute and unconditional, to pay the principal of and interest and premium (if any) on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon acceleration or call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

SECTION 7.07. Termination of Proceedings. In case any proceedings taken by the Trustee or by any one or more Bond Owners on account of any Event of Default have been discontinued or abandoned for any reason or have been determined adversely to the Trustee or the Bond Owners, then in every such case the Authority, the Trustee, the 2019 Bond Insurer, any other such Bond Insurer and the Bond Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Authority, the Trustee and the Bond Owners shall continue as though no such proceedings had been taken.

SECTION 7.08. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or any other Bond Insurer, or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

SECTION 7.09. No Waiver of Default. No delay or omission of the Trustee or any Owner of the Bonds to exercise any right or power arising upon the occurrence of any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient by the Trustee or the Bond Owners.

ARTICLE VIII

THE TRUSTEE

SECTION 8.01. Appointment of Trustee. U.S. Bank National Association is hereby appointed Trustee by the Authority for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture. The Authority will maintain a Trustee which is qualified under the provisions of the foregoing provisions of this Article VIII so long as any Bonds are Outstanding.

SECTION 8.02. Acceptance of Trusts; Removal and Resignation of Trustee. The Trustee hereby accepts the express trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Indenture and no implied duties or covenants shall be read into this Indenture against the Trustee.

(b) The Authority may remove the Trustee at any time, unless an Event of Default has occurred and is then continuing, and shall remove the Trustee (a) if at any time requested to do so by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (b) if at any time the Trustee ceases to be eligible in accordance with Section 8.02, or becomes incapable of acting, or is adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property is appointed, or any public officer takes control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Authority and the City, and by giving the Bond Owners notice of such resignation by mail at the addresses shown on the Bond Registration Books.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee has been appointed and accepted appointment within 45 days of giving notice of removal or notice of resignation as aforesaid, the Authority, upon its own direction or the direction of the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture, must signify its acceptance of such appointment by executing and delivering to the Authority and to its predecessor Trustee a written acceptance thereof, and after payment by the Authority of all unpaid fees and expenses of the predecessor Trustee, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein. At the Written Request of the Authority or the

request of the successor Trustee, such predecessor Trustee shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall promptly mail or cause the successor trustee to mail a notice of the succession of such Trustee to the trusts hereunder to each rating agency which is then rating the Bonds and to the Bond Owners at the addresses shown on the Bond Registration Books. If the Authority fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Authority.

(e) Any Trustee appointed under this Indenture shall be a corporation or association organized and doing business under the laws of any state or the United States of America or the District of Columbia, shall be authorized under such laws to exercise corporate trust powers, shall have (or, in the case of a corporation or association that is a member of a bank holding company system, the related bank holding company has) a combined capital and surplus of at least $50,000,000, and shall be subject to supervision or examination by a federal or state agency, so long as any Bonds are Outstanding. If such corporation or association publishes a report of condition at least annually under law or to the requirements of any supervising or examining agency above referred to, then for the purpose of this subsection (e), the combined capital and surplus of such corporation or association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If the Trustee at any time ceases to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

SECTION 8.03. Merger or Consolidation. Any bank, federal savings association, or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank, federal savings association, or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, federal savings association, or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank, federal savings association, or trust company shall be eligible under subsection (e) of Section 8.02 shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

SECTION 8.04. Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture, the Bonds or the Installment Sale Agreement, nor shall the Trustee incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations of Trustee herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on

the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence. The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

(b) The Trustee is not liable for any error of judgment made by a responsible officer, unless it is proved that the Trustee was grossly negligent in ascertaining the pertinent facts.

(c) The Trustee is not liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture or assigned to it hereunder.

(d) The Trustee is not liable for any action taken by it and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

(e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder, or any other event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default hereunder unless and until it shall have actual knowledge thereof, or a corporate trust officer shall have received written notice thereof at its Principal Corporate Trust Office from the City, the Authority or the Owners of at least 25% in aggregate principal amount of the Outstanding Bonds. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by the Authority or the City of any of the terms, conditions, covenants or agreements herein, under the Installment Sale Agreement or the Bonds or of any of the documents executed in connection with the Bonds, or as to the existence of a default or an Event of Default or an event which would, with the giving of notice, the passage of time, or both, constitute an Event of Default. The Trustee is not responsible for the validity, effectiveness or priority of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee shall not be required to ascertain or inquire as to the performance or observance by the City or the Authority of the terms, conditions, covenants or agreements set forth in the Installment Sale Agreement, other than the covenants of the City to make Installment Payments to the Trustee when due and to file with the Trustee when due, such reports and certifications as the City is required to file with the Trustee thereunder.

(f) No provision of this Indenture requires the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, receivers or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent, receiver or attorney appointed with due care by it hereunder.

(h) The Trustee has no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of the Bond Owners under this Indenture, unless the such Owners have offered to the Trustee reasonable security or indemnity against the costs,

expenses and liabilities (including but not limited to fees and expenses of its attorneys) which might be incurred by it in compliance with such request or direction. No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy.

(i) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee is subject to the provisions of Section 8.02(a), this Section 8.04 and Section 8.05, and shall be applicable to the assignment of any rights to the Trustee hereunder.

(j) The Trustee is not accountable to anyone for the subsequent use or application of any moneys which are released or withdrawn in accordance with the provisions hereof.

(k) The Trustee makes no representation or warranty, expressed or implied as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the Authority or the City of the 2019 Water Project. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Installment Sale Agreement or this Indenture for the existence, furnishing or use of the 2019 Water Project.

(l) The Trustee has no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(m) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources or energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(n) The Trustee agrees to accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Indenture of Trust, provided, however, that: (a) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, (b) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions, and (c) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person.

SECTION 8.05. Right to Rely on Documents. The Trustee shall be protected and shall incur no liability in acting or refraining from acting in reliance upon any notice, resolution, request, consent, order, certificate, report, opinion, bonds, requisition, facsimile transmission, electronic mail or other paper or document believed by them to be genuine and to have been signed or presented by the proper party or parties. The Trustee is under no duty to make any

investigation or inquiry as to any statements contained or matter referred to in any paper or document but may accept and conclusively rely upon the same as conclusive evidence of the truth and accuracy of any such statement or matter and shall be fully protected in relying thereon. The Trustee may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee may treat the Owners of the Bonds appearing in the Bond Registration Books as the absolute owners of the Bonds for all purposes and the Trustee shall not be affected by any notice to the contrary.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate, Written Request or Written Requisition of the Authority or the City, and such Written Certificate, Written Request or Written Requisition shall be full warrant to the Trustee for any action taken or suffered under the provisions of this Indenture in reliance upon such Written Certificate, Written Request or Written Requisition, and the Trustee shall be fully protected in relying thereon, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

SECTION 8.06. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its respective possession and in accordance with its retention policy then in effect and shall, upon reasonable notice to Trustee, be subject to the inspection of the Authority, the City, and any Bond Owner, and their agents and representatives duly authorized in writing, during business hours and under reasonable conditions as agreed to by the Trustee.

SECTION 8.07. Compensation and Indemnification. The Authority shall pay to the Trustee from time to time, on demand, the compensation for all services rendered under this Indenture and also all reasonable expenses, advances (including any interest on advances), charges, legal (including outside counsel and the allocated costs of internal attorneys) and consulting fees and other disbursements, incurred in and about the performance of its powers and duties under this Indenture.

The Authority shall indemnify the Trustee, its officers, directors, employees and agents against any cost, loss, liability or expense whatsoever (including but not limited to fees and expenses of its attorneys) incurred without negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of this trust and this Indenture, including costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder or under the Installment Sale Agreement. As security for the performance of the obligations of the Authority under this Section 8.07, the Trustee shall have a lien prior to the lien of the Bonds upon all property and funds held or collected by the Trustee as such. The rights of the Trustee and the obligations of the Authority under this Section 8.07 shall survive the resignation or removal of the Trustee or the discharge of the Bonds and this Indenture and the Installment Sale Agreement.

ARTICLE IX

MODIFICATION OR AMENDMENT HEREOF

SECTION 9.01. Amendments Permitted.

(a) Amendments With Bond Owner Consent. This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time by Supplemental Indenture, which the Authority and the Trustee may enter into when the written consents of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding are filed with the Trustee. No such modification or amendment may (i) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture except as permitted herein, or deprive the Owners of the Bonds of the lien created by this Indenture on such Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Owners of all of the Bonds then Outstanding. It is not necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it is sufficient if such consent approves the substance thereof.

(b) Amendments Without Owner Consent. This Indenture and the rights and obligations of the Authority, of the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority and the Trustee may enter into without the consent of any Bond Owners if the Trustee has been furnished an opinion of counsel that the provisions of such Supplemental Indenture shall not materially adversely affect the interests of the Owners of the Bonds, including, without limitation, for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Authority in this Indenture contained, other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority;

(ii) to cure any ambiguity, inconsistency or omission, or to cure or correct any defective provision, contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the Authority deems necessary or desirable, provided that such modification or amendment does not materially adversely affect the interests of the Bond Owners;

(iii) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute;

(iv) to modify, amend or supplement this Indenture in such manner as to assure that the interest on the Bonds remains excluded from gross income under the Tax Code; or

(v) to provide for the issuance of Additional Bonds pursuant to Section 3.06 hereof, including the addition of or revision to any provisions required with respect to Variable Rate Bonds.

(c) Limitation. The Trustee is not obligated to enter into any Supplemental Indenture authorized by subsections (a) or (b) of this Section 9.01 which materially adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

(d) Notice of Amendments. The Authority shall deliver or cause to be delivered a draft of any Supplemental Indenture to each rating agency which then maintains a rating on the Bonds, at least 10 days prior to the effective date of such Supplemental Indenture under this Section 9.01.

SECTION 9.02. Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture under this Article IX, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Authority, the Trustee, and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Indenture under this Article may, and if the Authority so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand on the Owner of any Bonds Outstanding at the time of such execution and presentation of his Bonds for the purpose at the Principal Corporate Trust Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Authority, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Authority and authenticated by the Trustee, and upon demand on the Owners of any Bonds then Outstanding shall be exchanged at the Principal Corporate Trust Office of the Trustee, without cost to any Bond Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same maturity.

SECTION 9.04. Amendment of Particular Bonds. The provisions of this Article IX do not prevent any Bond Owner from accepting any amendment as to the particular Bonds held by such Owner.

ARTICLE X

DEFEASANCE

SECTION 10.01. Discharge of Indenture. If the Authority shall pay and discharge any or all of the Outstanding Bonds in any one or more of the following ways:

(a) by well and truly paying or causing to be paid the principal of and interest and premium (if any) on such Bonds, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to this Indenture, is fully sufficient to pay such Bonds, including all principal, interest and redemption premiums; or

(c) by depositing with a qualified escrow holder, in escrow, Defeasance Obligations in such amount as the Authority (verified by an Independent Certified Public Accountant) shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to this Indenture and/or the Installment Sale Agreement, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums, if any) at or before their respective maturity dates;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption has been mailed pursuant to Section 4.03 or provision satisfactory to the Trustee has been made for the mailing of such notice, then, at the election of the Authority, and notwithstanding that any of such Bonds have not been surrendered for payment, the pledge of the Revenues and other funds provided for in this Indenture with respect to such Bonds, and all other pecuniary obligations of the Authority under this Indenture with respect to all such Bonds, shall cease and terminate, except only the obligation of the Authority to pay or cause to be paid to the Owners of such Bonds not so surrendered and paid all sums due thereon from amounts set aside for such purpose as aforesaid, and all expenses and costs of the Trustee. Notice of such election shall be filed with the Trustee.

Any funds thereafter held by the Trustee, which are not required for said purposes, shall be paid over to the Authority or the City.

Refunding bonds may be issued at any time without regard to whether an Event of Default exists.

To accomplish defeasance, the Authority shall cause to be delivered (i) a report of an Independent Certified Public Accountant verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or earlier redemption date ("Verification"), (ii) an escrow deposit agreement, and (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under this Indenture; each Verification and defeasance opinion shall be acceptable in form and substance to the Authority, and addressed, to the Authority and the Trustee.

SECTION 10.02. Unclaimed Funds. Notwithstanding any provisions of this Indenture, any moneys held by the Trustee in trust for the payment of the principal of, or interest on, any

Bonds and remaining unclaimed for 2 years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Indenture), if such moneys were so held at such date, or 2 years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to the Authority free from the trusts created by this Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the Authority as aforesaid, the Trustee shall (at the cost of the Authority) first mail to the Owners of Bonds which have not yet been paid, at the addresses shown on the Bond Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Liability of Authority Limited to Revenues. Notwithstanding anything in this Indenture or in the Bonds contained, the Authority is not required to advance any moneys derived from any source other than the Revenues and other assets pledged under this Indenture for any of the purposes in this Indenture mentioned, whether for the payment of the principal of or interest on the Bonds or for any other purpose of this Indenture. Nevertheless, the Authority may, but is not required to, advance for any of the purposes hereof any funds of the Authority which may be made available to it for such purposes.

SECTION 11.02. Limitation of Rights to Parties and Bond Owners. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Authority, the Trustee, the City and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the City and the Owners of the Bonds.

SECTION 11.03. Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with corporate trust industry standards to the extent practicable, and with due regard for the requirements of Section 6.05 and for the protection of the security of the Bonds and the rights of every Owner thereof. The Trustee may establish such funds and accounts as it deems necessary or appropriate to perform its obligations under this Indenture.

SECTION 11.04. Waiver of Notice; Requirement of Mailed Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in this Indenture any notice is required to be given by mail, such requirement may be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

SECTION 11.05. Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee, and the delivery to the Authority, of any Bonds, the Trustee may, in lieu of such cancellation and delivery, destroy such Bonds as may be allowed by law, and at the written request of the Authority the Trustee shall deliver a certificate of such destruction to the Authority.

SECTION 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained

herein. The Authority hereby declares that it would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

SECTION 11.07. Notices. All notices or communications to be given under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, confirmed by telephone, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority, the City or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the City or the Authority:	City of Milpitas 455 East Calaveras Blvd. Milpitas, CA 95035 Attention: Finance Director Telephone: (408) 586-3111 Fax: (408) 586-3110
If to the Trustee:	U.S. Bank National Association One California Street, Suite 1000 San Francisco, California 94111 Attention: Global Corporate Trust Services Telephone: (415) _____ Fax: (415) _____

SECTION 11.08. Evidence of Rights of Bond Owners. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Bond Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bond Owners in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and the Authority if made in the manner provided in this Section 11.08.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the Bond Registration Books.

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor

or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in accordance therewith or reliance thereon.

SECTION 11.09. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are known by the Trustee to be owned or held by or for the account of the Authority or the City, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City or any other obligor on the Bonds. In case of a dispute as to such right, the Trustee shall be entitled to rely upon the advice of counsel in any decision by Trustee and shall be fully protected in relying thereon.

Upon request, the Authority shall specify to the Trustee those Bonds disqualified under this Section 11.09.

SECTION 11.10. Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, premium, if any, or principal due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, *subject, however*, to the provisions of Section 10.04 but without any liability for interest thereon.

SECTION 11.11. Waiver of Personal Liability. No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal of or interest or premium (if any) on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

SECTION 11.12. Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the Authority, the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Authority, the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 11.13. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 11.14. Payment on Non-Business Day. In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and with the same effect as if made on such preceding non-Business Day.

SECTION 11.15. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the MILPITAS MUNICIPAL FINANCING AUTHORITY has caused this Indenture to be signed in its name by its Executive Director and attested to by its Secretary, and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

MILPITAS MUNICIAPL FINANCING AUTHORITY,
as Seller

By _____
Name: _____
Title: _____

U.S. BANK NATIONAL ASSOCIATION, *as Trustee*

By _____
Authorized Officer

APPENDIX A

BOND FORM

NO. R-_____ ***$_____***

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

MILPITAS MUNICIPAL FINANCING AUTHORITY
2019 WATER REVENUE BONDS

INTEREST RATE:	MATURITY DATE:	ORIGINAL ISSUE DATE:	CUSIP:
_____%	June 1, ____	_____ __, 2019	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: *** ***

The MILPITAS MUNICIPAL FINANCING AUTHORITY, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the "Authority"), for value received, hereby promises to pay to the Registered Owner specified above or registered assigns (the "Registered Owner"), on the Maturity Date specified above (subject to any right of prior redemption hereinafter provided for), the Principal Amount specified above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the 15th day of the month preceding such interest payment date, in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before May 15, 2020, in which event it shall bear interest from the Original Issue Date specified above; *provided, however*, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, at the Interest Rate per annum specified above, payable semiannually on June 1 and December 1 in each year, commencing June 1, 2020 (the "Interest Payment Dates"), calculated on the basis of a 360-day year composed of twelve 30-day months.

Principal hereof and premium, if any, upon early redemption hereof are payable upon presentation and surrender hereof at the corporate trust office of U.S. Bank National Association, in St. Paul, Minneapolis (the "Trust Office"), as trustee (the "Trustee"). Interest hereon is payable by check of the Trustee mailed to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books of the Trustee as of the close of business on the fifteenth day of the month preceding each Interest Payment Date (a "Record Date"), or, upon written request filed with the Trustee as of such Record Date by a

registered owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to an account in the United States designated by such registered owner in such written request.

This Bond is not a debt of the City of Milpitas (the "City"), the County of Santa Clara, the State of California, or any of its political subdivisions, and neither the City, said County, said State, nor any of its political subdivisions, is liable hereon nor in any event shall this Bond be payable out of any funds or properties of the Authority other than the Revenues.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "Milpitas Municipal Financing Authority 2019 Water Revenue Bonds (the "Bonds"), in an aggregate principal amount of $_____, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions) and all issued pursuant to the provisions of Articles 4 of Chapter 5, Division 7, Title 1 of the California Government Code, commencing with Section 6584 of said Code, and under an Indenture of Trust dated as of _____ 1, 2019 (the "Indenture"), between the Authority and the Trustee, and a resolution of the Authority adopted on _____, 2019, authorizing the issuance of the Bonds. Reference is hereby made to the Indenture (copies of which are on file at the office of the Authority) and all supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Authority thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Authority to finance certain improvement to the City's Water System. This Bond and the interest and premium, if any, hereon are special obligations of the Authority, payable from the Revenues, and secured by a charge and lien on the Revenues as defined in the Indenture, consisting principally of installment payments made by the City under an Installment Sale Agreement dated as of _____ 1, 2019, between the Authority and the City (the "Installment Sale Agreement"), which installment payments are secured by the Net Revenues of the Water System. As and to the extent set forth in the Indenture, all of the Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, to the payment of the principal of and interest and premium (if any) on the Bonds and any Additional Bonds, which may be issued only in accordance with the terms of the Indenture.

The rights and obligations of the Authority and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the owner of each Bond so affected.

The Bonds maturing on or before June 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The Bonds maturing on or after June 1, 20__, are subject to redemption in whole, or in part at the Written Request of the Authority among maturities on such basis as the Authority may designate and by lot within a maturity, at the option of the Authority, on any Interest Payment Date on or after June 1, 20__, from any available source of funds, at a redemption price equal the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

The Bonds are also subject to redemption as a whole, or in part by lot, on any date, to the extent of any net proceeds of hazard or title insurance with respect to the Water System or any portion thereof which are not used to repair or replace the Water System pursuant to the Installment Sale Agreement, or to the extent of any net proceeds arising from the disposition of the Water System or any portion thereof in eminent domain proceedings which the City elects to be used for such purpose pursuant to the Installment Sale Agreement, at a redemption price equal to the principal amount thereof plus interest accrued thereon to the date fixed for redemption, without premium.

The Bonds maturing June 1, 20__ and June 1, 20__ (the "Term Bonds") shall also be subject to redemption in whole, or in part by lot, on June 1 in each of the years as set forth in the following table, from deposits made for such purpose pursuant to the Indenture, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall be purchased pursuant to the Indenture, in the aggregate respective principal amounts and on the respective dates as set forth in the following table; provided, however, that if some but not all of the Term Bonds have been redeemed pursuant to the optional or mandatory redemption provisions described above, the total amount of all future payments with respect to such Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of $5,000 as determined by the Authority (written notice of which determination shall be given by the Authority to the Trustee).

Term Bonds Maturing June 1, 20__

Sinking Fund Redemption Date (June 1)	Principal Amount To Be Redeemed

Term Bonds Maturing June 1, 20__

Sinking Fund Redemption Date (June 1)	Principal Amount To Be Redeemed

As provided in the Indenture, notice of redemption will be mailed by the Trustee by first class mail not less than 20 nor more than 60 days prior to the redemption date to the respective owners of any Bonds designated for redemption at their addresses appearing on the registration books of the Trustee, but neither failure to receive such notice nor any defect in the notice so

mailed shall affect the sufficiency of the proceedings for redemption or the cessation of accrual of interest thereon from and after the date fixed for redemption.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Trust Office, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer, a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. This Bond may be exchanged at the Trust Office for Bonds of the same tenor, aggregate principal amount, interest rate and maturity, of other authorized denominations.

The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Authority or the Trustee for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

It is hereby certified by the Authority that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Indenture and the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Indenture or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Milpitas Municipal Financing Authority has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Executive Director and attested to by the facsimile signature of its Secretary, all as of the Original Issue Date specified above.

MILPITAS MUNICIPAL FINANCING AUTHORITY

By _____
Executive Director

Attest:

_____
Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

Dated:

U.S. BANK NATIONAL ASSOCIATION, *as Trustee*

By _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

_____

Note: Signature(s) must be guaranteed by an eligible guarantor institution.

_____

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

APPENDIX B

FORM OF
PROJECT FUND WRITTEN REQUISITION

WRITTEN REQUISITION NO.: _____

U.S. Bank National Association
One California Street, Suite 1000
San Francisco, California 94111
Attention: Global Corporate Trust Services

Re: $_____ Milpitas Municipal Financing Authority
2019 Water Revenue Bonds

Ladies and Gentlemen:

In accordance with the terms of an Indenture, dated as of _____ 1, 2019 (the "Indenture"), by and between you and the Milpitas Municipal Financing Authority, you are hereby authorized and requested to make immediate disbursement of funds held by you in the Project Fund for Project Costs (as defined in the Indenture) pursuant to Section 3.04 of the Indenture.

You are hereby requested to pay from the Project Fund established by the Indenture, to the person(s), corporation(s) or other entity(ies) designated on Schedule A attached hereto, in payment of all or a portion of the Project Costs, as described on said Schedule.

The undersigned hereby certifies that (i) no part of the amount requested herein has been included in any other request previously filed with you; (ii) to the knowledge of the undersigned, there has not been filed with or served upon the City any notice of any lien or attachment upon or claim (except for any preliminary notice of lien as may be filed in accordance with law) affecting the right of the person, corporation or other entity stated below to receive payment of the amount stated below, which lien has not been released or will not be released simultaneously with the payment requested hereunder; and (iii) the labor, services and/or materials covered hereby have been performed upon or furnished relating to the Project Costs and the payment requested herein is due and payable under a purchase order, contract or other authorization;

Dated**:** _____, 20__.

CITY OF MILPITAS

By:_____
Authorized Official

SCHEDULE A

Payee (include address)	Description of Costs	Amount

1005

INSTALLMENT SALE AGREEMENT

Dated as of _____ 1, 2019

between the

MILPITAS MUNICIPAL FINANCING AUTHORITY,
as Seller

and the

CITY OF MILPITAS,
as Purchaser

Relating to

$_____
Milpitas Municipal Financing Authority
2019 Water Revenue Bonds

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INSTALLMENT SALE AGREEMENT

This INSTALLMENT SALE AGREEMENT (this "Agreement"), dated as of _____ 1, 2019, is between the MILPITAS MUNICIPAL FINANCING AUTHORITY, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the "Authority"), as seller, and the CITY OF MILPITAS, a municipal corporation duly organized and existing under the laws of the State of California (the "City"), as purchaser.

B A C K G R O U N D :

1. The City presently owns, operates and/or contracts for facilities and property for the supply, treatment and distribution of water within the service area of the City (as further defined herein, the "Water System"), and the City wishes to raise funds to finance additional obligations of the Water System as described in Appendix B hereto (the "2019 Water Project").

2. The Authority has been organized for the purpose of assisting the City in its public purposes, and to that end the Authority is authorized to assist the City in financing the costs of acquisition, construction and installation of the 2019 Water Project.

3. In order to provide funds to finance the acquisition, construction and installation of the 2019 Water Project, the Authority has proposed to sell the 2019 Water Project to the City on an installment basis, and the City has proposed to purchase the 2019 Water Project from the Authority as provided in this Agreement.

4. The Authority will provide the necessary funds for the acquisition, construction and installation of the 2019 Water Project by issuing its Milpitas Municipal Financing Authority 2019 Water Revenue Bonds (the "2019 Bonds"), in the aggregate principal amount of $_____ under an Indenture of Trust dated as of _____ 1, 2019, by and between the Authority and U.S. Bank National Association, as trustee (the "Indenture"), and under the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the "Bond Law").

5. The debt service on the 2019 Bonds will be payable from Installment Payments made under this Agreement.

6. Repayment of the Installment Payments by the City shall be secured by a pledge of the Net Revenues of the Water System, on a parity with the pledge in favor of the holders of Parity Debt (as defined herein), if any.

7. The Authority and the City have both duly authorized the execution and delivery of this Agreement.

A G R E E M E N T :

In consideration of the foregoing and the material covenants hereinafter contained, the City and the Authority formally covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS; RULES OF INTERPRETATION

SECTION 1.1. Definitions. Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Agreement have the respective meanings given them in Article I of the Indenture.

SECTION 1.2. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1. Representations, Covenants and Warranties of the City. The City represents, covenants and warrants to the Authority and the Trustee as follows:

(a) Due Organization and Existence. The City is a municipal corporation duly organized and validly existing under the laws of the State of California, has full legal right, power and authority under said laws to enter into this Agreement and to carry out and consummate all transactions contemplated hereby and thereby, and by proper action the Council has duly authorized the execution and delivery of this Agreement.

(b) Due Execution. The officers of the City executing this Agreement are fully authorized to execute the same.

(c) Valid, Binding and Enforceable Obligations. This Agreement has been duly authorized, executed and delivered by the City and constitutes the legal, valid and binding agreement of the City enforceable against the City in accordance with its terms; except as the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and except as such enforceability may be subject to the exercise of judicial discretion in accordance with principles of equity.

(d) No Conflicts. The execution and delivery of this Agreement, the consummation of the transactions herein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the City is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially adversely affect the consummation of the transactions contemplated by this Agreement or the financial condition, assets, properties or operations of the City, including but not limited to the performance of the City's obligations under this Agreement.

(e) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the City or of the voters of the City, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Indenture, or the consummation of any transaction herein contemplated, except as have been obtained or made and as are in full force and effect.

(f) No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the City after reasonable investigation, threatened against or affecting the City or the assets, properties or operations of the City which, if determined adversely to the City or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Indenture, or upon the financial condition, assets, properties or operations of the City, and the City is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially adversely affect the consummation of the transactions contemplated by this Indenture, or the financial conditions, assets, properties or operations of the City, including but not limited to the payment and performance of the City's obligations under this Indenture.

(g) Encumbrances. There are no easements, encumbrances or interests with respect to the Water System or the 2019 Water Project that prohibit or materially impair the execution, delivery and performance of this Installment Sale Agreement or the acquisition or use of the 2019 Water Project or the use of the Water System.

SECTION 2.2. Representations, Covenants and Warranties of Authority. The Authority represents, covenants and warrants to the City and the Trustee as follows:

(a) Due Organization and Existence. The Authority is a joint exercise of powers authority organized and existing under the laws of the State of California, and has power to enter into this Agreement and the Indenture and to perform the duties and obligations imposed on it hereunder and thereunder. The Board of the Authority has duly authorized the execution and delivery of this Agreement and the Indenture.

(b) Due Execution. The representatives of the Authority executing this Agreement and the Indenture are fully authorized to execute the same.

(c) Valid, Binding and Enforceable Obligations. This Agreement and the Indenture have been duly authorized, executed and delivered by the Authority and constitute the legal, valid and binding agreements of the Authority, enforceable against the Authority in accordance with their respective terms; except as the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and except as such enforceability may be subject to the exercise of judicial discretion in accordance with principles of equity.

(d) No Conflicts. The execution and delivery hereof and of the Indenture, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the Authority is a party or by

which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Authority, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially adversely affect the consummation of the transactions contemplated hereby and by the Indenture or the financial condition, assets, properties or operations of the Authority, including but not limited to the performance of the Authority's obligations under this Agreement and the Indenture.

(e) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the Authority, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery hereof or of the Indenture, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the Authority after reasonable investigation, threatened against or affecting the Authority or the assets, properties or operations of the Authority which, if determined adversely to the Authority or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Agreement or the Indenture, or upon the financial condition, assets, properties or operations of the Authority, and the Authority is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially adversely affect the consummation of the transactions contemplated by this Agreement or the Indenture or the financial conditions, assets, properties or operations of the Authority, including but not limited to the performance of the Authority's obligations hereunder and under the Indenture.

(g) Encumbrances. To the best knowledge of the Authority, there are no easements, encumbrances or interests with respect to the Water System or the 2019 Water Project that prohibit or materially impair the execution, delivery and performance of this Installment Sale Agreement or the acquisition or use of the 2019 Water Project or the use of the Water System.

ARTICLE III

ISSUANCE OF 2019 BONDS; CONSTRUCTION OF 2019 WATER PROJECT

SECTION 3.1. The 2019 Bonds. The Authority shall cause the 2019 Bonds to be issued under the Indenture in the aggregate principal amount of $_____. The Trustee shall deposit the proceeds of sale of the 2019 Bonds received by it on the Closing Date in accordance with the Indenture. The City hereby approves the Indenture, the assignment thereunder to the Trustee of certain rights of the Authority, and the issuance of the 2019 Bonds.

SECTION 3.2. Deposit and Application of Funds. The proceeds received by the Trustee from the sale of the Bonds to the Original Purchaser shall be deposited in the respective funds and accounts, and in the respective amounts, as set forth in Section 3.02 of the Indenture.

SECTION 3.3. Acquisition and Construction of the 2019 Water Project. The Authority hereby agrees with due diligence to supervise and provide for, or cause to be supervised and provided for, the acquisition, construction and installation of the 2019 Water Project in accordance with the plans and specifications, purchase orders, construction contracts and other documents relating thereto and approved by the City under all applicable requirements of law. All contracts for, and all work relating to, the acquisition, construction and installation of the 2019 Water Project are subject to all applicable provisions of law relating to the acquisition and construction of public works by the City. The Authority expects that the 2019 Water Project will be completed on or before [[_____, 20__]]. The failure of the Authority to complete the 2019 Water Project by that date does not constitute an Event of Default hereunder or a grounds for termination hereof, nor does any such failure result in the diminution, abatement or extinguishment of the obligations of the City hereunder to pay the Installment Payments when due hereunder.

SECTION 3.4. Appointment of City as Agent. The Authority hereby appoints the City as its agent to carry out all phases of the acquisition, construction and installation of the 2019 Water Project under and in accordance with the provisions hereof. The City hereby accepts such appointment and assumes all rights, liabilities, duties and responsibilities of the Authority regarding the acquisition, construction and installation of the 2019 Water Project. As agent of the Authority hereunder, the City shall enter into, administer and enforce all purchase orders or other contracts relating to the 2019 Water Project. Payment of Project Costs shall be made by the City from amounts held by the Trustee in the Project Fund in accordance with the provisions of this Agreement and the provisions of the Indenture.

SECTION 3.5. Plans and Specifications. The City has the right to specify the exact scope, nature and identification of the 2019 Water Project and the respective components thereof. Before any payment is made for the 2019 Water Project or any component thereof from amounts on deposit in the Project Fund, the City must prepare detailed plans and specifications relating thereto. The City may from time to time amend any such plans and specifications, and thereby change or modify the description of the 2019 Water Project or any component thereof.

SECTION 3.6. Certificate of Completion. Upon the completion of the 2019 Water Project, but in any event not later than 30 days following such completion, an Authorized Representative of the City shall execute and deliver to the Authority and the Trustee a Written

Certificate of the City which (a) states that the construction of the 2019 Water Project has been substantially completed, (b) identifies the total Project Costs thereof, and (c) identifies the amounts, if any, to be reserved in the Project Fund for payment of future Project Costs.

ARTICLE IV

SALE OF PROJECTS; INSTALLMENT PAYMENTS

SECTION 4.1. Sale of 2019 Water Project. The Authority hereby sells, bargains and conveys the 2019 Water Project to the City, and the City hereby purchases the 2019 Water Project from the Authority, upon the terms and conditions set forth in this Agreement.

SECTION 4.2. Term. The Term of this Agreement commences on the Closing Date, and ends on [[_____ 1, 20__]], or such later or earlier date on which the Bonds cease to be Outstanding under and within the meaning of the Indenture.

SECTION 4.3. Title. Title to the 2019 Water Project, and each component thereof, shall be deemed conveyed by the Authority to and vested in the City upon the completion of the acquisition, construction and installation thereof. The Authority and the City will execute, deliver and cause to be recorded any and all documents reasonably required by the City to consummate the transfer of title to the Water System and the 2019 Water Project.

SECTION 4.4. Installment Payments.

(a) Obligation to Pay. The City hereby agrees to pay to the Authority, as the purchase price of the 2019 Water Project hereunder, the aggregate principal amount of _____ Dollars ($_____) together with interest (calculated on the basis of a 360-day year of twelve 30-day months) on the unpaid principal balance thereof, payable in semiannual installment payments in the respective amounts and on the respective Installment Payment Dates specified in Appendix A hereto.

The City shall deposit the Installment Payment coming due and payable on any Interest Payment Date with the Trustee, as assignee of the Authority under the Indenture, on the related Installment Payment Date (as set forth in Exhibit A hereto) in an amount which, together with amounts then held by the Trustee in the Installment Payment Fund, is equal to the full amount of such Installment Payment. The Installment Payments are secured by and payable solely from the sources specified in Section 4.5.

(b) Effect of Prepayment. If the City prepays all remaining Installment Payments in full under Section 7.2 or Section 7.3, or under the relevant provisions of any Supplemental Agreement, the City's obligations under this Agreement shall thereupon cease and terminate, including but not limited to the City's obligation to pay Installment Payments therefor under this Section 4.4; *provided, however,* that the City's obligations to compensate and indemnify the Trustee under Sections 4.7 and 5.2 will survive such prepayment. If the City prepays the Installment Payments in part but not in whole under Section 7.2 or Section 7.3, or under the relevant provisions of any Supplemental Agreement, the principal component of each succeeding Installment Payment will be reduced as provided in such Sections or in such Supplemental Agreement, and the interest component of each remaining Installment Payment will be reduced by the aggregate corresponding amount of interest which would otherwise be payable with respect to the Bonds thereby redeemed under the applicable provisions of the Indenture.

(c) Rate on Overdue Payments. If the City fails to make any of the payments required in this Section 4.4 and Section 4.8, the payment in default will continue as an obligation

of the City until fully paid, and the City agrees to pay the same with interest thereon, from the date of default to the date of payment, at the Overdue Rate.

(d) Assignment. The City understands and agrees that certain rights of the Authority, including but not limited to the right of the Authority to receive payment of the Installment Payments, have been assigned by the Authority to the Trustee in trust under the Indenture, for the benefit of the Owners of the Bonds, and the City hereby consents to such assignment. The Authority hereby directs the City, and the City hereby agrees, to pay to the Trustee at its Principal Corporate Trust Office, all payments payable by the City under this Section 4.4 and all amounts payable by the City under Article VII.

SECTION 4.5. Pledge and Application of Net Revenues.

(a) Pledge of Net Revenues. All of the Net Revenues and all moneys on deposit in the Water Fund and the funds and accounts established and held by the Trustee under the Indenture (other than the Project Fund and Cost of Issuance Fund) are hereby irrevocably pledged, charged and assigned to the punctual payment of the Installment Payments. Such pledge, charge and assignment constitute a lien on the Net Revenues and such other moneys for the payment of the Installment Payments in accordance with the terms hereof, on a parity with the pledge and lien which secures any Parity Debt.

(b) Deposit of Net Revenues Into Water Fund; Transfers to Make Payments. The City will establish and hold in trust the Water Fund, for the purposes and uses set forth herein. The City shall deposit all of the Gross Revenues in the Water Fund immediately upon receipt. The City shall apply amounts in the Water Fund as set forth in this Agreement and any Parity Debt Instruments. Amounts on deposit in the Water Fund shall be applied by the City to pay when due the following amounts in the following order of priority:

(i) all Maintenance and Operation Costs (including amounts reasonably required to be set aside in contingency reserves for Maintenance and Operation Costs) as such Maintenance and Operation Costs become due and payable;

(ii) to the Trustee (or other recipient set forth in a Parity Debt Instrument) the amount needed to pay the Installment Payments and principal of, and interest on, any Parity Debt;

(iii) to the Trustee (or other recipient set forth in a Parity Debt Instrument) the amount of any deficiency in any reserve fund established for any Bonds or Parity Debt, the notice of which deficiency has been given to the City in accordance with the Indenture and the related Parity Debt Instruments, on a pro rata basis; and

(iv) as long as all of the foregoing payments, allocations and transfers are made at the times and in the manner set forth above, any moneys remaining in the Water Fund may at any time be treated as surplus and applied for any lawful purpose.

(c) No Preference or Priority. Payment of the Installment Payments and the principal of and interest on any Parity Debt shall be made without preference or priority among the Installment Payments and such Parity Debt. If the amount of Net Revenues on deposit in

the Water Fund is at any time insufficient to enable the City to pay when due the Installment Payments and the principal of and interest on any Parity Debt, such payments shall be made on a pro rata basis.

(d) Budget and Appropriation of Installment Payments. During the Term of this Agreement, the City shall adopt all necessary budgets and make all necessary appropriations of the Installment Payments from the Net Revenues. If any Installment Payment requires the adoption by the City of any supplemental budget or appropriation, the City shall promptly adopt the same. The covenants on the part of the City contained in this subsection (d) constitute duties imposed by law and it is the duty of each and every public official of the City to take such actions and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in this subsection (d).

SECTION 4.6. Special Obligation of the City; Obligations Absolute. The City's obligation to pay the Installment Payments and any other amounts coming due and payable hereunder is a special obligation of the City limited solely to the Net Revenues. Under no circumstances is the City required to advance moneys derived from any source of income other than the Net Revenues and other sources specifically identified herein for the payment of the Installment Payments and such other amounts. No other funds or property of the City are liable for the payment of the Installment Payments and any other amounts coming due and payable hereunder.

The obligations of the City to pay the Installment Payments from the Net Revenues and to perform and observe the other agreements contained herein are absolute and unconditional and are not subject to any defense or any right of set-off, counterclaim or recoupment arising out of any breach by the Authority or the Trustee of any obligation to the City or otherwise with respect to the Water System, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the City by the Authority or the Trustee. Until all of the Installment Payments, all of the Additional Payments and all other amounts coming due and payable hereunder are fully paid or prepaid, the City (a) will not suspend or discontinue payment of any Installment Payments, Additional Payments or such other amounts, (b) will perform and observe all other agreements contained in this Agreement, and (c) will not terminate this Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Water System, failure to complete the acquisition and construction of the 2019 Water Project by the estimated completion date thereof, sale of the Water System, the taking by eminent domain of title to or temporary use of any component of the Water System, commercial frustration of purpose, any change in the tax law or other laws of the United States of America or the State of California or any political subdivision of either thereof, or any failure of the Authority or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture or this Agreement.

The foregoing provisions of this Section 4.6 do not release the Authority from the performance of any of the agreements on its part contained herein or in the Indenture, and if the Authority fails to perform any such agreements, the City may institute such action against the Authority as the City deems necessary to compel performance, so long as such action does not abrogate the obligations of the City contained in the preceding paragraph. The City may, however, at its cost and expense and in its name or in the name of the Authority, prosecute or defend any action or proceeding or take any other action involving third persons which the City

deems reasonably necessary in order to secure or protect the City's rights hereunder, and in such event the Authority shall cooperate fully with the City and shall take such action necessary to effect the substitution of the City for the Authority in such action or proceeding as the City may request.

SECTION 4.7. Additional Payments. In addition to the Installment Payments, the City shall pay when due the following amounts to the following parties:

(a) to the Authority, all costs and expenses incurred by the Authority to comply with the provisions of this Agreement and the Indenture;

(b) to the Trustee upon request therefor, all of its fees, costs and expenses payable as a result of the performance of and compliance with its duties hereunder or under the Indenture or any related documents;

(c) to the Authority and the Trustee, all amounts required to indemnify the Authority and the Trustee under Section 5.2 hereof and Section 8.07 of the Indenture; and

(d) all costs and expenses of auditors, engineers and accountants for professional services relating to the Water System or the Bonds.

The Additional Payments shall be payable from, but shall not be secured by a pledge or lien upon, the Net Revenues. The rights of the Trustee and the Authority under this Section 4.7, and the obligations of the City under this Section 4.7, shall survive the termination of this Agreement.

ARTICLE V

COVENANTS OF THE CITY

SECTION 5.1. Disclaimer of Warranties; Maintenance, Utilities and Taxes.

(a) The Trustee makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the City of the Project or any component thereof, or any other representation or warranty with respect to any of the Project or any component thereof. In no event is the Authority liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Agreement or the Indenture for the existence, furnishing, functioning or use of the Project.

(b) Throughout the Term of this Agreement, all improvement, repair and maintenance of the Water System shall be the responsibility of the City, and the City shall pay for or otherwise arrange for the payment of all utility services supplied to the Water System, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, Water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Water System resulting from ordinary wear and tear.

The City shall also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Authority or the City affecting the Water System or the respective interests or estates therein; provided, however, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are required to be paid during the Term of this Agreement as and when the same become due.

SECTION 5.2. Release and Indemnification Covenants. The City agrees to indemnify the Authority and the Trustee and their respective officers, agents, successors and assigns, against all claims, losses and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management of, or from any work or thing done on or about the Water System by the City, (b) any breach or default on the part of the City in the performance of any of its obligations under this Agreement or the Indenture, (c) any act or omission of the City or of any of its agents, contractors, servants, employees or licensees with respect to the Water System, and (d) any act or omission of any lessee of the City with respect to the Water System. No indemnification is made under this Section 5.2 or elsewhere in this Agreement for willful misconduct or negligence under this Agreement by the Authority, or the Trustee, or their respective officers, agents, employees, successors or assigns. The provisions of this Section 5.2 shall survive the expiration of the Term of this Agreement.

SECTION 5.3. Sale or Eminent Domain of Water System.

(a) The City will not sell, lease or otherwise dispose of the Water System or any part thereof essential to the proper operation of the Water System or to the maintenance of the Net Revenues except as herein expressly permitted. The City will not enter into any lease or agreement which impairs the operation of the Water System or any part thereof necessary to secure adequate Net Revenues for the payment of the interest on and principal or redemption price, if any, on the Bonds, or which would otherwise impair the rights of the holders of the Bonds with respect to the Net Revenues or the operation of the Water System. Any real or personal property which has become non-operative or which is not needed for the efficient and

proper operation of the Water System, or any material or equipment which has worn out, may be sold at not less than the market value thereof without the consent of the holders of the Bonds if such sale will not reduce Net Revenues and if all of the Net Proceeds of such sale are deposited in the Water Fund.

(b) If all or any part of the Water System shall be taken by eminent domain proceedings, the Net Proceeds realized by the City therefrom shall be deposited by the City with the Trustee in a special fund in trust and applied by the City (a) to the cost of acquiring or constructing or financing Improvements to the Water System, or (b) to redeem Bonds or any Parity Debt in accordance with the Indenture or the applicable Parity Debt Instruments.

SECTION 5.4. Insurance. The City covenants that it shall at all times maintain such insurance on the Water System as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to such works or properties.

Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing and shall be payable to the City, or may be in the form of self-insurance by the City. The City shall establish such fund or funds or reserves as it determines, in its sole judgment, are necessary to provide for its share of any such self-insurance.

All amounts collected from insurance against accident to or destruction of any portion of the Water System shall be used to repair or rebuild such damaged or destroyed portion of the Water System, and to the extent not so applied, shall be applied to redeem Bonds or any Parity Debt in accordance with the Indenture or the applicable Parity Debt Instruments.

SECTION 5.5. Records and Accounts. The City covenants that it shall keep proper books of record and accounts of the Water System, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Water System. Said books shall, upon reasonable request, be subject to the inspection of the Owners of not less than 10% of the Outstanding Bonds or their representatives authorized in writing.

The City covenants that it will cause the books and accounts of the Water System to be audited annually by an Independent Certified Public Accountant and will make available for inspection by the Bond Owners at the Principal Corporate Trust Office of the Trustee, upon reasonable request, a copy of the report of such Independent Certified Public Accountant.

The City covenants that it will cause to be prepared annually, not more than 180 days after the close of each Fiscal Year, as a part of its regular annual financial report, a summary statement showing the amount of Gross Revenues and the amount of all other funds collected which are required to be pledged or otherwise made available as security for payment of principal of and interest on the Bonds, the disbursements from the Gross Revenues and other funds in reasonable detail. The City shall furnish a copy of the statement to the Trustee, and upon written request, to any Bond Owner.

SECTION 5.6. Rates and Charges.

(a) The City shall fix, prescribe, revise and collect Charges for the Water System during each Fiscal Year which are at least sufficient, after making allowances for contingencies and error in the estimates, to produce Gross Revenues (excluding connection fees and

transfers to the Water Fund from the Rate Stabilization Fund) which will be sufficient to pay the following amounts:

(i) all Maintenance and Operation Costs of the Water System estimated by the City to become due and payable in such Fiscal Year;

(ii) the Installment Payments and debt service on any Parity Debt;

(iii) all other payments required for compliance with this Agreement, the Indenture and the Parity Debt Instruments; and

(iv) all payments required to meet any other obligations of the City that are charges, liens, encumbrances upon or payable from the Gross Revenues of the Water System or the Net Revenues of the Water System.

(b) In addition, the City shall fix, prescribe, revise and collect Charges for the Water System during each Fiscal Year which are sufficient to yield Net Revenues (including, for clarity, connection fees and transfers into the Water Fund from the Rate Stabilization Fund in such Fiscal Year (after deducting amounts transferred into the Rate Stabilization Fund from Gross Revenues received by the City in such Fiscal Year)) at least equal to 115% of the amounts payable under the preceding clause (a)(ii) in such Fiscal Year. For purposes of this paragraph, the amount of Net Revenues for a Fiscal Year will be computed on the basis that any transfers into the Water Fund in such Fiscal Year from the Rate Stabilization Fund are included in the calculation of Net Revenues (except to the extent of amounts transferred into the Rate Stabilization Fund from Gross Revenues received by the City in such Fiscal Year), as provided in this Agreement.

SECTION 5.7. Superior and Subordinate Obligations. The City may not issue or incur any additional bonds or other obligations during the Term of this Agreement having any priority in payment of principal or interest out of the Net Revenues over the Installment Payments. Nothing herein is intended or shall be construed to limit or affect the ability of the City to issue, enter into or incur (a) Parity Debt under Section 5.8, or (b) obligations which are either unsecured or which are secured by an interest in the Net Revenues which is junior and subordinate to the pledge of and lien upon the Net Revenues established hereunder.

SECTION 5.8. Issuance of Parity Debt. In addition to the Installment Payments, the City may, by a Parity Debt Instrument, issue or incur other loans, advances or indebtedness payable from Net Revenues to be derived from the Water System, to provide financing for the Water System, in such principal amount as shall be determined by the City. The City may issue or incur any such Parity Debt subject to the following specific conditions that are hereby made conditions precedent to the issuance and delivery of such Parity Debt:

(a) The City shall be in compliance with all covenants set forth in this Agreement and in the Indenture.

(b) The Net Revenues of the Water System, calculated on generally accepted accounting principles, as shown by the books of the City for the latest Fiscal Year or any more recent 12-month period selected by the City ending not more than 60 days prior to the adoption of the Parity Debt Instrument pursuant to which such Parity Debt are issued, as shown by the books of the City, plus, at the option of the City, any or all of the items hereinafter in this paragraph designated (i) and (ii), shall at least equal

115% of Maximum Annual Debt Service, with Maximum Annual Debt Service calculated on all bonds and other obligations to be outstanding immediately subsequent to the issuance of such Parity Debt which have a lien on Net Revenues of the Water System. The items any or all of which may be added to such Net Revenues for the purpose of issuing or incurring Parity Debt hereunder are the following:

(i) An allowance for Net Revenues from any additions to or improvements or extensions of the Water System to be made with the proceeds of such Parity Debt, and also for Net Revenues from any such additions, improvements or extensions which have been made from moneys from any source but in any case which, during all or any part of such Fiscal Year or such 12-month period, were not in service, all in an amount equal to 90% of the estimated additional average annual Net Revenues to be derived from such additions, improvements and extensions for the first 36-month period in which each addition, improvement or extension is respectively to be in operation, all as shown in the written report of an Independent Consultant engaged by the City; and

(ii) An allowance for revenues projected to arise from any increase in the Charges which has been approved by the Council prior to the incurring of such additional indebtedness but which, during all or any part of such Fiscal Year or such 12-month period, was not in effect, in an amount equal to the amount by which the Net Revenues would have been increased if such increase in Charges had been in effect during the whole of such Fiscal Year or such 12-month period, all as shown in the written report of an Independent Consultant engaged by the City. For the avoidance of doubt, a Charge shall be considered to have been approved by the Council and may be considered in the calculation of the allowance described in the previous sentence if the Charge is part of a multi-year rate increase that has been approved by the Council, even if the specific Charge will not take effect until a subsequent Fiscal Year.

(c) The Parity Debt Instrument providing for the issuance of such Parity Debt under this Section 5.8 shall:

(i) Provide that the proceeds of such Parity Debt shall be applied to the acquisition, construction, improvement, financing or refinancing of additional facilities, improvements or extensions of existing facilities within the Water System, or otherwise for facilities, improvements or property which the City determines are of benefit to the Water System, or for the purpose of refunding any Parity Debt in whole or in part, including all costs (including costs of issuing such Parity Debt and including capitalized interest on such Parity Debt during any period which the City deems necessary or advisable) relating thereto;

(ii) specify the date on which interest on such Parity Debt will be payable; and

(iii) specify the date on which principal on such Parity Debt will be payable.

(d) Notwithstanding the foregoing, Parity Debt proposed to be issued for the purpose of refunding any Parity Debt may be issued without compliance with subsection

(b) and (c)(i), so long as such refunding results in lower Debt Service in each Fiscal Year after such refunding and the final maturity (or termination) date of the refunding Parity Debt is no later than the final maturity (or termination) date of the refunded Parity Debt.

SECTION 5.10. Maintenance and Operation of Water System in Efficient and Economical Manner. The City covenants and agrees to maintain and operate the Water System in an efficient and economical manner and to operate, maintain and preserve the Water System in good repair and working order.

SECTION 5.11. Assignment and Amendment. The Authority and the City may at any time amend or modify any of the provisions of this Agreement, but only: (a) with the prior written consents of the Owners of a majority in aggregate principal amount of the Outstanding Bonds; or (b) without the consent of the Trustee or any of the Bond Owners, but only if such amendment or modification is for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City contained in this Agreement, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the City;

(ii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained herein, to conform to the original intention of the City and the Authority;

(iii) to modify, amend or supplement this Agreement in such manner as to assure that the interest on the Bonds remains excluded from gross income under the Tax Code (provided that this provision shall not apply to bonds the interest on which is intended to be included in gross income for purposes of federal income taxation);

(iv) in any other respect whatsoever as the Authority and the City deem necessary or desirable, if in the opinion of Bond Counsel such modifications or amendments do not materially adversely affect the interests of the Owners of the Bonds; and

(v) to provide for the issuance of Parity Debt pursuant to Section 5.8 hereof, including the addition of any provisions required with respect to Parity Debt relating to Variable Rate Bonds, and to Swap Agreements.

No such modification or amendment may extend or have the effect of extending any Installment Payment Date or reducing any Installment Payment or any premium payable upon the prepayment thereof, without the express consent of the Owners of the affected Bonds, or modify any of the rights or obligations of the Trustee without its written assent thereto.

SECTION 5.12. Continuing Disclosure. The City hereby covenants and agrees to comply with and carry out all of the provisions of each Continuing Disclosure Certificate, as originally executed as of the date of issuance and delivery of the Bonds, and as it may be amended from time to time in accordance with its terms. The City shall direct the Dissemination Agent to provide all Annual Reports and notices of Listed Events to the Insurer, when and as such documents are provided by the City under the Continuing Disclosure Certificate. Notwithstanding any other provision of this Agreement, failure by the City to comply with the

Continuing Disclosure Certificate shall not constitute a default hereunder or under the Indenture of Trust; *provided, however*, that any Participating Underwriter or any Owner or beneficial owner of the Bonds may take such action as may be necessary and appropriate to compel performance by the City of its obligations under this Section 5.12, including seeking mandamus or specific performance by court order. All capitalized terms used but not defined in this Section 5.12 shall have the meanings given in the Continuing Disclosure Certificate.

SECTION 5.13. Rate Stabilization Fund. The City has the right at any time to establish a rate stabilization fund (the "Rate Stabilization Fund") to be held by it and administered in accordance with this Section 5.13, for the purpose of stabilizing the rates and charges imposed by the City with respect to the Water System. From time to time the City may deposit amounts in the Rate Stabilization Fund, from any source of legally available funds, including but not limited to Net Revenues that are released from the pledge and lien which secures the Installment Payments and any Parity Debt, as the City may determine.

The City may, but is not required to, withdraw from any amounts on deposit in a Rate Stabilization Fund and deposit such amounts in the Water Fund in any Fiscal Year for the purpose of paying Debt Service coming due and payable in such Fiscal Year. Amounts so transferred from a Rate Stabilization Fund to the Water Fund shall constitute Gross Revenues for such Fiscal Year (except to the extent of amounts transferred into the Rate Stabilization Fund from Gross Revenues received by the City in such Fiscal Year), and shall be applied for the purposes of the Water Fund. Amounts on deposit in a Rate Stabilization Fund shall not be pledged to or otherwise secure the Installment Payments or any Parity Debt. All interest or other earnings on deposits in a Rate Stabilization Fund shall be withdrawn therefrom at least annually and accounted for as Gross Revenues in the Water Fund. The City has the right at any time to withdraw any or all amounts on deposit in a Rate Stabilization Fund and apply such amounts for any lawful purposes of the City.

ARTICLE VI

EVENTS OF DEFAULT

SECTION 6.1. Events of Default Defined. The following events constitute Events of Default hereunder:

(a) Failure by the City to pay any Installment Payment when due and payable hereunder.

(b) Failure by the City to pay any Additional Payment when due and payable hereunder, and the continuation of such failure for a period of 30 days.

(c) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in the preceding clauses (a) or (b), for a period of 60 days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Authority or the Trustee; *provided, however,* that if the City notifies the Authority and the Trustee that in its reasonable opinion the failure stated in the notice can be corrected, but not within such 60-day period, such failure will not constitute an event of default hereunder if the City commences to cure such failure within such 60 day period and thereafter diligently and in good faith cures the failure in a reasonable period of time.

(d) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

(e) The occurrence of any event defined to be an event of default under any Parity Debt Instruments.

SECTION 6.2. Remedies on Default. If an Event of Default occurs and is continuing, the Trustee as assignee of the Authority has the right, at its option and without any further demand or notice, to take any one or more of the following actions:

(a) Declare all principal components of the unpaid Installment Payments, together with accrued interest thereon at the Overdue Rate from the immediately preceding Interest Payment Date on which payment was made, to be immediately due and payable, whereupon the same shall immediately become due and payable.

Notwithstanding the foregoing provisions of this subsection (a), the Trustee shall rescind and annul such declaration and its consequences if, before any judgment or decree for the payment of the moneys due has been obtained or entered, (i) the City deposits with the Trustee a sum sufficient to pay all principal components of the Installment Payments coming due prior to such declaration and all matured interest components (if any) of the Installment Payments, with

interest on such overdue principal and interest components calculated at the Overdue Rate, and (ii) the City pays the reasonable expenses of the Trustee (including any fees and expenses of its attorneys), and (iii) any and all other defaults known to the Trustee (other than in the payment of the principal and interest components of the Installment Payments due and payable solely by reason of such declaration) have been made good. No such rescission and annulment will extend to or shall affect any subsequent default, or impair or exhaust any right or power consequent thereon.

(b) Take whatever action at law or in equity may appear necessary or desirable to collect the Installment Payments then due or thereafter to become due during the Term of this Agreement, or enforce performance and observance of any obligation, agreement or covenant of the City under this Agreement.

(c) As a matter of right, in connection with the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and the Bond Owners hereunder, cause the appointment of a receiver or receivers of the Gross Revenues and other amounts pledged hereunder, with such powers as the court making such appointment may confer.

SECTION 6.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive. Every such remedy is cumulative and in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default impairs any such right or power or operates as a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article VI, it is not necessary to give any notice, other than such notice as may be required in this Article VI or by law.

SECTION 6.4. Agreement to Pay Attorneys' Fees and Expenses. If either party to this Agreement defaults under any of the provisions hereof and the nondefaulting party, the Trustee or the Owner of any Bonds employs attorneys or incurs other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party, the Trustee or such Owner, as the case may be, the reasonable fees of such attorneys and such other expenses so incurred. The provisions of this Section 6.4 survive the expiration of the Term of this Agreement.

SECTION 6.5. No Additional Waiver Implied by One Waiver. If any agreement contained in this Agreement is breached by either party and thereafter waived by the other party, such waiver is limited to the particular breach so waived and does not waive any other breach hereunder.

SECTION 6.6. Trustee and Bond Owners to Exercise Rights. Such rights and remedies as are given to the Authority under this Article VI have been assigned by the Authority to the Trustee under the Indenture, to which assignment the City hereby consents. Such rights and remedies shall be exercised by the Trustee and the Owners of the Bonds as provided in the Indenture.

ARTICLE VII

PREPAYMENT OF INSTALLMENT PAYMENTS

SECTION 7.1. Security Deposit. Notwithstanding any other provision hereof, the City may on any date secure the payment of Installment Payments, in whole or in part, by irrevocably depositing with the Trustee an amount of cash which, together with other available amounts, is either:

(a) sufficient to pay all such Installment Payments, including the principal and interest components thereof, when due under Section 4.4(a), or

(b) invested in whole or in part in non-callable Defeasance Obligations in such amount as will, in the opinion of an Independent Certified Public Accountant (which opinion is addressed and delivered to the Trustee), together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay all such Installment Payments when due under Section 4.4(a) or when due on any optional prepayment date under Section 7.2, as the City instructs at the time of said deposit.

If the City makes a security deposit under this Section for the payment of all remaining Installment Payments, all obligations of the City hereunder, and the pledge of Net Revenues and all other security provided by this Agreement for said obligations, will thereupon cease and terminate, excepting only the obligation of the City to make, or cause to be made, all Installment Payments from the security deposit. The security deposit will be deemed to be and will constitute a special fund for the payment of the Installment Payments in accordance with the provisions hereof.

SECTION 7.2. Optional Prepayment Relating to the 2019 Bonds. The City may exercise its option to prepay the principal components of the Installment Payments relating to the 2019 Bonds in whole or in part on any date on or after [[_____ 1, 20__]]. The City may exercise such option by payment of a prepayment price equal to the sum of (a) the aggregate principal components of the Installment Payments relating to the 2019 Bonds to be prepaid, (b) the interest component of the Installment Payment relating to the 2019 Bonds required to be paid on or accrued to such date, and (c) the premium (if any) then required to be paid upon the corresponding redemption of the 2019 Bonds under Section 4.01(a) of the Indenture. The Trustee shall deposit the prepayment price in the Installment Payment Fund to be applied to the redemption of 2019 Bonds under Section 4.01(a) of the Indenture. If the City prepays the Installment Payments in part but not in whole, the principal components will be prepaid among such maturities and in such integral multiples of $5,000 as the City designates in written notice to the Trustee.

SECTION 7.3. Mandatory Prepayment From Proceeds of Insurance, Sale or Condemnation. The City shall prepay the Installment Payments on any date, in whole, or in part among maturities on a pro rata basis in any integral multiple of $5,000, from and to the extent of any proceeds of insurance, sale or condemnation awards with respect to the Water System theretofore paid to the Trustee for such purpose under Sections 5.3 or 5.4. The City and the Authority hereby agree that such proceeds, to the extent remaining after payment of any delinquent Installment Payments, will be deposited in the Installment Payment Fund and credited towards the City's obligations under this Section 7.3.

SECTION 7.4. Credit for Amounts on Deposit. If the City prepays the Installment Payments in full under this Article VII, such that the Indenture is discharged by its terms as a result of the prepayment, and upon payment in full of all Additional Payments and other amounts then due and payable hereunder, all available amounts then on deposit in the funds and accounts established under the Indenture shall be credited towards the amounts then required to be so prepaid.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.1. Further Assurances. The City agrees that it will execute and deliver any and all such further agreements, instruments, financing statements or other assurances as may be reasonably necessary or requested by the Authority or the Trustee to carry out the intention or to facilitate the performance of this Agreement, including, without limitation, to perfect and continue the security interests herein intended to be created.

SECTION 8.2. Notices. Any notice, request, complaint, demand or other communication under this Agreement must be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopier or other form of telecommunication, at its number set forth below. Notice is effective either (a) upon transmission by fax or other form of telecommunication, (b) upon actual receipt after deposit in the United States of America mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority, the City and the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the City or the Authority:	City of Milpitas 455 East Calaveras Blvd. Milpitas, CA 95035 Attention: Finance Director Telephone: (408) 586-3111 Fax: (408) 586-3110
If to the Trustee:	U.S. Bank National Association One California Street, Suite 1000 San Francisco, California 94111 Attention: Global Corporate Trust Services Telephone: (415) _____ Fax: (415) _____

SECTION 8.3. Governing Law. This Agreement will be construed in accordance with and governed by the laws of the State of California.

SECTION 8.4. Binding Effect. This Agreement inures to the benefit of and is binding upon the Authority and the City and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 8.5. Severability of Invalid Provisions. If any one or more of the provisions contained in this Agreement are for any reason held to be invalid, illegal or unenforceable in any respect, then such provision or provisions will be deemed severable from the remaining provisions contained in this Agreement and such invalidity, illegality or unenforceability will not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority and the City each hereby declares that it would have entered into this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Agreement may be held illegal, invalid or unenforceable.

SECTION 8.6. Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, are solely for convenience of reference and do not affect the meaning, construction or effect of this Agreement. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender mean and include words of the feminine and neuter genders.

SECTION 8.7. Payment on Non-Business Days. Whenever any payment is required to be made hereunder on a day that is not a Business Day, such payment shall be made on the immediately preceding Business Day.

SECTION 8.8. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which will for all purposes be deemed to be an original and all of which together constitute but one and the same instrument.

SECTION 8.9. Waiver of Personal Liability. No member of the Council, officer, agent or employee of the City has any individual or personal liability for the payment of Installment Payments or Additional Payments or be subject to any personal liability or accountability by reason of this Agreement; but nothing herein contained relieves any such member of the Council, officer, agent or employee from the performance of any official duty provided by law or by this Agreement.

SECTION 8.10. Trustee as Third Party Beneficiary. The Trustee is hereby made a third party beneficiary hereof and is entitled to the benefits of this Agreement with the same force and effect as if the Trustee was a party hereto.

IN WITNESS WHEREOF, the Authority and the City have caused this Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

MILPITAS MUNICIPAL FINANCING AUTHORITY,
as Seller

By _____
Name: _____
Title: _____

CITY OF MILPITAS, *as Purchaser*

By _____
Name: _____
Title: _____

APPENDIX A

SCHEDULE OF INSTALLMENT PAYMENTS

Interest Payment Date[(1)]	Principal Component	Interest Component	Total Payment

(1) Installment Payment Dates are the third (3rd) Business Day immediately preceding each Interest Payment Date shown in the table.

APPENDIX B

DESCRIPTION OF 2019 Water Project

The 2019 Water Project will consist of the following improvements, and any other improvements to the Water System approved by the Council:

Capital improvement projects identified in the Water System's capital improvement program, including well upgrades, seismic improvements, supervisory control and data acquisition (SCADA) systems, and pipeline extensions and replacements.

$_____
MILPITAS MUNICIPAL FINANCING AUTHORITY
2019 Water Revenue Bonds

BOND PURCHASE AGREEMENT

October 24, 2019

Milpitas Municipal Financing Authority
455 East Calaveras Boulevard
Milpitas, CA 95035

City of Milpitas
455 East Calaveras Boulevard
Milpitas, CA 95035

Ladies and Gentlemen:

The undersigned, an authorized representative of Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter"), hereby offers to enter into this bond purchase agreement (the "Bond Purchase Agreement") with the Milpitas Municipal Financing Authority (the "Authority") and the City of Milpitas (the "City"). Upon the acceptance hereof by the Authority and the City, this offer will be binding upon the Authority, the City and the Underwriter. This offer is made subject to (a) the written acceptance hereof by the Authority and the City, and (b) withdrawal by the Underwriter upon written notice (given electronically or otherwise) delivered to the Authority and the City at any time prior to the acceptance hereof by each of the Authority and the City.

The Authority and City acknowledge and agree that: (i) the primary role of the Underwriter, as an underwriter, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the Authority and City and the Underwriter and the Underwriter has financial and other interests that differ from those of the Authority and City; (ii) the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisors or fiduciary to the Authority or City and has not assumed any advisory or fiduciary responsibility to the Authority or City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters); (iii) the only obligations the Underwriter has to the Authority and City with respect to the transaction contemplated hereby expressly are set forth in this Bond Purchase Agreement; and (iv) each of the Authority and City has consulted with its own financial and/or municipal, legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

The Authority and the City hereby acknowledge receipt from the Underwriter of disclosures required by the Municipal Securities Rulemaking Board ("MSRB") Rule G-17 (as set forth in MSRB Notice 2012-25 (May 7, 2012), relating to disclosures concerning the Underwriter's role in the transaction, disclosures concerning the Underwriter's compensation, conflict disclosures, if any, and disclosures concerning a complex municipal securities financing, if any.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase on the Closing Date (as defined herein), and the Authority hereby agrees to sell and deliver to the Underwriter on the Closing Date, the $_____ aggregate principal amount of Milpitas Municipal Financing Authority 2019 Water Revenue Bonds (the "Bonds").

The Bonds shall be dated their date of delivery, and shall have the maturities, bear interest at the rates, have reoffering yields, and be subject to the redemption terms as shown on Exhibit A hereto.

The aggregate purchase price to be paid by the Underwriter for the Bonds is hereby agreed to be $_____, which amount represents the principal amount of the Bonds of $_____.00, less $_____, representing the Underwriter's discount, plus $_____, representing [net] original issue premium. Such payment and delivery of the Bonds and the other actions contemplated hereby to take place at the time of such payment and delivery are herein sometimes called the "Closing" or "Closing Date."

The Bonds are being issued pursuant to Article 4, Chapter 5, Division 7, Title 1 of the California Government Code (the "Marks-Roos Act"), a resolution of the Authority authorizing the issuance of the Bonds, adopted on October 15, 2019 (the "Authority Resolution"), and an Indenture, dated as of November 1, 2019 (the "Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee").

All capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in Section 1.01 of the Indenture.

The Bonds are being issued by the Authority to (a) finance the acquisition and construction of additions, betterments, extensions and improvements to the City's municipal water system (the "Water System"), and (b) pay costs of issuance of the Bonds.

The Bonds are special obligations of the Authority payable from revenues (the "Revenues"), consisting primarily of installment payments (the "Installment Payments") payable by the City under an installment sale agreement, dated as of November 1, 2019, between the Authority, as seller, and the City, as purchaser (the "Installment Sale Agreement").

The City is legally required under the Installment Sale Agreement to make Installment Payments from a first and prior lien on the Net Revenues of the Water System. "Net Revenues" with respect to the Water System as, for any period of computation, the amount of the Gross Revenues during such period, less the amount of Maintenance and Operation Costs of the Water System during such period. The Installment Payments are scheduled in an amount sufficient to pay, when due, the principal of and interest on the Bonds. In addition to the Installment Payments, Net Revenues are pledged, as a first and prior lien thereon, to payments with respect to payments with respect to any parity obligations hereafter issued or incurred by the City. The City has covenanted under the Installment Sale Agreement to prescribe, revise and collect such charges from the services and facilities of the Water System which will produce

gross revenues sufficient in each Fiscal Year to provide Net Revenues equal to at least 1.25 times the aggregate of the payments with respect to the Installment Payments and payments with respect to any parity obligations heretofore or hereafter issued or incurred by the City in such Fiscal Year. The Installment Payments are not subject to abatement.

All of the Authority's right, title and interest in and to the Installment Sale Agreement (except for the right to receive Additional Payments to the extent payable to the Authority and certain rights to indemnification), including the right to receive Installment Payments under the Installment Sale Agreement, are assigned to the Trustee for the benefit of the Owners of the Bonds.

A preliminary official statement of the Authority and the City, dated October 16, 2019 (together with the Appendices thereto, any documents incorporated therein by reference and any supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the "Preliminary Official Statement"), has been prepared for use in marketing the Bonds, and a final Official Statement of the Authority and the City to be dated the date hereof, as amended to conform to the terms of this Bond Purchase Agreement, and with such changes and amendments as are mutually agreed to by the Authority, the City and the Underwriter, including the cover page, the appendices and all information incorporated therein by reference, is herein collectively referred to as the "Official Statement," will be prepared which shall be in substantially the form of the Preliminary Official Statement, with such changes and amendments thereto as may be mutually agreed upon by the Underwriter, the Authority and the City.

It shall be a condition to the Authority's obligation to sell and to deliver the Bonds to the Underwriter and to the obligation of the Underwriter to purchase, to accept delivery of and to pay for the Bonds that the entire $_____ aggregate principal amount of the Bonds as authorized by the Indenture shall be sold and delivered by the Authority and accepted and paid for by the Underwriter at the Closing. The Underwriter may change the offering prices (or yields) of the Bonds from time to time at any time. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. The obligation of the Authority to sell and deliver the Bonds to the Underwriter shall also be conditioned upon the delivery by Jones Hall, A Professional Law Corporation, Bond Counsel ("Bond Counsel"), of its approving legal opinions with respect to the Bonds.

The Authority and the City hereby authorize the Underwriter to use and distribute the Installment Sale Agreement, the Indenture, the Preliminary Official Statement and the Official Statement and the information contained in such documents in connection with the public offering and sale of the Bonds. The Authority and the City have authorized the use of the Preliminary Official Statement in connection with the public offering of the Bonds by the Underwriter prior to the date hereof.

2. Bona Fide Public Offering. The Underwriter agrees to make a bona fide public offering of all of the Bonds, at prices not in excess of the initial public offering yields or prices set forth on the cover page of the Official Statement (defined below). Subject to Section 3(c), the Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices; provided, however, that the Underwriter may offer a portion of the Bonds for sale to selected dealers who are members of the Financial Industry Regulatory Authority and who agree to resell the Bonds to the public on terms consistent with this Bond Purchase Agreement, and the Underwriter reserves the right to change such offering prices or yields as the Underwriter shall deem necessary in connection with the marketing of the Bonds and to offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering prices or at yields higher than the

initial yields set forth on Exhibit A attached hereto. The Underwriter also reserves the right to over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market and to discontinue such stabilizing, if commenced, at any time. None of such activities shall affect the principal amounts, maturity dates, interest rates, redemption or other provision of the Bonds or the amount to be paid by the Underwriters to the Authority for the Bonds.

3. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the Authority under this section to establish the issue price of the Bonds may be taken on behalf of the Authority by the Authority's municipal advisor identified herein and any notice or report to be provided to the Authority may be provided to the Authority's municipal advisor.

(b) The Authority will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Authority acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The Authority further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(d) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Bond Purchase Agreement by all parties.

4. The Bonds. The Bonds will be issued, executed and delivered pursuant to the Indenture. The City Council of the City adopted a resolution on October 15, 2019, relating to the Bonds (the "City Resolution"). This Bond Purchase Agreement, the Installment Sale Agreement and the Continuing Disclosure Certificate (as hereinafter defined), are collectively referred to as the "City Documents." This Bond Purchase Agreement, the Indenture and the Installment Sale Agreement are collectively referred to as the "Authority Documents."

5. Official Statement, Continuing Disclosure.

(a) The Authority and the City represent that they have deemed the Preliminary Official Statement to be final as of its date, except for either revisions or additions to the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule").

(b) The Underwriter agrees that, prior to the time the final Official Statement is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent electronically or by first class mail (or other equally prompt means) not later than the second business day following the date upon which each such request is received.

(c) The Authority agrees to deliver to the Underwriter, at such addresses as the Underwriter shall specify, as many copies of the final Official Statement relating to the Bonds as

the Underwriter shall reasonably request as necessary to comply with paragraph (b)(4) of the Rule and with Rule G-32, Rule G-36 and all other applicable rules of the Municipal Securities Rulemaking Board. The Authority agrees to deliver such Official Statements within seven business days after the execution hereof. The Underwriter agrees to give notice to the Authority on the date after which the Underwriter shall no longer be obligated to deliver Official Statements pursuant to paragraph (b)(4) of the Rule, which date shall be no earlier than 25 days after the "end of the underwriting period," as determined in accordance with subsection (e) herein.

(d) Prior to the earlier of (i) receipt of notice from the Underwriter that no participating underwriter, as such term is defined in the Rule, remains obligated to deliver Official Statements pursuant to paragraph (b)(4) of the Rule or (ii) 25 days after the date of the Closing, the Authority and the City shall provide the Underwriter with such information regarding the Authority and the City, each of their current financial conditions and ongoing operations as the Underwriter may reasonably request.

(e) The Authority and the City agree that, for a period of 25 days after the "end of the underwriting period" (as defined in the Rule), if any event of which it has actual knowledge occurs as a result of which the information in the Official Statement as then in existence would include any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading, the Authority and the City shall promptly prepare, or cooperate in the preparation of, an amendment or supplement to the Official Statement which will correct such statement or omission. The Authority and the City shall advise the Underwriter promptly of any proposal to so amend or supplement the Official Statement and shall effect such amendment or supplement in a form and manner approved by the Underwriter. The Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading. The Authority and the City shall promptly advise the Underwriter of the commencement of any action, suit, proceeding, inquiry or investigation seeking to prohibit, restrain or otherwise affect the use of the Official Statement in connection with the offering, sale or distribution of the Bonds. Unless the Underwriter otherwise advise the Authority and the City that the end of the underwriting period shall be another specified date, the end of the underwriting period shall be the Closing Date. If such notification shall be subsequent to the Closing, the Authority and the City shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(f) The Authority and the City hereby covenant and agree that it is a condition precedent to the Underwriter's obligation to purchase the Bonds that, on or prior to the Closing Date, it will enter into an agreement or contract for the benefit of the owners of the Bonds in which the Authority and the City will undertake to provide financial information, operating data and notices of material events as required by paragraph (d)(2)(ii) of the Rule substantially in the applicable form in Appendix F to the Official Statement (the "Continuing Disclosure Certificate").

(g) The Underwriter agrees to file the Official Statement with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system or as otherwise provided by the Securities Exchange Commission or Municipal Securities Rulemaking Board within one business day after receipt thereof from the Authority, but in no event later than the Closing Date.

6. Representations, Warranties and Agreements of the City. The City represents, warrants and agrees as follows:

(a) The City is a municipal corporation and general law city duly organized and validly existing under the Constitution and laws of the State of California.

(b) The City has full legal right, power and authority (i) to enter into, execute and deliver the City Documents; and (ii) to carry out and consummate the transactions on its part contemplated by the City Documents and the Official Statement.

(c) By all necessary official action, the City has duly authorized and approved the City Documents, has duly authorized and approved the Preliminary Official Statement and the Official Statement and approved the distribution thereof (including in electronic form), has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in the City Documents, and the consummation by it of all other transactions contemplated by the City Documents, all pursuant to the City Resolution adopted at a meeting duly called and held in accordance with the requirements of all applicable laws and at which a quorum of the members of the City Council of the City was continuously present. The City Resolution has not been modified, amended or rescinded since the date of its adoption. When executed and delivered by the City, the City Documents will constitute legal, valid and binding agreements of the City, enforceable against the City in accordance with their respective terms except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights and remedies in general, or by the application of equitable principles if equitable remedies are sought.

(d) The City is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the City Documents) or other instrument to which the City is a party which breach or default has or may have an adverse effect on the ability of the City to perform its obligations under the City Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the execution and delivery of the City Documents, and compliance with the provisions on the City's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City or under the terms of any such law, regulation or instrument, except as provided by the City Documents.

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the City of its obligations under the City Documents or the consummation by it of all other transactions contemplated by the City Documents have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds; except as described in or contemplated by the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having

jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the City of its obligations under the City Documents have been duly obtained.

(f) There is no action, suit, proceeding, inquiry or investigation, notice of which has been duly served on the City, at law or in equity before or by any court, government agency, public board or body, pending or to the best knowledge of the officer of the City executing this Bond Purchase Agreement, threatened against the City, affecting the existence of the City or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, execution or delivery of the Bonds pursuant to the Indenture, or contesting or affecting as to the City the validity or enforceability of the Bonds or the City Documents, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the City to cause the execution and delivery by the City of the City Documents, or in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby; nor, to the best knowledge of the City, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the Bonds or the authorization, execution, delivery or performance by the City of the City Documents.

(g) The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the City shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction, and the Underwriter shall bear all costs in connection with the foregoing.

(h) As of the date thereof, the Preliminary Official Statement did not, except for the omission of certain information permitted to be omitted in accordance with the Rule, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) At the time of the City's acceptance hereof, and (unless an event occurs of the nature described in paragraph (k) of this Section 6) at all times subsequent thereto up to and including the Closing Date, the Official Statement (other than information therein provided by the Underwriter) did not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) If the Official Statement is supplemented or amended pursuant to paragraph (k) of this Section 6, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Date, the Official Statement (other than information therein provided by the Underwriter) as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) If between the date of this Bond Purchase Agreement and that date which is 25 days after the end of the underwriting period (as determined in accordance with Section 14 hereof) any event of which the officer of the City executing this Bond Purchase Agreement has knowledge shall occur affecting the City which might adversely affect the marketability of the Bonds or the market prices thereof, or which might cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City shall notify the Underwriter thereof, and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will at its expense prepare and furnish to the Underwriter a reasonable number of copies of such supplement to, or amendment of, the Official Statement in a form and in a manner approved by the Underwriter.

(l) Any certificate signed by any officer of the City and delivered to the Underwriter pursuant to the City Documents or any document contemplated thereby or required for the valid execution and delivery of the Bonds shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein.

(m) So long as any of the Bonds are outstanding and except as may be authorized by the Indenture, the City will not issue or sell, or cause to be issued or sold, any bonds or other obligations, other than the Bonds delivered thereunder, the interest on and premium, if any, or principal of which will be payable from Installment Payments.

(n) The City shall honor all other covenants on its part contained in the Installment Sale Agreement which are incorporated herein and made a part of this Bond Purchase Agreement.

(o) Except as described in the Preliminary Official Statement and Official Statement, the City has never failed to comply in all material respects with any undertaking of the City pursuant to the Rule.

(p) The audited financial statements of the City appended to the Official Statement for the year ended June 30, 2018, and any unaudited financial information presented in the body thereof, fairly present the financial position and results of the City as of the dates and for the periods set forth. Prior to the Closing Date, there will have been no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the City. The City is not a party to any litigation or other proceeding pending, or to its knowledge, threatened, which if, decided adversely to the City, would have a materially adverse effect on the financial condition of the City.

7. Representations, Warranties and Agreements of the Authority. The Authority represents, warrants and agrees as follows:

(a) The Authority is a joint exercise of powers entity duly organized and validly existing under the laws of the State of California pursuant to a Joint Exercise of Powers Agreement between the City and the Milpitas Housing Authority, dated as of March 1, 2016 (the "JPA Agreement").

(b) The Authority has full legal right, power and authority (i) to enter into, execute and deliver the Authority Documents and to sell and deliver the Bonds to the Underwriter as provided herein; and (ii) to carry out and consummate the transactions on its part contemplated by the Authority Documents and the Official Statement.

(c) By all necessary official action, the Authority has duly authorized and approved the issuance of the Bonds and the Authority Documents, has duly authorized and approved the Preliminary Official Statement and the Official Statement and approved the distribution thereof (including in electronic form), has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations in connection with the execution and delivery of the Bonds on its part contained in the Bonds and the Authority Documents, and the consummation by it of all other transactions contemplated by the Authority Documents in connection with the execution and delivery of the Bonds, all pursuant to the Authority Resolution adopted at a meeting duly called and held in accordance with the requirements of all applicable laws and at which a quorum of the board members of the Authority was continuously present. The Authority Resolution has not been modified, amended or rescinded since the date of its adoption and each Authority Document is the valid and binding obligation of the Authority. When executed and delivered by the Authority, the Authority Documents will constitute legal, valid and binding agreements of the Authority, enforceable against the Authority in accordance with their respective terms except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights and remedies in general, or by the application of equitable principles if equitable remedies are sought.

(d) The Authority is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or the JPA Agreement, or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the Authority Documents) or other instrument to which the Authority is a party which breach or default has or may have an adverse effect on the ability of the Authority to perform its obligations under the Bonds or the Authority Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the execution and delivery of the Bonds and the Authority Documents, and compliance with the provisions on the Authority's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, Bond, note, resolution, agreement or other instrument to which the Authority is a party nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Authority or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Authority Documents.

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Authority of its obligations in connection with the execution and delivery of the Bonds under the Authority Documents or the consummation by it of all other transactions contemplated by the Authority Documents have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds; except as described in or contemplated by the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Authority of its obligations under the Bonds and the Authority Documents have been duly obtained.

(f) The Bonds, when executed, issued, authenticated and delivered in accordance with the Indenture, and sold to the Underwriter as provided herein, will be validly executed and outstanding obligations, entitled to the benefits of the Indenture, and upon such execution and delivery, the Indenture will provide, for the benefit of the Owners from time to time of the Bonds, the legally valid and binding security interest it purports to create.

(g) There is no action, suit, proceeding, inquiry or investigation, notice of which has been duly served on the Authority, at law or in equity before or by any court, government agency, public board or body, pending or to the best knowledge of the officer of the Authority executing this Bond Purchase Agreement, threatened against the Authority, affecting the existence of the Authority or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance, execution or delivery of the Bonds pursuant to the Indenture, or contesting or affecting as to the Authority the validity or enforceability of the Bonds or the Authority Documents, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Authority to cause the execution and delivery of the Bonds, or the execution and delivery or adoption by the Authority of the Authority Documents, or in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby; nor, to the best knowledge of the Authority, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the Bonds or the authorization, execution, delivery or performance by the Authority of the Bonds or the Authority Documents.

(h) The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Authority shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction, and the Underwriter shall bear all costs in connection with the foregoing.

(i) As of the date thereof, the Preliminary Official Statement did not, except for the omission of certain information permitted to be omitted in accordance with the Rule, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) At the time of the Authority's acceptance hereof, and (unless an event occurs of the nature described in paragraph (l) of this Section 7) at all times subsequent thereto up to and including the Closing Date, the Official Statement (other than information therein provided by the Underwriter) did not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) If the Official Statement is supplemented or amended pursuant to paragraph (l) of this Section 7, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Date, the Official Statement (other than information therein provided by the Underwriter) as so supplemented or amended will not contain any untrue

statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) If between the date of this Bond Purchase Agreement and that date which is 25 days after the end of the underwriting period (as determined in accordance with Section 14 hereof) any event of which the officer of the Authority executing this Bond Purchase Agreement has knowledge shall occur affecting the Authority which might adversely affect the marketability of the Bonds or the market prices thereof, or which might cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority shall notify the Underwriter, and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will at its expense prepare and furnish to the Underwriter a reasonable number of copies of such supplement to, or amendment of, the Official Statement in a form and in a manner approved by the Underwriter.

(m) Any certificate signed by any officer of the Authority and delivered to the Underwriter pursuant to the Authority Documents or any document contemplated thereby or required for the valid execution and delivery of the Bonds shall be deemed a representation and warranty by the Authority to the Underwriter as to the statements made therein.

(n) The Authority will cause the proceeds from the sale of the Bonds to be paid to the Trustee for the purposes specified in the Indenture and the Official Statement. So long as any of the Bonds are outstanding and except as may be authorized by the Indenture, the Authority will not issue or sell any Bonds or other obligations, other than the Bonds delivered thereunder, the interest on and premium, if any, or principal of which will be payable from the Revenues.

(o) The Authority shall honor all other covenants on its part contained in the Indenture and the Installment Sale Agreement which are incorporated herein and made a part of this Bond Purchase Agreement.

8. Closing. At 8:00 A.M., Pacific Standard time, on November 7, 2019, or on such other date time, as may be mutually agreed upon by the Authority, the City and the Underwriter (the "Closing Date"), the Authority will, subject to the terms and conditions hereof, deliver to the Underwriter, at the offices of The Depository Trust Company ("DTC"), or at such other place as the Authority, the City and the Underwriter may mutually agree, the Bonds in definitive, fully registered form (one Bond for each maturity), duly executed and registered in the name of Cede & Co. as nominee of DTC; and, subject to the terms and conditions hereof, the Underwriter shall wire to the Trustee Federal Reserve Bank funds in the amount of the purchase price of the Bonds.

9. Closing Conditions. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations and warranties of the Authority and the City contained herein, and in reliance upon the representations and warranties to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Authority and the City of their obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter's obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Authority and the City of their respective obligations to be performed hereunder and under such documents and instruments at or prior to the Closing Date, shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the statements the officers and other officials of the Authority and of the City, authorized Representative of Bond Counsel, the Trustee, counsel to the Authority and counsel to the City

made in any certification or other documents furnished pursuant to the provisions hereof, and shall also be subject to the following additional conditions:

(a) The respective representations and warranties of the Authority and the City contained herein shall be true and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

(b) At the time of Closing, the City Documents and the Authority Documents shall be in full force and effect in accordance with their terms and shall not have been amended, modified or supplemented and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter;

(c) All necessary official action of the Authority, the City and of the other parties thereto relating to the City Documents and the Authority Documents shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect;

(d) Subsequent to the date hereof, there shall not have occurred any change in or affecting particularly the Authority, the City or the Bonds, as the foregoing are described in the Official Statement, which in the reasonable opinion of the Underwriter materially impairs the investment quality of the Bonds; and

(e) At or prior to the Closing Date, the Underwriter shall have received copies of each of the following documents:

(i) the Bonds;

(ii) the Official Statement and each supplement or amendment, if any, thereto, executed by authorized officers of the Authority and the City;

(iii) a copy of the Indenture, executed by the parties thereto;

(iv) a copy of the Installment Sale Agreement, executed by the parties thereto;

(v) a copy of the Continuing Disclosure Certificate, executed by the City;

(vi) a certified copy of the JPA Agreement;

(vii) receipts for Bonds and the Bond proceeds;

(viii) a certificate or certificates of the City, dated the Closing Date, to the effect that:

(A) the representations and warranties of the City contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date and the City has complied with all of the terms and conditions of this Bond Purchase Agreement required to be complied with by the City at or prior to the Closing Date;

(B) none of the proceedings or authority for (i) the authorization, sale, execution and delivery of the Bonds, (ii) the adoption of the City Resolution, or (iii) the execution and delivery of the City Documents and performance of its

obligations thereunder, has been repealed, modified, amended, revoked or rescinded;

(C) subsequent to June 30, 2018, and prior to Closing, there have been no material adverse changes in the financial position of the City;

(D) no event affecting the City has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purposes for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect;

(E) the information and statements contained in the Preliminary Official Statement and Official Statement (other than information relating to the Underwriter and The Depository Trust Company and its book-entry system) do not contain an untrue statement of a material fact required to be stated therein or necessary to make such statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; and to the best of its knowledge after reasonable investigation, the City is not in breach of or default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, which would have a material adverse impact on the City's ability to perform its obligations under the City Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument;

(F) no consent is required for the inclusion of the City's audited financial statements for the Fiscal Year ended June 30, 2018, in the Official Statement;

(G) The City has the power and authority to operate the Water System and has complied, and is in compliance in all material respects, with the terms of the Act and the City Documents;

(H) The Bonds conform to the descriptions thereof contained in the Official Statement under the caption "THE 2019 BONDS" and the proceeds of sale of the Bonds will be applied as described in the Official Statement under the caption "FINANCING PLAN—The Project;" and

(I) Except as described in the Preliminary Official Statement and Official Statement, there is no lawsuit, regulatory or other action now pending, or, to the best knowledge of the City, threatened, to attempt to limit, enjoin or otherwise restrict or prevent the City from functioning and collecting revenues, including Net Revenues, and other income, or the anticipated receipt of Net Revenues;

(ix) a certificate or certificates of the Authority, dated the Closing Date, to the effect that:

(A) the representations and warranties of the Authority contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date and the Authority has complied with all of the terms and conditions of this Bond Purchase Agreement required to be complied with by the Authority at or prior to Closing Date;

(B) none of the proceedings or authority for (i) the authorization, sale, execution and delivery of the Bonds, (ii) the adoption of the Authority Resolution, or (iii) the execution and delivery of the Authority Documents, has been repealed, modified, amended, revoked or rescinded;

(C) no event affecting the Authority has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purposes for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; and

(D) the information and statements contained in the Preliminary Official Statement and Official Statement (other than information relating to the Underwriter and The Depository Trust Company and its book-entry system) do not contain an untrue statement of a material fact required to be stated therein or necessary to make such statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; and to the best of its knowledge after reasonable investigation, the Authority is not in breach of or default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, which would have a material adverse impact on the Authority's ability to perform its obligations under the Authority Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument;

(x) an opinion, dated the Closing Date and addressed to the Underwriter and the Authority, of the City Attorney, to the effect that:

(A) the City is a municipal corporation and general law city duly organized and validly existing under the Constitution and laws of the State of California;

(B) the City Documents have been duly approved by resolutions of the City adopted at meetings duly called and held in accordance with the requirements of all applicable laws, with all public notice required by law, and at which a quorum of the members of the City Council of the City was continuously present and such resolutions have not been modified, amended or rescinded since the date of its adoption;

(C) except as described in the Official Statement, to such counsel's best knowledge, there is no litigation, inquiry, or investigation pending or threatened, which: (1) challenges the right or title of any member of the City Council of the City or officer of the City to hold his or her office or exercise or perform the powers and duties pertaining thereto; (2) challenges the validity or enforceability of the Bonds or the City Documents; (3) seeks to restrain or enjoin the sale of the Bonds or the execution and delivery by the City of, or the performance by the City of its legal obligations under, the City Documents or in which a final adverse decision could materially adversely affect the operations of the City; or (4) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement;

(D) to such counsel's best knowledge, the execution and delivery by the City of, and the performance by the City of its obligations under, the City Documents, do not conflict with, violate or constitute a default under any provision of any law, court order or decree or any contract, instrument or agreement to which the City is a party or by which it is bound and of which such counsel has knowledge;

(E) the City Documents have been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery of the City Documents by the parties thereto other than the City, the City Documents constitute legal, valid and binding agreements of the City, enforceable against the City in accordance with their respective terms except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights and remedies in general, or by the application of equitable principles if equitable remedies are sought; and

(F) except as may be required under the "blue sky" or securities laws of the United States or any state, there is no authorization, approval, consent or other order of, or filing with, or certification by, the State or any other governmental authority or agency within the State having jurisdiction over the City required for the issuance of the Bonds or the consummation by the City of the other financial transactions contemplated by the Official Statement and the City Documents;

As used in such opinion, the phrase "current actual knowledge" may mean knowledge as such counsel shall have obtained from (i) the incumbency and signature certificate of the City, (ii) the representations and warranties contained in each closing certificate of the City, and (iii) knowledge of facts or other information currently known to lawyers in its firm who have performed legal services for the City.

(xi) an opinion or opinions, dated the Closing Date and addressed to the Underwriter, of counsel for the Authority, to the effect that:

(A) the Authority is a joint exercise of powers entity duly organized and validly existing under the laws of the State of California pursuant to the JPA Agreement;

(B) the Authority Documents have been duly approved by a resolution of the Authority adopted at a meeting duly called and held in accordance with the requirements of all applicable laws, with all public notice required by law, and at which a quorum of the members of the Board of Directors of the Authority was continuously present and such resolution has not been modified, amended or rescinded since the date of its adoption;

(C) except as described in the Official Statement, to such counsel's best knowledge, there is no litigation, inquiry, or investigation pending or threatened, which: (1) challenges the right or title of any member of the Board of Directors of the Authority or officer of the Authority to hold his or her office or exercise or perform the powers and duties pertaining thereto; (2) challenges the validity or enforceability of the Bonds or the Authority Documents; (3) seeks to restrain or enjoin the sale of the Bonds or the execution and delivery by the Authority of, or the performance by the Authority of its legal obligations under, the Authority

Documents or in which a final adverse decision could materially adversely affect the operations of the Authority; or (4) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement;

(D) to such counsel's best knowledge, the execution and delivery by the Authority of, and the performance by the Authority of its obligations under, the Authority Documents, do not conflict with, violate or constitute a default under any provision of any law, court order or decree or any contract, instrument or agreement to which the Authority is a party or by which it is bound and of which such counsel has knowledge;

(E) the Authority Documents have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery of the Authority Documents by the parties thereto other than the Authority, the Authority Documents constitute legal, valid and binding agreements of the Authority, enforceable against the Authority in accordance with their respective terms except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights and remedies in general, or by the application of equitable principles if equitable remedies are sought; and

(F) except as may be required under the "blue sky" or securities laws of the United States or any state, there is no authorization, approval, consent or other order of, or filing with, or certification by, the State or any other governmental authority or agency having jurisdiction over the Authority required for the issuance of the Bonds or the consummation by the Authority of the other financial transactions contemplated by the Official Statement and the Authority Documents;

As used in such opinion, the phrase "current actual knowledge" may mean knowledge as such counsel shall have obtained from (i) the incumbency and signature certificate of the Authority, (ii) the representations and warranties contained in each closing certificate of the Authority, and (iii) knowledge of facts or other information currently known to lawyers in its firm who have performed legal services for the Authority.

(xii) an opinion, dated the Closing Date and addressed to the Authority, of Bond Counsel, substantially in the form set forth in Appendix E to the Official Statement, together with a letter from such counsel, dated the Closing Date and addressed to the Underwriter, to the effect that the foregoing opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to the Underwriter;

(xiii) a supplemental opinion, dated the Closing Date and addressed to the Underwriter, of Bond Counsel, to the effect that:

(A) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(B) the Bond Purchase Agreement has been duly executed and delivered by the Authority and the City and is a valid and binding agreement of the Authority and the City; and

(C) the statements contained in the Official Statement under the captions "INTRODUCTION," "THE 2019 BONDS," "SECURITY FOR THE 2019 BONDS" and "TAX MATTERS," in APPENDIX A—"SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS" and in APPENDIX E—FORM OF OPINION OF BOND COUNSEL," insofar as such statements expressly summarize certain provisions of the Indenture, the Installment Sale Agreement, certain tax matters relating to the Bonds and the final opinion of Bond Counsel, are accurate in all material respects;

(xiv) a letter, dated the Closing Date and addressed to the Authority and the Underwriter of Jones Hall, A Professional Law Corporation, as disclosure counsel ("Disclosure Counsel"), to the effect that based upon its participation in the preparation of the Preliminary Official Statement and the Official Statement as Disclosure Counsel, without assuming any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement and the Official Statement nor making any representation regarding independent verification of the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement and the Official Statement, and except to the extent set forth in their supplemental opinions such counsel advises that during the course of such representation of the Authority as disclosure counsel on this matter, no information came to the attention of the attorneys in such firm rendering legal services in connection with such representation which caused them to believe that the Preliminary Official Statement and the Official Statement as of its respective date (except for any financial, statistical or economic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion (except opinions of Bond Counsel), the information in Appendices A, B, C or G to the Preliminary Official Statement and the Official Statement or any information about book-entry or DTC included therein, as to which no opinion or view is expressed) contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xv) the opinion of Quint & Thimmig LLP, as Underwriter's counsel, satisfactory to Underwriter;

(xvi) a certificate of an authorized officer of the Trustee satisfactory to the Underwriter, certifying substantially as follows:

(A) the Trustee is a national banking association duly organized and in good standing under the laws of the United States of America and has all necessary power and authority to enter into the Indenture and to perform its duties under the Indenture;

(B) the Trustee is duly authorized to enter into the Indenture and to authenticate and deliver the Bonds to the Underwriter pursuant to the terms of the Indenture and, when executed by the other parties thereto, the Indenture will constitute a legal, valid and binding obligation of the Trustee enforceable in accordance with its terms;

(C) the Bonds have been duly authenticated and delivered to the Underwriter pursuant to direction from the Authority;

(D) the Trustee is not in breach of or default under any law or administrative rule or regulation of the State of California or of any department, division, agency or instrumentality thereof, of any applicable court or administrative decree or order, or any other instrument to which the Trustee is a party or is otherwise subject or bound and which would materially impair the ability of the Trustee to perform its obligations under the Indenture;

(E) no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, is pending or threatened in any way affecting the existence of the Trustee or the titles of its directors or officers to their respective offices, or seeking to restrain or enjoin the execution, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Indenture, or in any way contesting or affecting the validity or enforceability of the Bonds or the Indenture;

(F) the execution and delivery of the Indenture will not conflict with or constitute a breach of or default under the Trustee's duties under such documents, or any law, administrative regulation, court decree, resolution, charter, bylaws or other agreement to which the Trustee is subject or by which it is bound; and

(G) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the authentication and delivery of the Bonds, the execution and delivery of the Indenture, the performance of the Trustee's duties under the Indenture or the consummation by the Trustee of the other transactions contemplated by the Indenture, except as such may be required under the state securities or blue sky laws in connection with the distribution of the Bonds by the Underwriter;

(xvii) an opinion of counsel to the Trustee in form and substance acceptable to the Underwriter and Disclosure Counsel;

(xviii) 15c2-12 certificates of the City and the Authority;

(xix) certified copies of the City Resolution and the Authority Resolution;

(xx) evidence that S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, has assigned the rating of "____" to the Bonds;

(xxi) evidence required filings with the California Debt and Investment Advisory Commission;

(xxii) an Arbitrage Certificate relating to the Bonds in a form satisfactory to Bond Counsel;

(xxiii) an issue price certificate substantially in the form attached to this Bond Purchase Agreement as Exhibit B;

(xxiv) transcripts of all proceedings relating to the authorization, issuance, execution and delivery of the Bonds; and

(xxv) such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the City's and the Authority's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the City and the Authority on or prior to the date of the Closing of all the agreements then to be performed and conditions then to be satisfied by each of them.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Bond Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to Bond Counsel, Disclosure Counsel and the Underwriter.

If the Authority and the City shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Bond Purchase Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and none of the Underwriter, the Authority or the City shall be under any further obligation hereunder.

10. Termination. The Underwriter shall have the right to terminate the Underwriter's obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds by notifying the Authority and the City in writing or by telegram, of its election to do so, if, after the execution hereof and prior to the Closing:

(a) a decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported by such a committee or be introduced, by amendment or otherwise, in or be passed by the House of Representatives or the Senate, or recommended to the Congress of the United States for passage by the President of the United States, or be enacted or a decision by a federal court of the United States or the United States Tax Court shall have been rendered, or a ruling, release, order, regulation or offering circular by or on behalf of the United States Treasury Department, the Internal Revenue Service or other governmental agency shall have been made or proposed to be made having the purpose or effect, or any other action or event shall have occurred which has the purpose or effect, directly or indirectly, of adversely affecting the federal income tax consequences of owning the Bonds, including causing interest on the Bonds to be included in gross income for purposes of federal income taxation, or imposing federal income taxation upon revenues other income of the general character to be derived by the Authority or by any similar body under the Indenture, the Installment Sale Agreement or similar documents or upon interest received on obligations of the general character of the Bonds which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of or market for the Bonds; or

(b) legislation shall have been introduced in or enacted, resolution passed, or considered for enactment with an effective date prior to the Closing Date, or a decision by a court of the United States shall have been rendered, the effect of which is that of the Bonds, including any underlying obligations, the Indenture, as the case may be, is not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(c) a stop order, ruling, regulation or offering circular by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall

have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, including any underlying obligations, or the execution of the Indenture, as contemplated hereby or by the Official Statement, is or would be in violation of any provisions of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(d) any event shall have occurred or any information shall have become known to the Underwriter which causes the Underwriter to reasonably believe that the Official Statement as then amended or supplemented includes an untrue statement of a material fact, or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; or

(e) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis, including a financial crisis, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds; or

(f) there shall be in force a general suspension of trading on the New York Stock Exchange, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds; or

(g) a general banking moratorium shall have been declared by federal, New York or State authorities; or

(h) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the Authority or the City; or

(i) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or

(j) the New York Stock Exchange or other national securities exchange, or any governmental or regulatory authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of the Underwriter; or

(k) the rating on the Bonds or on any other bonds, notes or other obligations of the City, or the rating of any municipal bond insurer issuing a municipal bond insurance policy for the Bonds, shall have been placed on review, downgraded, suspended, withdrawn or changed to negative watch in credit watch status by a national rating service which, in the opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(l) any amendment to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the City or the Authority, or their property, income securities (or interest thereon); or

(m) any event's occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or

necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; or

(n) any fact or event shall exist or have existed that, in the Underwriter's judgment, requires or has required an amendment of or supplement to the Official Statement which the City has failed to provide; or

(o) there shall have occurred any materially adverse change in the affairs or financial condition of the City, other than as disclosed in the Official Statement; or

(p) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided, shall be prohibited by any applicable law, governmental authority, board, agency or commission; or

(q) any change, which in the reasonable opinion of the Underwriter, materially adversely affects the marketability of the Bonds or, the financial condition of the City.

If this Bond Purchase Agreement shall be terminated pursuant to Section 9 or this Section 10, or if the purchase provided for herein is not consummated because any condition to the Underwriter's obligations hereunder is not satisfied or because of any refusal, inability or failure on the part of the City or the Authority to comply with any of the terms or to fulfill any of the conditions of this Bond Purchase Agreement, or if for any reason the City or the Authority shall be unable to perform all of its respective obligations under this Bond Purchase Agreement, none of the City or the Authority shall be liable to the Underwriter for damages on account of loss of anticipated profits arising out of the transactions covered by this Bond Purchase Agreement. The Underwriter may, in its sole discretion, waive any of the conditions set forth in Section 9 or this Section 10.

11. Payment of Costs and Expenses.

(a) All costs and expenses incident to the sale and delivery of the Bonds to the Underwriter shall be payable by the Authority from the proceeds of the Bonds, including, but not limited to: (i) all advertising expenses in connection with the offering of the Bonds; (ii) meals and travel expenses of the City and Authority paid for by the Underwriter, but not entertainment expenses; (iii) the fees and expenses of the City, its counsel, financial advisor and consultants; (iv) the fees and expenses of the Authority, its counsel and consultants; (v) the fees and expenses of Bond Counsel; (vi) the fees and expenses of Disclosure Counsel; (vii) all expenses in connection with the preparation and printing of the Bonds; (viii) all expenses in connection with the preparation, printing, distribution and delivery of the Preliminary Official Statement, the Official Statement and any amendment or supplement thereto; (ix) the initial fees and expenses of the Trustee, including the reasonable fees and expenses of its counsel; and (x) the fees and expenses of any rating agency rating the Bonds.

(b) The Underwriter shall pay all expenses incurred by them in connection with the public offering and distribution of the Bonds including, but not limited to: (i) the fees and disbursements of Underwriter's Counsel, and (ii) all out-of-pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds, including, air travel and hotel accommodations in connection with the pricing of the Bonds; investor meetings, rating agency trips and meetings; the Closing; meals and transportation for the Underwriter during rating agency, investor meetings; pricing and Closing trips; expenses of the Underwriter related to attending working group meetings, such as parking, meals and transportation and any other miscellaneous costs associated with the Closing; (iii) all other expenses incurred by the Underwriter in connection with the public offering and distribution of

Bonds, except as provided in (a) above or as otherwise agreed to by the Underwriter, the Authority and the City; and (iv) the fees of the California Debt and Investment Advisory Commission.

The Authority and the City acknowledge that they have had an opportunity, in consultation with such advisors as they may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

12. Notices. Any notice or other communication to be given under this Bond Purchase Agreement may be given by delivering the same in writing:

If to the Authority:	Milpitas Municipal Financing Authority 455 East Calaveras Boulevard Milpitas, CA 95035 Attention: _____ Phone: (___) ___-____ Fax: (___) ___-____
If to the City:	City of Milpitas 455 East Calaveras Boulevard Milpitas, CA 95035 Attention: _____ Phone: (___) ___-____ Fax: (___) ___-____
To the Underwriter:	Stifel, Nicolaus & Company, Incorporated One Montgomery Street, 35th Floor San Francisco, CA 94104 Attention: Ms. Eileen Gallagher, Managing Director Phone: (415) 3646829 Fax: (415) 364-7765

13. Parties in Interest. This Bond Purchase Agreement is made solely for the benefit of the Authority, the City and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the Authority's and the City's representations, warranties and agreements contained in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of: (a) any investigations made by or on behalf of the Underwriter; (b) delivery of and payment for the Bonds pursuant to this Bond Purchase Agreement; and (c) any termination of this Bond Purchase Agreement.

14. Determination of End of the Underwriting Period. For purposes of this Bond Purchase Agreement, the end of the underwriting period for the Bonds shall mean the earlier of (a) the Closing Date unless the City and the Authority have been notified in writing by the Underwriter, on or prior to the Closing Date, that the "end of the underwriting period" for the Bonds for all purposes of the Rule will not occur on the Closing Date, or (b) the date on which notice is given to the City and the Authority by the Underwriter in accordance with the following sentence. In the event that the Underwriter has given notice to the City and the Authority pursuant to clause (a) above that the "end of the underwriting period" for the Bonds will not occur on the Closing Date, the Underwriter agrees to notify the City and the Authority in writing as soon as practicable following the "end of the underwriting period" for the Bonds for all purposes of the Rule. The Underwriter agrees to file a copy of the Official Statement with each of the nationally recognized municipal securities information repositories.

15. No Assignment. This Bond Purchase Agreement is entered into among the City, the Authority and the Underwriter, and none of them shall assign any right or obligation hereunder without the prior written consent of the other parties hereto.

16. Effectiveness. This Bond Purchase Agreement shall become effective upon the execution of the acceptance hereof by an authorized representative of the City and an authorized representative of the Authority, and shall be valid and enforceable at the time of such acceptance.

17. Headings. The headings of the sections of this Bond Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

18. Governing Law. This Bond Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State of California.

19. Counterparts. This Bond Purchase Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

If the foregoing is in accordance with your understanding of this Bond Purchase Agreement please sign and return to us the enclosed duplicate copies hereof, whereupon it will become a binding agreement among the City, the Authority and the Underwriter in accordance with its terms.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as Underwriter

By _____
Eileen Gallagher,
Managing Director

ACCEPTED AND AGREED at:
Time: _____, October 24, 2019

MILPITAS MUNICIPAL FINANCING
AUTHORITY

By _____
Name _____
Title _____

ACCEPTED AND AGREED at:
Time: _____, October 24, 2019

CITY OF MILPITAS

By _____
Name _____
Title _____

EXHIBIT A

$_____
MILPITAS MUNICIPAL FINANCING AUTHORITY
2019 Water Revenue Bonds

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES AND YIELDS

Maturity Date (November 1)	Principal Amount	Interest Rate	Yield	Price

Redemption Provisions

Optional Redemption

The Bonds maturing on or before November 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The Bonds maturing on or after November 1, 20__, are subject to redemption in whole, or in part at the Written Request of the Authority among maturities on such basis as the Authority may designate and by lot within a maturity, at the option of the Authority, on any date on or after November 1, 20__, from any available source of funds, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

Special Mandatory Redemption from Insurance and Sale Proceeds

The Bonds are subject to mandatory redemption, on any date, in whole, or in part on a pro rata basis among maturities, from the net proceeds of insurance, sale or condemnation credited towards the prepayment of the Installment Payments by the City under the Installment Sale Agreement, at a redemption price equal to the principal amount represented thereby to be prepaid, without premium, together with accrued interest represented thereby to the redemption date.

Mandatory Sinking Account Redemption

The Bonds maturing on November 1, 20__ and November 1, 20__ (the "Term Bonds") are also be subject to redemption, by lot, on November 1 in each of the years as set forth in the following tables, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof may be purchased, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; *provided, however*, that if some but not all of the Term Bonds have been redeemed pursuant to paragraphs described above, the total amount of all future payments with respect to such 2019 Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments in integral multiples of $5,000 as determined by the Authority (written notice of which determination shall be given by the Authority to the Trustee).

Sinking Account Redemption Date (November 1)	Principal Amount to be Redeemed

†Maturity

Sinking Account Redemption Date (November 1)	Principal Amount to be Redeemed

†Maturity

EXHIBIT B

ISSUE PRICE CERTIFICATE

$_____
MILPITAS MUNICIPAL FINANCING AUTHORITY
2019 Water Revenue Bonds

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), based on the information available to the Underwriter, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (collectively, the "Bonds").

1. Sale of the General Rule Maturities. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. Initial Offering Price of the Hold-the-Offering-Price Maturities.

(a) The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, dated the Sale Date, between the Underwriter and the Issuer, the Underwriter has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, the Underwriter has not offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. Defined Terms.

(a) "*General Rule Maturities*" means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(b) "*Hold-the-Offering-Price Maturities*" means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) "*Holding Period*" means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) "*Issuer*" means the Milpitas Municipal Financing Authority.

(e) "*Maturity*" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(f) "*Public*" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than the Underwriter or a related party to the Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(g) "*Sale Date*" means October 24, 2019.

(h) "*Underwriter*" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the interpretation of the Underwriter of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the tax certificate for the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Quint & Thimmig LLP, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose. Notwithstanding anything set forth herein, the Underwriter is not engaged in the practice of law. Accordingly, the Underwriter makes no representation as to the legal sufficiency of the factual matters set forth herein.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as Underwriter

By _____
Managing Director

Dated: November 7, 2019

SCHEDULE A TO ISSUE PRICE CERTIFICATE

SALE PRICES OF THE GENERAL RULE MATURITIES AND

INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

$_____
MILPITAS MUNICIPAL FINANCING AUTHORITY
2019 Water Revenue Bonds

Hold-the-Offering Price Maturities	General Rule Maturities	Maturity Date (November 1)	Principal Amount	Interest Rate	Reoffering Price

SCHEDULE B TO ISSUE PRICE CERTIFICATE

PRICING WIRE OR EQUIVALENT COMMUNICATION

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER ___, 2019

NEW ISSUE - FULL BOOK-ENTRY **S&P RATING: "___"**
See "Rating"

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the 2019 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. In the further opinion of Bond Counsel, interest on the 2019 Bonds is exempt from California personal income taxes. See "TAX MATTERS."

$_____*
Milpitas Municipal Financing Authority
2019 Water Revenue Bonds

Dated: Date of Delivery **Due: June 1, as shown on inside cover**

Authority for Issuance. The bonds captioned above (the "2019 Bonds") are being issued by the Milpitas Municipal Financing Authority (the "Authority") under a resolution adopted by the governing body of the Authority, the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Bond Law"), and an Indenture of Trust dated as of November 1, 2019 (the "Indenture"), by and between the Authority and U.S. Bank National Association, as trustee. See "THE 2019 BONDS – Authority for Issuance."

Use of Proceeds. The 2019 Bonds are being issued to provide funds to (i) assist the City of Milpitas (the "City") with financing certain improvements to the City's water system (as further defined herein, the "Water System"), and (ii) pay the costs of issuing the 2019 Bonds. See "FINANCING PLAN."

Security for the 2019 Bonds. The 2019 Bonds are special obligations of the Authority, payable from the "Revenues" pledged under the Indenture, which consist primarily of installment payments (the "Installment Payments") payable by the City to the Authority under an Installment Sale Agreement, dated as of November 1, 2019 (the "Installment Sale Agreement") pursuant to which the City is purchasing the Water System improvements being financed. Repayment of the Installment Payments is secured by a pledge of the "Net Revenues" of the Water System. Neither the Authority nor the City will fund a debt service reserve fund in connection with the 2019 Bonds. See "SECURITY FOR THE 2019 BONDS."

Parity Debt. There are currently no outstanding obligations payable from the Gross Revenues or Net Revenues of the Water System. However, additional series of bonds or other debt may be issued in the future that are payable from Net Revenues on a parity with the Installment Payments, subject to the conditions contained in the Installment Sale Agreement. See "SECURITY FOR THE 2019 BONDS – Parity Debt."

Bond Terms; Book-Entry Only. The 2019 Bonds will bear interest at the rates shown on the inside cover, payable semiannually on June 1 and December 1 of each year, commencing on June 1, 2020, and will be issued in fully registered form without coupons in the denomination of $5,000 or any integral multiple of $5,000. The 2019 Bonds will be issued in book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Purchasers of the 2019 Bonds will not receive certificates representing their interests in the 2019 Bonds. Payments of the principal of, premium, if any, and interest on the 2019 Bonds will be made to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the 2019 Bonds. See "THE 2019 BONDS – General Bond Terms."

Redemption. **The 2019 Bonds are subject to redemption prior to maturity. See "THE 2019 BONDS – Redemption."**

THE 2019 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED BY THE REVENUES, WHICH CONSIST PRIMARILY OF THE INSTALLMENT PAYMENTS. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY IS PLEDGED TO THE PAYMENT OF THE INSTALLMENT PAYMENTS. THE 2019 BONDS ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE, OR LIEN, OR ENCUMBRANCE UPON, ANY OF THE PROPERTY OF THE AUTHORITY OR ANY OF ITS INCOME OR RECEIPTS, EXCEPT THE REVENUES AS DESCRIBED HEREIN.

MATURITY SCHEDULE
(see inside cover)

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE OF BONDS. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION WITH RESPECT TO THE PURCHASE OF THE 2019 BONDS. INVESTMENT IN THE BONDS INVOLVES RISKS THAT MAY NOT BE APPROPRIATE FOR SOME INVESTORS. SEE "BOND OWNERS' RISKS."

The 2019 Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Certain legal matters will also be passed upon for the City by Jones Hall, A Professional Law Corporation, as Disclosure Counsel, and by the City Attorney. Certain legal matters will be passed upon for the Underwriter by its counsel, Quint & Thimmig LLP, Larkspur, California. It is anticipated that the 2019 Bonds, in book-entry only form, will be available through the facilities of DTC on or about November ___, 2019.

[Stifel Logo]

The date of this Official Statement is: _____, 2019.

* Preliminary; subject to change.

MATURITY SCHEDULE

$_____ Serial Bonds
(Base CUSIP†: _____)

Maturity (June 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†

$_____% Term Bond Due June 1, 20___; Yield ____%; Price: ____%
CUSIP†: _____

† *Copyright S&P Global Services, managed by Standard & Poor's Capital IQ. CUSIP® numbers are provided for convenience of reference only. Neither the City nor the Underwriter takes any responsibility for the accuracy of such CUSIP® numbers.*

MILPITAS MUNICIPAL FINANCING AUTHORITY
(Santa Clara County, California)

GOVERNING BOARD OF THE AUTHORITY AND CITY COUNCIL OF THE CITY

Richard Tran, *Chair/Mayor*
Karina R. Dominguez, *Vice-Chair/Vice-Mayor*
Carmen Montano, *Boardmember/Councilmember*
Bob Nuñez, *Boardmember/Councilmember*
Anthony Phan, *Boardmember/Councilmember*

AUTHORITY/CITY OFFICIALS

Steve McHarris, *Interim Executive Director/Interim City Manager**
Walter C. Rossmann, *Treasurer/ Director of Finance*
Tony Ndah, *Public Works Director*
Christopher J. Diaz, *Authority General Counsel/City Attorney*
Mary Lavelle, CMC, *Secretary/City Clerk*

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Municipal Advisor

Fieldman, Rolapp & Associates, Inc.
Irvine, California

Trustee

U.S. Bank National Association
San Francisco, California

* Steve McHarris was appointed Interim City Manager in June 2019. He most recently served as Deputy City Manager.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the 2019 Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the 2019 Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the City or the Water System since the date of this Official Statement.

Use of this Official Statement. This Official Statement is submitted in connection with the sale of the 2019 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the 2019 Bonds.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Document References and Summaries. All references to and summaries of the Indenture or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

Stabilization of and Changes to Offering Prices. The Underwriter may over allot or take other steps that stabilize or maintain the market price of the 2019 Bonds at a level above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the 2019 Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of the 2019 Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

Estimates and Projections. Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

Internet Site. The City maintains an internet site; however, none of the information contained on that internet site is incorporated by reference in this Official Statement.

[REGIONAL MAP]

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OFFICIAL STATEMENT

**$_____*
Milpitas Municipal Financing Authority
2019 Water Revenue Bonds**

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. Capitalized terms used but not defined in this Official Statement have the meanings given in the Indenture (as defined below). See "APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents."

The Authority and the City. The Milpitas Municipal Financing Authority (the "**Authority**") is a joint exercise of powers authority established by the City of Milpitas (the "**City**") and the City of Milpitas Housing Authority pursuant to a Joint Exercise of Powers Agreement, dated as of March 1, 2016 for the purpose, among others, of having the Authority issue its bonds to finance the acquisition, construction and improvement of certain public capital improvements in the City. The City is a general law city located in the County of Santa Clara (the "**County**"). For background, demographic and economic information regarding the City and the County, see APPENDIX D.

Authority for Issuance. The bonds captioned above (the "**2019 Bonds**") are being issued by the Authority under a resolution adopted by the governing body of the Authority, the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "**Bond Law**"), and an Indenture of Trust dated as of November 1, 2019 (the "**Indenture**"), by and between the Authority and U.S. Bank National Association, as trustee. See "THE 2019 BONDS – Authority for Issuance."

Purpose of the 2019 Bonds. The 2019 Bonds are being issued to provide funds to (i) assist the City with financing certain improvements to the City's water system (as further defined herein, the "**Water System**"), and (ii) pay the costs of issuing the 2019 Bonds. See "FINANCING PLAN."

Security for the 2019 Bonds. The 2019 Bonds are special obligations of the Authority, payable from the "Revenues" pledged under the Indenture, which consist primarily of installment payments (the "**Installment Payments**") payable by the City to the Authority under an Installment Sale Agreement, dated as of November 1, 2019 (the "**Installment Sale Agreement**") pursuant to which the City is purchasing the Water System improvements being financed. Repayment of the Installment Payments is secured by a pledge of the "Net Revenues" of the Water System. "**Net Revenues**" are generally defined as the "Gross Revenues" received from the Water System, less the amount of "Maintenance and Operation Costs" of the Water System (as those terms are defined in the Indenture). See "SECURITY FOR THE 2019 BONDS."

Parity Debt. There are currently no outstanding obligations payable from the Gross Revenues or Net Revenues of the Water System. However, additional series of bonds or other debt may be issued in the future that are payable from Net Revenues on a parity with the Installment Payments, subject to the conditions contained in the Installment Sale Agreement. See "SECURITY FOR THE 2019 BONDS – Parity Debt."

Rate Covenants. Under the Installment Sale Agreement, the City is obligated to fix, prescribe, revise, and collect Charges for the Water System during each Fiscal Year that are sufficient to yield Net Revenues of at least 115% of Debt Service on the Bonds and Parity Debt (if any) in that Fiscal Year (as such capitalized terms are defined in the Indenture).

Under the Installment Sale Agreement, the City must also fix, prescribe, revise, and collect charges for the Water System during each Fiscal Year to pay all Maintenance and Operation Costs of the Water System estimated by the City to become due and payable in such Fiscal Year, the Debt Service on the Bonds, all other payments required for compliance with the Indenture and the Parity Debt Instruments, and all payments required to meet any other obligations of the City which are charges, liens, encumbrances upon or payable from the Gross Revenues or the Net Revenues of the Water System (as such capitalized terms are defined in the Indenture). Debt Service includes amounts due with respect to the 2019 Bonds, plus any Parity Debt that may be issued or incurred in the future. See APPENDIX A.

See "SECURITY FOR THE 2019 BONDS – Rate Covenants."

No Reserve Fund. The City will not fund a debt service reserve fund for the 2019 Bonds.

Risks of Investment. The 2019 Bonds are repayable from the Revenues, which are primarily secured by the Installment Payments payable by the City from the Net Revenues of the Water System. For a discussion of some of the risks associated with the purchase of the 2019 Bonds, see "BOND OWNERS' RISKS."

THE 2019 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED BY THE REVENUES, WHICH CONSIST PRIMARILY OF THE INSTALLMENT PAYMENTS. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY IS PLEDGED TO THE PAYMENT OF THE INSTALLMENT PAYMENTS. THE 2019 BONDS ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE, OR LIEN, OR ENCUMBRANCE UPON, ANY OF THE PROPERTY OF THE AUTHORITY OR ANY OF ITS INCOME OR RECEIPTS, EXCEPT THE REVENUES AS DESCRIBED HEREIN.

FINANCING PLAN

The 2019 Bonds are being issued to provide funds to (i) assist the City with financing certain improvements to the Water System (as described herein, the "**Project**"), and (ii) pay the costs of issuing the 2019 Bonds.

The Project

The Project is expected to consist primarily of projects identified in the Water System's capital improvement program, including well upgrades, seismic improvements, supervisory control and data acquisition (SCADA) systems, and pipeline extensions and replacements.

Preliminary design work for each of the components of the Project is either underway or complete. The Project is anticipated to be completed within three years. For additional information on the projects identified in the capital improvement program and expected to be funded by the 2019 Bonds, see "THE WATER SYSTEM – Capital Improvement Program."

As provided in the Indenture and the Installment Sale Agreement, amounts not used for the above-described projects may be expended for other improvements to the Water System approved by the City Council.

Estimated Sources and Uses of Funds

The estimated sources and uses of funds relating to the 2019 Bonds are as follows:

Sources:	
Principal Amount of 2019 Bonds	$
Plus/Less [Net] Original Issue Premium/Discount	
Total Sources	$
Uses:	
Deposit to Project Fund	
Costs of Issuance (1)	
Total Uses	$

(1) Costs of Issuance include legal fees, Municipal Advisor's fee, Underwriter's discount, printing costs, rating agency fees, and other expenses related to the issuance of the 2019 Bonds.

THE 2019 BONDS

This section provides summaries of the 2019 Bonds and certain provisions of the Indenture. See APPENDIX A for a more complete summary of the Indenture. Capitalized terms used but not defined in this section have the meanings given in APPENDIX A.

Authority for Issuance

The 2019 Bonds are being issued by the Authority under a resolution adopted by the governing body of the Authority on _____, 2019, the Bond Law, and the Indenture. The City, pursuant to a resolution adopted by the City Council of the City on _____, 2019, has also approved of the issuance of the Bonds and the distribution of the Official Statement.

General Bond Terms

Bond Terms. The 2019 Bonds will be dated their date of delivery and issued in fully registered form without coupons in denominations of $5,000 or any integral multiple of $5,000, so long as no 2019 Bond has more than one maturity date. The 2019 Bonds will mature in the amounts and on the dates, and bear interest at the rates per annum, set forth on the inside cover page of this Official Statement.

Payments. Interest on the 2019 Bonds will be payable on June 1 and December 1 of each year to maturity (each an "**Interest Payment Date**"), commencing June 1, 2020.

Interest on the 2019 Bonds will be payable on each Interest Payment Date to the person whose name appears on the Bond Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check or draft of the Trustee mailed by first class mail to the Owner or, at the option of any Owner of at least $1,000,000 aggregate principal amount of the 2019 Bonds with respect to which written instructions have been filed with the Trustee prior to the applicable Record Date, by wire transfer, at the address of such Owner as it appears on the Bond Registration Books.

If there exists a default in payment of interest due on such Interest Payment Date, such interest will be payable on a payment date established by the Trustee to the persons in whose names the 2019 Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered Owners of the 2019 Bonds not less than 15 days preceding such special record date.

Principal of and premium (if any) on any 2019 Bond will be paid upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee. Both the principal of and interest and premium (if any) on the 2019 Bonds will be payable in lawful money of the United States of America.

However, as long as Cede & Co. is the registered owner of the 2019 Bonds, as described below, payments of the principal of, premium, if any, and interest on the 2019 Bonds will be made directly to DTC, or its nominee, Cede & Co.

Calculation of Interest. The 2019 Bonds will be dated the Closing Date and bear interest based on a 360-day year comprised of twelve 30-day months from the Interest Payment Date next preceding the date of authentication thereof, unless said date of authentication is an Interest Payment Date, in which event such interest is payable from such date of authentication,

and unless said date of authentication is prior to May 15, 2020, in which event such interest is payable from the Closing Date; provided, however, that if, as of the date of authentication of any 2019 Bond, interest thereon is in default, such 2019 Bond will bear interest from the date to which interest has previously been paid or made available for payment thereon in full.

Record Date. The Indenture defines the "**Record Date**" for the 2019 Bonds as the 15th calendar day of the month preceding an Interest Payment Date.

Book-Entry Only System. The 2019 Bonds will be registered in the name of Cede & Co., as nominee of the Depository Trust Company ("**DTC**"), New York, New York, as the initial securities depository for the 2019 Bonds. Ownership interests in the 2019 Bonds may be purchased in book-entry form only. Purchasers of the 2019 Bonds will not receive physical bonds representing their ownership interests in the 2019 Bonds purchased.

Principal and interest payments with respect to the 2019 Bonds are payable directly to DTC by the Trustee. Upon receipt of payments of principal and interest, DTC will in turn distribute such payments to the beneficial owners of the 2019 Bonds. See "APPENDIX F – DTC and the Book-Entry Only System."

So long as the 2019 Bonds are registered in the name of Cede & Co., as nominee of DTC, references in this Official Statement to the "owners" mean Cede & Co., and not the purchasers or Beneficial Owners of the 2019 Bonds. See "APPENDIX F – DTC and the Book-Entry Only System."

Redemption*

Optional Redemption. The 2019 Bonds maturing on or before June 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The 2019 Bonds maturing on or after June 1, 20__, are subject to redemption in whole, or in part at the Written Request of the Authority among maturities on such basis as the Authority may designate and by lot within a maturity, at the option of the Authority, on any date on or after June 1, 20__, from any available source of funds, at a redemption price equal to the principal amount of the 2019 Bonds to be redeemed, plus accrued interest to the date of redemption, without premium

Special Mandatory Redemption from Insurance and Sale Proceeds. The 2019 Bonds are subject to mandatory redemption, on any date, in whole, or in part on a pro rata basis among maturities, from the net proceeds of insurance, sale or condemnation credited towards the prepayment of the Installment Payments by the City under the Installment Sale Agreement, at a redemption price equal to the principal amount represented thereby to be prepaid, without premium, together with accrued interest represented thereby to the redemption date.

Mandatory Sinking Fund Redemption. The 2019 Bonds maturing on June 1, 20__ and June 1, 20__ (the "**2019 Term Bonds**") are also be subject to redemption, by lot, on June 1 in each of the years as set forth in the following tables, from deposits made for such purpose pursuant to the Indenture, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof may be purchased, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, that if some but not all of the 2019 Term Bonds have been redeemed pursuant to paragraphs described above, the total

* *Preliminary; subject to change.*

amount of all future payments with respect to such 2019 Term Bonds shall be reduced by the aggregate principal amount of such 2019 Term Bonds so redeemed, to be allocated among such payments in integral multiples of $5,000 as determined by the Authority (written notice of which determination shall be given by the Authority to the Trustee).

2019 Term Bonds Maturing June 1, 20__

Sinking Fund Redemption Date (June 1)	Principal Amount To Be Redeemed

2019 Term Bonds Maturing June 1, 20__

Sinking Fund Redemption Date (June 1)	Principal Amount To Be Redeemed

In lieu of mandatory sinking fund redemption of the 2019 Term Bonds, amounts on deposit in the Bond Fund (to the extent not required to be deposited by the Trustee in the Interest Account or the Principal Account pursuant to the Indenture during the current Bond Year) may also be used and withdrawn by the Authority, upon the Written Request of the Authority delivered to the Trustee, at any time for the purchase of such 2019 Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Authority may in its discretion determine. The par amount of any of such Term Bonds so purchased by the Authority in any twelve-month period ending on April 1 in any year shall be credited towards and shall reduce the par amount of such Term Bonds required to be redeemed pursuant to this provision on the next succeeding June 1.

***Notice of Redemption*.** The Trustee shall mail notice of redemption of the 2019 Bonds by first class mail, postage prepaid, not less than 20 nor more than 60 days before any redemption date, to the respective Owners of any 2019 Bonds designated for redemption at their addresses appearing on the Bond Registration Books and to one or more Securities Depositories and to the Information Services. Each notice of redemption shall state the date of the notice, the redemption date, the place or places of redemption, whether less than all of the 2019 Bonds (or all 2019 Bonds of a single maturity) are to be redeemed, the CUSIP numbers and (in the event that not all 2019 Bonds within a maturity are called for redemption) 2019 Bond numbers of the 2019 Bonds to be redeemed and the maturity or maturities of the 2019 Bonds to be redeemed, and in the case of 2019 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on the redemption date there will become due and payable on each of said 2019 Bonds the

redemption price thereof, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered.

Each notice relating to a redemption pursuant to the optional redemption or special mandatory redemption provisions described above shall further state that such redemption may be rescinded by the Authority on or prior to the date set for redemption. Neither the failure to receive any notice nor any defect therein shall affect the sufficiency of the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date. Notice of redemption of 2019 Bonds shall be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

Notwithstanding the foregoing, while the 2019 Bonds are subject to DTC's book-entry system, the Trustee will be required to give notice of redemption only to DTC as provided in the letter of representations executed by the City and received and accepted by DTC. DTC and the Participants will have sole responsibility for providing any such notice of redemption to the beneficial owners of the 2019 Bonds to be redeemed. Any failure of DTC to notify any Participant, or any failure of Participants to notify the Beneficial Owner of any 2019 Bonds to be redeemed, of a notice of redemption or its content or effect will not affect the validity of the notice of redemption, or alter the effect of redemption set forth in the Indenture.

Rescission of Redemption and Cancellation of Redemption Notice. The Authority shall have the right to rescind any redemption pursuant to the optional redemption or special mandatory redemption provisions described above by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the 2019 Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

Selection of 2019 Bonds for Redemption. With respect to the 2019 Bonds, whenever less than all of the 2019 Bonds of a maturity are to be selected for redemption, the Trustee shall determine, by lot, the numbers of the 2019 Bonds of such maturity to be redeemed, and shall notify the City thereof.

Partial Redemption of 2019 Bonds. Whenever provision is made in the Indenture for the redemption of less than all of the 2019 Bonds of a single maturity of the same issue, the Trustee shall select the 2019 Bonds of that maturity to be redeemed by lot in any manner which the Trustee in its sole discretion deems appropriate. For purposes of such selection, the Trustee shall treat each 2019 Bond as consisting of separate $5,000 portions and each such portion shall be subject to redemption as if such portion were a separate 2019 Bond.

Registration, Transfer and Exchange

Bond Registration Books. The Trustee will keep or cause to be kept at its trust office sufficient Bond Registration Books for the registration and transfer of the Bonds, which will at all times during regular business hours, and upon reasonable notice, be open to inspection by the Authority; and, upon presentation for such purpose, the Trustee will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as provided in the Indenture.

Transfer. Any 2019 Bond may, in accordance with its terms, be transferred, upon the Bond Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such 2019 Bond to the Trustee at its Principal Corporate Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee shall collect any tax or other governmental charge on the transfer of any 2019 Bonds under the Indenture. Whenever any 2019 Bond or 2019 Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver to the transferee a new 2019 Bond or 2019 Bonds of like series, interest rate, maturity and aggregate principal amount. The Authority shall pay the cost of printing 2019 Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer of 2019 Bonds.

Exchange. The 2019 Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate principal amount of 2019 Bonds of other authorized denominations and of the same series, interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of any 2019 Bonds. The Authority shall pay the cost of printing 2019 Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange of 2019 Bonds.

Limitations. The Trustee may refuse to transfer or exchange, under the provisions of the Indenture, any 2019 Bonds selected by the Trustee for redemption under the Indenture, or any 2019 Bonds during the period established by the Trustee for the selection of 2019 Bonds for redemption.

DEBT SERVICE SCHEDULE

Annual debt service on the 2019 Bonds is presented below.

Period Ending June 1	Principal	Interest	Annual Debt Service
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
Total:			

SECURITY FOR THE 2019 BONDS

This section provides summaries of the security for the 2019 Bonds, and certain provisions of the Indenture and the Installment Sale Agreement. Unless the context otherwise requires, "Bonds" refers to the 2019 Bonds and any future Parity Debt outstanding under the Indenture. See APPENDIX A for a more complete summary of the Indenture. Capitalized terms used but not defined in this section have the meanings given in APPENDIX A.

General; Limited Obligation

The 2019 Bonds are special limited obligations of the Authority and will be payable from and secured by a charge and lien on the Revenues, consisting primarily of the Installment Payments to be made by the City under the Installment Sale Agreement, and all amounts held in any fund or account established and held by the Trustee under the Indenture (other than the Project Fund and the Cost of Issuance Fund). Neither the faith and credit nor the taxing power of the Authority, the City, the State of California or any political subdivision thereof is pledged to the payment of the Installment Payments or the principal or redemption price of or interest on the 2019 Bonds. The Authority has no taxing power. Neither the payment of the principal of or interest on the 2019 Bonds nor the obligation of the City to make Installment Payments under the Installment Sale Agreement constitutes a debt of the City, the Authority, the State of California or any political subdivision thereof in contravention of the Constitution or the laws of the State of California.

Installment Payments; Pledge of Net Revenues

All of the Net Revenues are irrevocably pledged, charged and assigned to the punctual payment of the Installment Payments. Such pledge, charge and assignment constitutes a lien on the Net Revenues and such other moneys for the payment of the Installment Payments in accordance with the terms of the Installment Sale Agreement, which lien is on a parity with the pledge and lien which secures any future Parity Debt. For a description of existing and potential future Parity Debt see "– Parity Debt" below. As used in the Installment Sale Agreement and in the Indenture, the following terms have the following respective meanings:

Net Revenues. The Indenture defines "**Net Revenues**" with respect to the Water System as, for any period of computation, the amount of the Gross Revenues during such period, less the amount of Maintenance and Operation Costs of the Water System during such period.

Gross Revenues. The Indenture defines "**Gross Revenues**" as all Charges (including surcharges, if any) received for, and all other gross income and receipts derived by the City from, the ownership and operation of the Water System or otherwise arising from the Water System, including but not limited to,

(a) any amounts transferred to the Water Fund from a Rate Stabilization Fund, and

(b) investment earnings on amounts held in the Water Fund or in any other fund established with respect to the Water System.

Gross Revenues do <u>not</u> include (i) refundable deposits made to establish credit, (ii) the proceeds of any ad valorem property taxes, (iii) the proceeds of any special assessments or

special taxes levied upon real property within any improvement district served by the City for the purpose of paying special assessment bonds or special tax obligations of the City relating to the Water System and (iv) connection charges.

Maintenance and Operation Costs. The Indenture defines "**Maintenance and Operation Costs**" as the reasonable and necessary costs and expenses paid by the City to maintain and operate the Water System, including but not limited to

(a) costs of electricity and other forms of energy supplied to the Water System,

(b) the reasonable expenses of management and repair and other costs and expenses necessary to maintain and preserve the Water System in good repair and working order,

(c) payments under any contracts, notes or leases executed in connection with the City's acquisition of the Water System or any part thereof, and

(d) payment of expenses relating to the acquisition of water for the Water System.

The term Maintenance and Operation Costs does not include (i) debt service payable on obligations incurred by the City, or for which the City is responsible in whole or in part, including but not limited to the Installment Payments, (ii) capital costs in excess of those, if any, required in (b) above, including payment of capital costs by the City in connection with water treatment and distribution, (iii) depreciation, replacement and obsolescence charges or reserves therefor, (iv) amortization of intangibles or other bookkeeping entries of a similar nature, and (v) any overhead costs of the City to be repaid through annual transfers to the City's General Fund.

Water System. The Indenture defines "**Water System**" as the entire system of the City for the treatment, production, storage and distribution of water within the service area of the City, including but not limited to all facilities, properties, lands, rights, entitlements and other property useful in connection therewith, together with all extensions thereof and improvements thereto at any time acquired, constructed or installed by the City.

Receipt and Use of Gross Revenues under Installment Sale Agreement

Flow of Funds. The City has previously established the Water Fund, which the City will continue to hold and maintain for the purposes and uses set forth in the Installment Sale Agreement. The City shall deposit all of the Gross Revenues in the Water Fund immediately upon receipt. The City shall apply amounts in the Water Fund as set forth in the Installment Sale Agreement and any resolution, trust indenture or installment sale agreement adopted, entered into or executed and delivered by the City under which Parity Debt may be issued (collectively, "**Parity Debt Instruments**"). Amounts on deposit in the Water Fund shall be applied by the City to pay when due the following amounts in the following order of priority:

(i) all Maintenance and Operation Costs (including amounts reasonably required to be set aside in contingency reserves for Maintenance and Operation Costs) as such Maintenance and Operation Costs become due and payable;

(ii) to the Trustee (or other recipient set forth in a Parity Debt Instrument) the amount needed to pay the Installment Payments and principal of, and interest on, any Parity Debt;

(iii) to the Trustee (or other recipient set forth in a Parity Debt Instrument) the amount of any deficiency in any reserve fund established for any Bonds or Parity Debt, the notice of which deficiency has been given to the City in accordance with the Indenture and the related Parity Debt Instruments, on a pro rata basis; and

(iv) as long as all of the foregoing payments, allocations and transfers are made at the times and in the manner set forth above, any moneys remaining in the Water Fund may at any time be treated as surplus and applied for any lawful purpose.

No Preference or Priority. Payment of the Installment Payments and the principal of and interest on any Parity Debt shall be made without preference or priority among the Installment Payments and such Parity Debt. If the amount of Net Revenues on deposit in the Water Fund is at any time insufficient to enable the City to pay when due the Installment Payments and the principal of and interest on any Parity Debt, such payments shall be made on a pro rata basis.

Budget and Appropriation of Installment Payments. During the Term of the Installment Sale Agreement, the City shall adopt all necessary budgets and make all necessary appropriations of the Installment Payments from the Net Revenues. If any Installment Payment requires the adoption by the City of any supplemental budget or appropriation, the City shall promptly adopt the same. The foregoing covenants on the part of the City constitute duties imposed by law and it is the duty of each and every public official of the City to take such actions and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in this paragraph.

Receipt and Use of Revenues under Indenture

Assignment to Trustee. Under the Indenture, the Authority hereby irrevocably transfers, assigns and sets over to the Trustee, without recourse to the Authority, all of its rights in the Installment Sale Agreement (excepting only the Authority's rights relating to indemnification and related matters), including but not limited to all of the Authority's rights to receive and collect all of the Installment Payments. The Trustee is entitled to collect and receive all of the Installment Payments, and any Installment Payments collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee is also entitled to and shall, subject to the provisions of the Indenture, take all steps, actions and proceedings which the Trustee determines to be reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the City under the Installment Sale Agreement.

Deposit and Use of Revenues in Bond Fund. All Revenues (consisting, primarily, of the Installment Payments) shall be promptly deposited by the Trustee upon receipt in a special

fund designated as the "Bond Fund" which the Trustee shall establish, maintain and hold in trust; except that all moneys received by the Trustee and required under the Indenture or under the Installment Sale Agreement to be deposited in the Redemption Fund shall be promptly deposited in such fund. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture. Any surplus remaining in the Bond Fund, after payment in full of (i) the principal of and interest on the Bonds or provision therefore under the Indenture, and (ii) any applicable fees and expenses of the Trustee, shall be withdrawn by the Trustee and remitted to the City.

On or before each Interest Payment Date, the Trustee shall transfer from the Bond Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain within the Bond Fund), the following amounts in the following order of priority:

Interest Account. The Trustee shall deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to be at least equal to the amount of interest becoming due and payable on such Interest Payment Date on all Bonds then Outstanding. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it comes due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

Principal Account. The Trustee shall deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds coming due and payable on each June 1, including the aggregate principal amount of the Term Bonds (if any) which are subject to mandatory sinking fund redemption on such June 1 pursuant to the Indenture. All amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal amount of the Bonds on their respective maturity dates, including the aggregate principal amount of the Term Bonds (if any) which are subject to mandatory sinking fund redemption on such June 1 pursuant to the Indenture.

Deposit and Use of Revenues in Redemption Fund. The Trustee shall establish and maintain the Redemption Fund, into which the Trustee shall deposit a portion of the Revenues received representing optional prepayments of the Installment Payments, in accordance with a Written Request of the Authority. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal and premium (if any) of the Bonds to be redeemed under the optional redemption or special mandatory redemption provisions of the Indenture; *provided, however*, that at any time prior to the selection of Bonds for redemption, the Trustee may apply such amounts to the purchase of Bonds at public or private sale, when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed under a Written Request of the Authority, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the Bonds.

No Reserve Fund

Neither the Authority nor the City will fund a debt service reserve fund for the 2019 Bonds.

Rate Stabilization Fund

Under the Installment Sale Agreement, the City has the right at any time to establish a rate stabilization fund (the "**Rate Stabilization Fund**") to be held by it and administered in accordance with the Installment Sale Agreement, for the purpose of stabilizing the rates and charges imposed by the City with respect to the Water System. From time to time the City may deposit amounts in the Rate Stabilization Fund, from any source of legally available funds, including but not limited to Net Revenues that are released from the pledge and lien, which secures the Installment Payments and any Parity Debt, as the City may determine.

The City may, but is not required to, withdraw from any amounts on deposit in a Rate Stabilization Fund and deposit such amounts in the Water Fund in any Fiscal Year for the purpose of paying Debt Service coming due and payable in such Fiscal Year. Amounts so transferred from a Rate Stabilization Fund to the Water Fund will constitute Gross Revenues for such Fiscal Year (except to the extent of amounts transferred into the Rate Stabilization Fund from Gross Revenues received by the City in such Fiscal Year), and will be applied for the purposes of the Water Fund. Amounts on deposit in a Rate Stabilization Fund will not be pledged to or otherwise secure the Installment Payments or any Parity Debt. All interest or other earnings on deposits in a Rate Stabilization Fund will be withdrawn therefrom at least annually and accounted for as Gross Revenues in the Water Fund. The City has the right at any time to withdraw any or all amounts on deposit in a Rate Stabilization Fund and apply such amounts for any lawful purposes of the City.

The City does not currently have any amounts set aside in a rate stabilization fund, but does maintain other reserves related to the Water System. See "THE WATER SYSTEM – Funds and Reserves."

Rate Covenants under Indenture

Sum Sufficient. Under the Installment Sale Agreement, the City will fix, prescribe, revise and collect Charges for the Water System during each Fiscal Year that are at least sufficient, after making allowances for contingencies and error in the estimates, to produce Gross Revenues which will be sufficient to pay the following amounts:

(a) all Maintenance and Operation Costs of the Water System estimated by the City to become due and payable in such Fiscal Year;

(b) the Installment Payments and Debt Service on any Parity Debt;

(c) all other payments required for compliance with the Installment Sale Agreement, the Indenture and the Parity Debt Instruments; and

(d) all payments required to meet any other obligations of the City that are charges, liens, encumbrances upon or payable from the Gross Revenues of the Water System or the Net Revenues of the Water System.

Debt Service Coverage. In addition, under the Installment Sale Agreement, the City will fix, prescribe, revise and collect Charges for the Water System during each Fiscal Year which are sufficient to yield Net Revenues at least equal to 115% of the Installment Payments and Debt Service on Parity Debt in such Fiscal Year. For purposes of this paragraph, the amount of Net Revenues for a Fiscal Year will be computed on the basis that any transfers into

the Water Fund in such Fiscal Year from the Rate Stabilization Fund are included in the calculation of Net Revenues (except to the extent of amounts transferred into the Rate Stabilization Fund from Gross Revenues received by the City in such Fiscal Year).

Parity Debt

In addition to the Installment Payments, the City may, by a Parity Debt Instrument, issue or incur other loans, advances or indebtedness payable from Net Revenues to be derived from the Water System, to provide financing for the Water System, in such principal amount as may be determined by the City. The City may issue or incur any such Parity Debt subject to the following specific conditions that are made conditions precedent to the issuance and delivery of such Parity Debt:

(a) The City will be in compliance with all covenants set forth in the Installment Sale Agreement and in the Indenture.

(b) The Net Revenues of the Water System, calculated on generally accepted accounting principles, as shown by the books of the City for the latest Fiscal Year or any more recent 12-month period selected by the City ending not more than 60 days prior to the adoption of the Parity Debt Instrument pursuant to which such Parity Debt are issued, as shown by the books of the City, plus, at the option of the City, any or all of the items hereinafter in this paragraph designated (i) and (ii), must at least equal 115% of Maximum Annual Debt Service, with Maximum Annual Debt Service calculated on all bonds and other obligations to be outstanding immediately subsequent to the issuance of such Parity Debt which have a lien on Net Revenues of the Water System. The items any or all of which may be added to such Net Revenues for the purpose of issuing or incurring Parity Debt under the Indenture are the following:

(i) An allowance for Net Revenues from any additions to or improvements or extensions of the Water System to be made with the proceeds of such Parity Debt, and also for Net Revenues from any such additions, improvements or extensions which have been made from moneys from any source but in any case which, during all or any part of such Fiscal Year or such 12-month period, were not in service, all in an amount equal to 90% of the estimated additional average annual Net Revenues to be derived from such additions, improvements and extensions for the first 36-month period in which each addition, improvement or extension is respectively to be in operation, all as shown in the written report of an Independent Consultant engaged by the City; and

(ii) An allowance for revenues projected to arise from any increase in the Charges which has been approved by the City Council prior to the incurring of such additional indebtedness but which, during all or any part of such Fiscal Year or such 12-month period, was not in effect, in an amount equal to the amount by which the Net Revenues would have been increased if such increase in Charges had been in effect during the whole of such Fiscal Year or such 12-month period, all as shown in the written report of an Independent Consultant engaged by the City. For the avoidance of doubt, a Charge shall be considered to have been approved by the City Council and may be considered in the calculation of the allowance described in the previous sentence if the Charge is

part of a multi-year rate increase that has been approved by the City Council, even if the specific Charge will not take effect until a subsequent Fiscal Year.

(c) The Parity Debt Instrument providing for the issuance of such Parity Debt under the Installment Sale Agreement shall:

(i) Provide that the proceeds of such Parity Debt will be applied to the acquisition, construction, improvement, financing or refinancing of additional facilities, improvements or extensions of existing facilities within the Water System, or otherwise for facilities, improvements or property which the City determines are of benefit to the Water System, or for the purpose of refunding any Parity Debt in whole or in part, including all costs (including costs of issuing such Parity Debt and including capitalized interest on such Parity Debt during any period which the City deems necessary or advisable) relating thereto;

(ii) Specify the date on which interest on such Parity Debt will be payable; and

(iii) Specify the date on which principal on such Parity Debt will be payable.

(d) Notwithstanding the foregoing, Parity Debt proposed to be issued for the purpose of refunding any Parity Debt may be issued without compliance with subsection (b) and (c)(i), so long as such refunding results in lower Debt Service in each Fiscal Year after such refunding and the final maturity (or termination) date of the refunding Parity Debt is no later than the final maturity (or termination) date of the refunded Parity Debt.

As used above, "**Maximum Annual Debt Service**" means, as of the date of calculation, the maximum amount of Debt Service for the current or any future Fiscal Year. The calculation of "**Debt Service**" is set forth in APPENDIX A.

No Senior Debt

The City covenants in the Installment Sale Agreement to not issue or incur any additional bonds or other obligations during the term thereof having any priority in payment of principal or interest out of the Net Revenues over the Installment Payments. However, this covenant does not limit or affect the ability of the City to issue, enter into or incur additional Parity Debt as described above, or obligations which are either unsecured or which are secured on a basis which is junior and subordinate to the pledge of and lien upon the Net Revenues established under the Installment Sale Agreement.

Casualty Insurance and Eminent Domain Proceeds

Covenant to Maintain Insurance. The City covenants that it will at all times maintain such insurance on the Water System as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to such works or properties.

Insurance Proceeds. All amounts collected from insurance against accident to or destruction of any portion of the Water System shall be used to repair or rebuild such damaged or destroyed portion of the Water System, and to the extent not so applied, shall be applied to

redeem Bonds or any Parity Debt in accordance with the Indenture and applicable Parity Debt Instruments.

Eminent Domain Proceeds. If all or any part of the Water System is taken by eminent domain proceedings, the Net Proceeds realized by the City therefrom will be deposited by the City in a special fund in trust and applied by the City to the cost of acquiring or constructing or financing Improvements to the Water System, or to redeem Bonds or any Parity Debt in accordance with the Indenture and applicable Parity Debt Instruments.

THE AUTHORITY AND THE CITY

The Authority

The Authority was created as of March 1, 2016, by the City and the City of Milpitas Housing Authority under a Joint Exercise of Powers Agreement, for the purpose, among others, of having the Authority issue its bonds to finance the acquisition, construction and improvement of certain public capital improvements in the City. The members of the City Council serve as the governing board of the Authority, and certain City staff serve as the officers of the Authority. The Joint Exercise of Powers Agreement was entered into under Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California. The Authority is a separate entity constituting a public instrumentality of the State of California.

The City

The City is a general law city located in the County of Santa Clara (the "**County**"). For background, demographic and economic information regarding the City and the County, see APPENDIX D.

City Pension Plans and OPEB

*This section contains certain information relating to California Public Employees' Retirement System ("**CalPERS**"). The information is primarily derived from information produced by CalPERS, its independent accountants and actuaries. The City has not independently verified the information provided by CalPERS and makes no representations and expresses no opinion as to the accuracy of the information provided by CalPERS.*

The comprehensive annual financial reports of CalPERS are available on its Internet website at www.calpers.ca.gov. The CalPERS website also contains CalPERS' most recent actuarial valuation reports and other information concerning benefits and other matters. Such information is not incorporated by reference in this Official Statement. None of the Authority, City or Underwriter can guarantee the accuracy of such information. Actuarial assessments are "forward-looking" statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or may be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

Miscellaneous Plan Description. All qualified permanent and probationary employees of the Water System are eligible to participate in the City's Miscellaneous Plan (the "**Miscellaneous Plan**"), agent multiple-employer defined benefit pension plan administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Miscellaneous Plan are established by State statute and City's resolutions.

Approximately 7.6% of the Miscellaneous Plan contributions made by the City to CalPERS for Fiscal Year 2019-20 are expected to be allocable to the Water System, based on the methodology currently employed by the City.

Benefits Provided. CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees

and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Miscellaneous Plan provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous Plan		
	Classic Tier I	Classic Tier II	PEPRA
Hire Date	Prior to Oct. 9, 2011	Oct. 10, 2011 – Dec. 31, 2012	On or after Jan. 1, 2013
Benefit Formula	2.7% @ 55	2.0% @ 60	2.0% @ 62
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	Monthly for life	Monthly for life	Monthly for life
Retirement Age	50 - 55	50 - 63	52 - 67
Monthly Benefits, As a % of Eligible Comp.	2.0% - 2.7%	1.092% - 2.418%	1.0% - 2.5%
Required Employee Contribution Rates	8%	7%	5.75%
Required Employer Contributions Rates	9.393%	9.393%	9.39%

Source: Milpitas Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2018.

Employees Covered. The following employees were covered by the benefit terms for the Miscellaneous Plan as of the most recent actuarial valuation date of June 30, 2016 and the measurement date of June 30, 2017.

	Miscellaneous Plan		
Employees	**Classic Tier I**	**Classic Tier II**	**PEPRA Tier**
Inactive employees or beneficiaries receiving benefits	349	--	--
Inactive employees entitled to but not yet receiving benefits	307	--	--
Active employees	144	3	30
Total	800	3	30

Source: Milpitas Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2018.

Unfunded Accrued Liability. Each year, CalPERS provides the City with its minimum required employer contributions to the Miscellaneous Plan. As of July 2018, the City's required contributions for the unfunded accrued liability (UAL) for the Miscellaneous Plan for Fiscal Year 2019-20 was $5,697,026, and projected for Fiscal Year 2020-21 to be $6,271,000. Future year contributions are subject to change, and may be higher than projected due to CalPERS investment returns, actuarial assumptions and other factors.

Net Pension Liability. The City's net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Miscellaneous Plans was measured as of June 30, 2018. The changes in net pension liability for the Miscellaneous Plan from June 30, 2017 to June 30, 2018 are shown in the following table.

	Miscellaneous Plan		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability/(Asset)**
Balance at June 30, 2017	**$222,345,892**	**$155,168,033**	**$67,177,859**
Changes in the Year:			
Service Cost	3,042,853		3,042,853
Interest on the Total Pension Liability	15,647,110		15,647,110
Changes in Benefit Terms	0		0
Changes of Assumptions	(1,404,854)		(1,404,854)
Differences Between Actual & Expected Experience	1,831,444		1,831,444
Net Plan to Plan Resource Movement		$(381)	381
Contributions – Employer		5,762,448	(5,762,448)
Contributions – Employees		1,473,732	(1,473,732)
Net Investment Income		13,123,448	(13,123,448)
Benefit Payments, Including Refunds of Employee Contr.	(10,906,398)	(10,906,398)	0
Administrative Expense		(241,795)	241,795
Other Misc. Income/(Expense)		(459,172)	459,172
Net Changes during 2017-18	**$8,210,155**	**$8,751,882**	**$(541,727)**
Balance at June 30, 2018	**$230,556,047**	**$163,919,915**	**$66,636,132**

Source: CalPERS GASB 68 Accounting Report.

Changes in Net Pension Liability are subject to various assumption and are sensitive to changes in the discount rate for the Miscellaneous Plan, among other things. For additional details on the Miscellaneous Plan and related matters, see Note 11 to the City's audited financial statements for the fiscal year ending June 30, 2018, attached hereto as Appendix B.

Recent Actions Taken by CalPERS. At its April 17, 2013, meeting, CalPERS' Board of Administration (the "**Board of Administration**") approved a recommendation to change the CalPERS amortization and smoothing policies. Prior to this change, CalPERS employed an amortization and smoothing policy that spread investment returns over a 15-year period with experience gains and losses paid for over a rolling 30-year period. As a result, CalPERS now employs an amortization and smoothing policy that will pay for all gains and losses over a 20-year period with a five-year ramp-up, and five-year ramp-down, period. The new amortization and smoothing policy was used for the first time in the June 30, 2013 actuarial valuations in setting employer contribution rates for fiscal year 2015-16.

On February 18, 2014, the Board of Administration approved new demographic actuarial assumptions based on a 2013 study of recent experience. The largest impact, applying to all benefit groups, is a new 20-year mortality projection reflecting longer life expectancies and that longevity will continue to increase. Because retirement benefits will be paid out for more years, the cost of those benefits will increase as a result. The Board of Administration also assumed earlier retirements for Police 3%@50, Fire 3%@55, and Miscellaneous 2.7%@55 and 3%@60, which will increase costs for those groups. As a result of these changes, rates increased beginning in fiscal year 2016-17 (based on the June 30, 2014 valuation) with full impact in fiscal year 2020-21.

On November 18, 2015, the Board of Administration adopted a funding risk mitigation policy intended to incrementally lower its discount rate – its assumed rate of investment return – in years of good investment returns, help pay down the pension fund's unfunded liability, and

provide greater predictability and less volatility in contribution rates for employers. The policy establishes a mechanism to reduce the discount rate by a minimum of 0.05 percentage points to a maximum of 0.25 percentage points in years when investment returns outperform the existing discount rate, currently 7.5%, by at least four percentage points. CalPERS staff modeling anticipates the policy will result in a lowering of the discount rate to 6.5% in about 21 years, improve funding levels gradually over time and cut risk in the pension system by lowering the volatility of investment returns. More information about the funding risk mitigation policy can be accessed through CalPERS' web site at the following website address: https://www.calpers.ca.gov/page/newsroom/calpers-news/2015/adopts-funding-risk-mitigation-policy. *The reference to this Internet website is provided for reference and convenience only. The information contained within the website may not be current, has not been reviewed by the City and is not incorporated in this Official Statement by reference.*

On December 21, 2016, the Board of Administration voted to lower its discount rate from the current 7.5% to 7.0% over the subsequent three years as shown in the following schedule.

Fiscal Year	Discount Rate
2017-18	7.375%
2018-19	7.250
2019-20	7.000

PARS Plan. The Omnibus Budget Reconciliation Act of 1990 mandated that public sector employees who are not members of their employer's existing retirement system as of January 1, 1992 be covered by either Social Security or an alternative plan. The City's part-time, seasonal and temporary employees are covered under the Public Agency Retirement System ("**PARS**"), a defined contribution plan, which requires these employees to contribute 6% and the City to contribute 1.5% of the employees pay plus administration costs. The City's required contributions of $28,844 and the employee's required contributions of $115,367 were made during the fiscal year ending June 30, 2018.

Deferred Compensation Plan. City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency defined by the plan. The laws governing deferred compensation plan assets require plan assets to be held by a trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they are excluded from the City's financial statements.

Other Post-Employment Benefits (OPEB). The City provides postretirement health care benefits through its Retiree Medical Benefits Plan to employees who retire in good standing from the City after attaining the age of 50 and to certain employees who retire due to disability. As of June 30, 2018 there were 280 participants receiving these health care benefits. The City joined the California Employers' Retiree Benefit Trust ("**CERBT**"), an agent multiple-employer plan administered by CALPERS, consisting of an aggregation of single-employer plans. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the California Public Employees' Retirement System, CERBT, P.O. Box 942703, Sacramento, CA 94229-2703.

In order to qualify for postemployment medical and dental benefits an employee must retire from the City and maintain enrollment in one of City's eligible health plans. In addition, there are eligibility rules and contribution requirements defined in the Memorandum of Understanding (MOU) with each employee group. In the MOUs, the Benefit Cap is defined as not more than the single medical premium rate paid by the City for active employees, and the Retiree Cap is 15% above the single Kaiser medical premium rate. The eligibility rules for each MOU are summarized in the City's audited financial statements.

The City's policy is to prefund these benefits by accumulating assets with CERBT pursuant to the City's annual budget approved by the City Council. For the year ended June 30, 2019, the City's contributions to the plan were $4,803,893, and the net OPEB liability as of June 30, 2018 was $43,904,884, which was a $508,889 decrease from the net OPEB liability as of June 30, 2017 of $44,413,773.

See APPENDIX B for additional details regarding the City's pension and other employee benefits, including as relates to OPEB.

THE WATER SYSTEM

History

The City owns and operates the Water System, which is the major water utility serving the City. The City purchased its basic water facilities in 1954 and has since continually expanded the Water System to accommodate growth of its service area.

At the time of incorporation, the City covered an area of 2.9 square miles with a population of 825. Rapid growth began with the opening of the Ford Motor Company assembly plant in 1955 and continued with the high-technology industry in the 1970's. Growth slowed as result of the recession of 2008; however, in more recent years, the transformation of industrial areas of the City into high-density housing has resumed.

The City's Department of Public Works is responsible for the operation, maintenance and improvement of the Water System.

Service Area

The service area of the Water System can be divided into two distinct areas: (i) roughly 10.1 square miles on the relatively flat "**Valley Floor**" to the west and (ii) 3.5 square miles on the steep "**Hillside**" to the east. The Valley Floor areas are zoned for industrial, commercial, and residential uses. The Hillside areas are zoned for residential use only. Park and recreational open spaces are distributed throughout the residential areas.

The Water System presently serves approximately 77,000 persons, including over 17,000 active water service accounts. The service area includes areas within City limits, as well as a portion in the unincorporated area of the County, stretching from the City's border with the city of Fremont to the north to the City's border with the city of San José to the south. The Water System's service area is further divided into two distinct areas, corresponding to the areas served by the City's two wholesalers – the San Francisco Public Utilities Commission (the "**SFPUC**") and the Santa Clara Valley Water District ("**SCVWD**"), as described below.

Physical Assets

The Water System provides both water and recycled water to its customers. The Water System's primary water operation includes 203 miles of water main pipes, 5,181 valves, 360 air vac valves, 1,755 fire hydrants, 5 water tanks with a combined capacity of 15.64 million gallons, 4 water pump stations, 14 pressure regulation valves, 2 wells, and 53 cathodic protection test stations.

In addition, as part of its recycled water operations, the Water System includes 11 miles of water main pipes, 126 valves, 23 air vac valves, and 90 service connections for recycled water.

The City does <u>not</u> own any water treatment plants; rather the Water System purchases treated water from its wholesale providers (SFPUC and SCVWD). SFPUC's water treatment plant serving the City is known as the Sunol Valley Water Treatment Plant. SCVWD's water treatment plants serving the City are known as the Penitencia and Santa Teresa Water Treatment Plants.

Management

Brief biographies of key members of City staff involved in management of the Water System are set forth below:

Public Works Director – Tony Ndah, P.E. Mr. Ndah was appointed as the City's Public Work Director in January 2018, having previously been appointed Deputy Public Works Director in July 2017. Prior to joining the City, he worked for SCVWD. He has over 20 years of experience in civil engineering, and is a licensed Professional Civil Engineer. He holds a bachelor's degree in civil engineering and a master's degree in Public Administration from San José State University. In his role as Public Work's Director, Mr. Ndah plans, organizes, directs and oversees the operations and maintenance of the Water System. He also assists with providing recommendations to the City Engineer for the preparation and administration of capital improvements programs for the Water System.

Engineering Director/City Engineer – Steven Erickson, P.E. Mr. Erickson was appointed as the City's Engineering Director/City Engineer in January 2018. Mr. Erickson has been an engineer with the City for over 28 years, and he is a licensed Professional Civil Engineer. He holds a bachelor's degree in civil engineering from San José State University. In his role as Engineering Director/City Engineer, Mr. Erickson plans, organizes, directs, and oversees the activities, operations programs, and projects of the Engineering Department including the preparation and administration of the 5-year Capital Improvement Program (CIP). Responsibilities include the development and administration of consultant contracts, engineering design, construction management, and construction inspection of capital projects funded in the CIP, including projects for the construction and replacement of potable water, recycled water, sanitary sewer, and storm drainage infrastructure. Areas of engineering oversight are land development, municipal buildings, traffic, design, sewer, water, and storm utilities.

Director of Finance – Walter C. Rossmann. Mr. Rossmann was appointed Director of Finance of the City in June 2019. Prior to joining the City, Mr. Rossmann has held numerous roles grounded in finance, including Budget Director for the City of Palo Alto, Assistant Budget Director for the City of San José, supporting debt issuances, Deputy Director of Finance for Accounting for the City of San José and Purchasing and Procurement and Information Systems Manager for the City of San Diego. Most recently, Mr. Rossmann served as Chief Operating Officer for the City of Santa Clara and the Assistant City Manager for the City of Sunnyvale. Mr. Rossmann holds a Master of Science in Applied Mathematics from Texas A&M University-Corpus Christi. In his role of Director of Finance, Mr. Rossmann oversees the Finance Department, which has an annual budget of approximately $6.1 million and a staff of 29.5.

Sources of Water Supply

Overview. The City receives wholesale potable water directly from SFPUC and SCVWD; no further treatment is required by the City. The City purchases approximately 60% of its potable water from the SFPUC and approximately 40% from the SCVWD. Having two different supply sources helps the City to lower the likelihood of losing water supply entirely since it is highly unlikely that both the SFPUC and the SCVWD system would experience a loss of supply at the same time. The City owns two wells, one of which is currently capable of being used as an emergency water supply source. The City also has two emergency intertie connections with Alameda County Water District and San José Water Company, as described below.

With minor exceptions, SFPUC water is provided to the residential areas of the City, while SCVWD water is distributed to the industrial areas. This is expected to change in the future, however, because portions of the industrial areas in the City are being converted to mixed-use developments and will continue to receive SCVWD water. Under normal operating conditions, the SFPUC and SCVWD potable water supply sources are not blended. Due to their different characteristics, blending could lead to potential water quality problems such as generation of taste and odors. Hence, the Water System's two sources of supply are physically separated via 41 isolation valves in the distribution pipeline network. These isolation valves can be manually opened to allow emergency backup of SFPUC supply for the SCVWD zones and of the SCVWD supply for the SFPUC zones.

Water Supplied by SFPUC. The Water System's largest wholesale water supplier is SFPUC, with water delivered to the City via Bay Division Pipelines No. 3 and No. 4. The City is one of 16 cities, 8 water districts, and 2 private water providers that purchase wholesale water from the SFPUC (collectively, the "**Wholesale Customers**"). SFPUC is the third-largest municipal utility in the State, serving 2.6 million residential, commercial, and industrial customers in the San Francisco Bay Area. In 2009, the SFPUC and the Wholesale Customers entered into a Water Supply Agreement, with an effective date of July 1, 2009 (the "**Water Supply Agreement**"), and extending for a 25-year initial term (with provisions for two conditional 5-year extensions).

While the Water Supply Agreement establishes the rate-setting mechanism and the overall supply assurance level for Wholesale Customers, each Wholesale Customer has an individual water supply contract that defines the terms and conditions (including, among others, the point of delivery and service area) by which water is supplied to each such Wholesale Customer. With respect to the City's water supply, the Water Supply Agreement provides the City an individual water supply guarantee of 9.2 million gallons per day ("**MGD**") for each fiscal year during the term of the agreement, while also obligating the City to take a minimum water delivery level of 5.341 MGD each fiscal year.

SFPUC obtains its water from two sources: the Hetch Hetchy watershed, which is also sometimes referred to as the "Regional Water System," and local groundwater sources. The Regional Water System is a complex system which supplies water from two primary sources: the Tuolumne River through the Hetch Hetchy Reservoir and local runoff into Bay Area reservoirs in the Alameda and Peninsula watersheds. Water developed by Hetch Hetchy Reservoir through the Hetch Hetchy facilities represents the majority of the water supply available to SFPUC. On average, the Hetch Hetchy Reservoir provides approximately 85% of the water delivered and Bay Area reservoirs provide approximately 15% of the water delivered. The local watershed facilities are operated to capture local runoff for delivery. Local area water production is dependent on precipitation and the ability of the SFPUC to regulate watershed runoff.

Related to the Water Supply Agreement, the City is a member of the Bay Area Water Supply and Conservation Agency (the "**BAWSCA**"), which is a special district comprised of all of the Wholesale Customers that provides regional water supply planning, resource development, and conservation program services to enhance the water reliability of the Wholesale Customers. BAWSCA was enabled by a special act of the California Legislature and was formed by the Wholesale Customers in 2003. The Wholesale Customers, together with the SFPUC, are also part of the San Francisco Bay Area Regional Water System Financing Authority ("**RFA**"). While BAWSCA focuses on planning and water management and may engage in public works

projects, the RFA exists solely to help fund capital improvements to the Regional Water System. The RFA has the power to issue revenue bonds to fund certain eligible projects; provide proceeds of revenue bonds to the City of San Francisco under specified conditions to improve reliability of the system; and apply for and receive State and federal grants, loans and other financial assistance. The RFA has not, to date, issued any revenue bonds, and the SFPUC is not now aware of any current plans by the RFA to do so. The ability of the RFA to issue bonds expires in December 2020.

Between 1984 and 2009, Wholesale Customer rates were set by SFPUC pursuant to a Settlement Agreement and Master Water Sales Contract (the "**Master Water Sales Contract**"). The Master Water Sales Contract resolved litigation over certain rate-setting practices. Both sides dismissed, with prejudice, the claims related to water sales overcharges and undercharges with the signing of the Master Water Sales Contract. The Master Water Sales Contract put in place a comprehensive method for allocating the costs of the Regional Water System between the SFPUC's retail customers and the Wholesale Customers (including the City).

The Water Supply Agreement provides for the separation of asset and expense categories among wholesale only, regional, and retail only. Annual operations and maintenance expenses are recovered on the basis of proportionate annual use of the Regional Water System (as defined in the Master Water Sales Contract) in most cases. Hetch Hetchy power costs and revenues are also separated—the Wholesale Customers do not pay for power-related costs, and do not share in power revenues received by SFPUC.

The basic framework of the Master Water Sales Contract regarding coordination of wholesale rates with the annual SFPUC budget process, annual compliance audits, resolution of rate disputes via binding arbitration and the annual true up of costs using a balancing account continue, but the Water Supply Agreement effected significant changes in the arrangement between the SFPUC and the Wholesale Customers. In particular, the Water Supply Agreement contains various provisions related to the allocation of capital costs.

In addition, the Water Supply Agreement also contains the following provisions:

- SFPUC agrees to operate system reservoirs in a manner that assigns higher priority to the delivery of water to the Bay Area and the environment than to generation of hydroelectric power.

- The "Shortage Allocation Plan," which establishes an allocation of water between SFPUC's retail customers and Wholesale Customers to be applied during droughts, governs drought shortages of up to 20%.

- Drought pricing and emergency rate increases are allowed.

Water Supplied by SCVWD. The Water System's second main wholesale water provider is SCVWD. Water from SCVWD is delivered to the City from the Penitencia or Santa Teresa WTP via the Milpitas Pipeline. Water purchased from SCVWD is governed by a contract between SCVWD and the City, dated September 4, 1984 (the "**SCVWD Agreement**"), with a term of 70 years. The SCVWD Agreement provides that the water supplied by SCVWD to the City is adjusted periodically based on an annual delivery schedule request that the City submits every 3 years. This schedule is binding for the subsequent 3-year period, and the City's annual purchases must be at least 95% of the maximum contained in the schedule each year. The

City's monthly "supply guarantee" is at least 15% of the total estimated yearly amount. The rate charged to the City is set by the board of directors of SCVWD, consistent with applicable law.

SCVWD is one of the largest water districts in the State, serving 2 million residents in the County. It encompasses all of the County's approximately 1,300 square miles and sells treated water to 8 water retail companies and cities that service communities in the County, including the City. SCVWD obtains its water from two major components: (1) major surface tributary drainage area yields; and (2) natural groundwater basin recharge. SCVWD operates 10 surface water reservoirs, with a total capacity of about 167,000 acre-feet, which generally provide seasonal storage for downstream releases to percolation facilities. Anderson Reservoir, the largest of the SCVWD's reservoirs, can provide carryover storage from one year to the next. Groundwater storage is also available in the County's two groundwater subbasins and is used for both seasonal and carryover storage.

Recharge to the groundwater subbasins consists of natural groundwater recharge and managed recharge with local and imported surface water. Natural groundwater recharge includes recharge from rainfall, net leakages from pipelines, seepage from the surrounding bills, seepage into and out of the basin, and net irrigation return flows to the groundwater subbasins. Managed recharge is controlled recharge that occurs due to District releases in specific streams and in off-stream recharge facilities. SCVWD uses local water conserved in surface water reservoirs arid imported water from both the State Water Project ("**SWP**") and Central Valley Project ("**CVP**") for managed recharge. Some of the water retailers within SCVWD also receive water supplies from the SFPUC, which has an impact on the sources of supply available more generally in the County and, accordingly, to SCVWD.

In 1961, SCVWD contracted with the SWP for a new water supply. This imported supply normally provides water for groundwater recharge and for treatment at two SCVWD water treatment plants, the Rinconada and Penitencia Water Treatment Plants, but can also be used to supply the Santa Teresa WTP. The SWP Contract provides for a maximum annual entitlement of 100,000 acre-feet of water from SWP, which became effective in 1961 and will remain effective through the project repayment period, or for 75 years (i.e., through 2035), whichever period is longer.

On June 7, 1977, SCVWD entered into a contract with the United States Bureau of Reclamation ("**USBR**") for water service from the San Felipe Division of the CVP. The CVP contract provides for both agricultural and municipal and industrial water deliveries to SCVWD up to a total contract amount of 152,500 AF per year.

The SWP water and CVP water are either treated in the SCVWD's water treatment plants or recharged in the groundwater subbasins. The recharge of SWP water contributed to its success in arresting permanent land surface subsidence due to groundwater overdraft by about 1969. Because SCVWD recharges and manages the groundwater subbasins, SCVWD collects a groundwater production charge when groundwater is pumped from the zones receiving benefit from SCVWD groundwater management activities. Treated water wholesaled by SCVWD reduces the demand for groundwater, which also serves to prevent further land surface subsidence and ensure groundwater sustainability.

Emergency Water and Interties. During a supply emergency where one wholesale supply source fails (i.e., SFPUC or SCVWD), the City has the ability to provide water from the other wholesale supply to the entire City by opening isolation valves between the two supply zones. The City also owns two wells (Pinewood and Curtis); currently, only Pinewood is capable

of being used as an emergency water supply source. Lastly, in addition to the isolation valves and emergency wells, the City also has emergency intertie contracts with Alameda County Water District ("**ACWD**") (2 interties) to the north and San José Water Company ("**SJWC**") (1 intertie) to the south.

The City has an existing emergency well at Pinewood and is building a second well at Curtis as part of a previous capital improvement program. Additional improvements are planned for both wells, as detailed in the City's current capital improvement program for the Water System. For additional details, see Table 9.

The SJWC intertie typically functions only when the City's water distribution system pressures experience a significant drop. The agreement with SJWC, dated March 1973, allows the City to receive water from the SJWC on a 2-hour notice if SJWC is not also experiencing a water supply emergency. The primary supply for the two ACWD interties is the South Bay Aqueduct. The agreement between the City and the ACWD, dated December 1995, allows two-way supply as needed on a 2-hour notice.

In the fall of 2001, operation was commenced on the new SFPUC/SCVWD transmission lines intertie. This intertie is an agreement between the City's two water wholesalers, SFPUC and SCVWD, and hence functions to supply water in either direction between the two wholesale water suppliers. The City, as a retailer, has not signed any agreement and does not have any direct authority to trigger the intertie activation. However, this new intertie is connected to the City's water distribution system and is used by SCVWD to supply water as a backup to their Penitencia and Santa Teresa WTPs.

Recycled Water. The City receives wholesale recycled water directly from the South Bay Water Recycling ("**SBWR**"), which is the regional permit holder for recycled water in the cities of San José, Santa Clara and Milpitas. SBWR is administered by the City of San José and consists of over 130 miles of pipeline, five pump stations, and 10 million gallons of storage in reservoirs. Recycled water is used to irrigate food crops, parks, schools, golf courses, street medians, and business park landscaping. It is also used for cooling buildings, industrial processes, and paper manufacturing. Current customers purchasing recycled water include the McCarthy Ranch shopping center in the City, and four major power plants in the County.

Water Supply During Recent Drought. In April 2015, the Governor declared a statewide drought and mandated municipal conservation irrespective of water supply situations. The City was required to reduce its water consumption 12% over the period June 2015 through October 2016 compared to the same months in 2013. The City council adopted a 30% reduction goal as part of a regional effort to save water. Residents and businesses of the City achieved a cumulative water savings of 22% from June through October 2015, with a 32% savings in the month of August. With wet winters during Fiscal Year 2017-18 and 2018-19, the drought conditions have ended.

Regulatory Requirements

General. The City is not aware of any environmental or regulatory issues that would adversely impact its ability to deliver water.

Water Quality. The applicable drinking water standards for the Water System are provided in the California Domestic Water Quality and Monitoring Regulations, Title 22 of the California Administrative Code. These regulations incorporate the requirements of the U.S.

Environmental Protection Agency in conformance with the Safe Drinking Water Act (PL 93-523). The standards specify water quality sampling frequencies and location as well as maximum concentrations of chemical constituents and are continuously revised and amended. The Water System reports all data in accordance with Title 22 Standards to the California State Water Resources Control Board ("SWRCB") Division of Drinking Water (DDW) and provides its Annual Drinking Water Quality Report to its customers each year.

Historical Water Purchases

Currently, the City does not have a water treatment plant or use groundwater to meet customer demands under normal conditions. The City has two existing well, Pinewood Well, and Curtis Well. These wells are located in the southwestern part of the City. Although Pinewood Well is permitted for active use, the City currently reserves groundwater supply for emergency supply in the event that SFPUC and SCVWD cannot deliver contract treated water supplies. Curtis Well is not yet operational. Additional improvements are planned for both wells, as detailed in the City's current capital improvement program for the Water System. For additional details, see Table 9.

The following table shows the City's purchases of water from its wholesale providers for potable water and from the South Bay Water Reclamation Plant (SBWRP) for its recycled water customers, over the past five fiscal years.

Table 1
Annual Purchases of Water
Fiscal Years 2015-16 – 2018-19

Source	2015-16	2016-17	2017-18	2018-19
SFPUC	$ 9,597,465	$10,916,991	$ 11,496,258	$ 12,064,530
SCVWD	3,447,953	3,784,308	4,035,471	4,456,293
Recycled Water	596,745	847,514	1,205,413	1,329,238
Total	$ 13,642,163	$15,548,813	$ 16,737,142	$ 17,850,061

Source: City of Milpitas.

Customer Base

A summary of active water connections for Fiscal Year 2018-19 is shown in the following table.

Table 2
Active Water Connections by Customer Class
Fiscal Year 2018-19

Type of Account		Number
Potable Residential:		
5/8-inch		12,441
3/4-inch		466
1-inch		1,183
1 1/2-inch		186
2-inch		99
3-inch		24
4-inch		17
6-inch		16
8-inch		42
10-inch		2
	Subtotal:	14,476
Comm/Ind/Inst/Const(1):		
5/8-inch		113
3/4-inch		128
1-inch		253
1 1/2-inch		385
2-inch		638
3-inch		100
4-inch		58
6-inch		10
8-inch		5
	Subtotal:	1,890
Fire Accounts:		
5/8-inch		610
3/4-inch		1
1-inch		2
1 1/2-inch		1
4-inch		1
	Subtotal:	615
	Total - Potable	***16,781***
Non-Potable		
Recycled Water Accounts		
5/8-inch		3
3/4-inch		2
1-inch		11
1 1/2-inch		45
2-inch		151
3-inch		3
4-inch		9
6-inch		4
	Subtotal:	***228***
	TOTAL	***17,009***

(1) Commercial, Industrial, Institutional and Construction.
Source: City of Milpitas

The number of active water accounts for the past 5 fiscal years, by customer class, is set forth in the following table.

Table 3
Historical Number of Water Accounts by Customer Class
Fiscal Years 2014-15 through 2018-19

Fiscal Year	Potable Residential	Potable Comm/Ind/Inst/Const[1]	Potable Fire Accounts	Recycled Water	Total
2014-15	14,376	1,424	540	201	16,541
2015-16	14,406	1,436	543	212	16,597
2016-17	14,421	1,441	544	216	16,622
2017-18	14,463	1,692	611	225	16,991
2018-19	14,476	1,690	615	228	17,009

(1) Commercial, Industrial, Institutional and Construction
Source: City of Milpitas.

The following table shows the top ten water users in the City based on revenue received during Fiscal Year 2018-19.

Table 4
Top Ten Customers by Total Revenue
Fiscal Year 2018-19

No.	Account Name	Type of Use	Total Usage (in gallons)	Revenues	% of Revenues[1]
1	Linear Technology	Commercial	97,402	$626,026	2.1%
2	Cisco System	Commercial	103,191	562,277	1.9
3	Evoqua Water	Commercial	51,284	345,293	1.2
4	SCC GSA Fiscal Bldg 3	Commercial	53,161	343,311	1.2
5	Milpitas Mills LP	Commercial	56,473	321,673	1.1
6	Essex Management	Apartments	47,813	312,462	1.1
7	Headway Tech	Commercial	44,290	292,558	1.0
8	KLA-TENCOR	Commercial	47,731	285,231	1.0
9	Milpitas Housing	Housing	29,807	183,355	0.6
10	Granada HOA	Housing	25,123	175,656	0.6
	Total		556,275	$3,447,843	11.7%

(1) Based on estimated Water System charges of $29,492,565.
Source: City of Milpitas.

Water Rates and Revenues

General. The City currently recovers the cost of operating, maintaining, repairing, replacing and expanding the Water System, including the cost of obtaining treated potable water and recycled water, through user fees, plus interest earnings. The user fees consist of Water Service Charges and Water Connection Fees.

The Milpitas Municipal Code provides for the collection of fees and charges for the Water System that are reasonably necessary for the acquisition, construction, reconstruction, maintenance and operation of the Water System, including payment of the Installment Payments and debt service for the revenue bonds used to finance the City's proportionate share of capital improvements required by the City's contracts with its wholesale water providers.

Rate Setting Process. The City is required to annually review the system of rates and charges as part of the budgetary process. In May of each year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and expenses and the means of financing them. Separate rate studies and public hearings for utility rates are conducted to comply with the requirements of Proposition 218 and obtain citizen comments. The City Council adopts utility rates by ordinance. The budget is adopted, prior to June 30, through passage of appropriate resolutions. The final adopted budget is subject to amendment to reflect any significant changes in expenditures or revenues due to State or federally mandated programs, emergencies, or other unforeseen occurrences. The City's budget guidelines state that:

- Water customer rates and fees will be reviewed and adjusted annually, if necessary.

- All utility enterprise funds will be operated in a manner similar to private enterprise, and as such, the City will set fees and user charges at a level that fully supports the total direct and indirect cost of the activity, including depreciation of assets, overhead charges, and reserves for unanticipated expenses and capital projects.

- The City will maintain a working capital reserve in the Water Fund of approximately 25% of the annual operating and maintenance expenses.

See "RISK FACTORS – Proposition 218" for information about the City's compliance with Proposition 218 in connection with adopting rates for the Water System.

***2015 Rate Study*.** In 2015, Bartle Wells Associates ("**BWA**") was retained by the City to perform an analysis of the existing water rate structure to recommend adjustments, and to prepare a rate study (the "**2015 Rate Study**"). In accordance with the 2015 Rate Study, the City implemented a uniform volume rate instead of a tiered rate for all of its customers, and adopted the American Water Works Association (**"AWWA**") capacity standards to scale fixed charges based on meter size. Table 5, below, shows the change in the fixed bi-monthly rate for single-family residential customers (5/8-inch meter), while Table 6, below, shows the change in structure from tiered rates to a uniform volume rate of $5.13 per HCF for residential potable water customers.

Aligning fixed meter charges with AWWA guidelines for water meter flow capacity provides a standard cost basis for fixed meter charges. Meter charges are considered 'readiness-to-serve' charges for providing customers with access to water at all times. These constitute a fixed portion of the customers' bills because they are levied whether or not water is used, and offset the City's fixed costs to operate and maintain the Water System.

In addition, the 2015 Rate Study contemplated an elevation surcharge that applies to customers that benefit from pumped zones, and a capital surcharge for the City to continue to recover capital costs in a transparent manner, allowing users to see how much of their bill is funding Water System capital improvements.

Consistent with BWA's recommendations in the 2015 Rate Study, the City increased water rates on January 15, 2016 and April 1, 2016. The 2015 Rate Study projected an additional 8% rate increase (excluding the capital surcharge) would be required on July 1, 2017, followed

by a 5% increase (excluding the capital surcharge) on July 1, 2018. However, these additional increases were not implemented by the City Council.

2018 Rate Study. In November 2018, Bartle Wells Associates prepared a new rate study for the Water System (the "**2018 Rate Study**"). The 2018 Rate Study analyzed amounts needed for the Water System for Fiscal Year 2018-19 through 2022-23, including as a result of projected increases in the purchase price for potable water from SFPUC and SCVWD. It recommended maintaining the uniform residential rate structure and continuing to use the AWWA capacity standards to scale fixed charges. The rates set forth in the 2018 Rate Study (which extend through Fiscal Year 2022-23) were properly noticed and a public hearing was held in accordance with Proposition 218. The City Council then approved all of the rates, subject to annual re-certification in the budget process that the rate plan is still necessary as planned.

Revenue Shortfalls. As a result of the recent drought and City Council decision not to increase rates for Fiscal Years 2017-18 and 2018-19 in accordance with the recommendations in the 2015 Rate Study, the Water Fund revenue was below projected amounts. In December 2015, as part of the 2015 Rate Study, BWA estimated that the Water System was losing funds of approximately $400,000 per month; in November 2018, as part of the 2018 Rate Study, BWA estimated that the Water Fund would lose about $2.4 million in Fiscal Year 2018-19 without rate increases.

Current and Projected Rates. The following table shows historical levels of the City's Water Service Charge for an average single-family residential customer (which consists of a fixed bi-monthly rate as well as a quantity charge for usage), as well as anticipated future rates based on the rates set forth in the recently adopted 2018 Rate Study.

Table 5
Historical and Projected Fixed Bi-Monthly Rates for
Single-Family Residential Customers (5/8-inch meter)[(1)]

Fiscal Year	Bi-Monthly Rate	% Rate Change
2013-14	$26.82	2.0%
2014-15	27.36	2.0
2015-16	27.36	0.0
2016-17[(1)]	19.44	(28.9)
2017-18	19.44	0.0
2018-19	27.01	38.9
2019-20	28.63	6.0
2020-21	30.34	6.0
2021-22	32.17	6.0
2022-23	34.10	6.0

(1) For additional details on rate changes that went into effect for Fiscal Year 2016-17, see text above, under "– 2015 Rate Study."
Source: City of Milpitas.

Table 6
Historical and Projected Quantity Charges
Per HCF[1][2]

Fiscal Year	Potable Residential	Potable Comm/Ind/Inst/Const[3]	% Rate Change
2013-14	$2.30 - $4.86	$4.94	8.0%
2014-15	2.62 - 5.29	5.29	8.8
2015-16	2.62 - 5.29	5.29	0.0
2016-17	5.13	5.13	n/a
2017-18	5.13	5.13	0.0
2018-19	5.31	5.31	3.5
2019-20	5.63	5.63	6.0
2020-21	5.97	5.97	6.0
2021-22	6.32	6.32	6.0
2022-23	6.70	6.70	6.0

(1) One HCF equals one hundred cubic feet, which is equivalent to 748 gallons.
(2) Does not include Capital Surcharge payable on all potable use; currently at $1.08 per HCF, and projected to remain at $1.08 per HCF through Fiscal Year 2022-23.
(3) Commercial, Industrial, Institutional, and Construction.
Source: City of Milpitas

The estimated bi-monthly total charge for a single-family residential customer with a 5/8-inch meter for Fiscal Year 2017-18 is calculated as shown in the following able.

Table 7
Estimated Bi-Monthly Total Charge
Single-Family Residential Customer (5/8-inch meter)
Fiscal Year 2018-19

Component	Amount
Fixed charge (5/8-inch)	$27.01
Quantity Charge[1]	74.34
Capital Surcharge[2]	15.12
Total	**$116.47**

(1) Based on volumetric charge of $5.31 per HCF for assumed usage of 14 HCFs.
(2) Based on Capital Surcharge of $1.08 per HCF for assumed usage of 14 HCFs.
Source: City of Milpitas

Connection Fees. The City charges a Water Connection Fee for connection to the Water System. Revenues derived from Water Connection Fees, pursuant to the Milpitas Municipal Code and subject to the limitations of California Government Code Sections 66000-66003 ("**AB1600**"), are placed into a specific fund for the Water Connection Fees and are expended only for authorized water purposes. All interest earnings on moneys held in the Water Fund are retained in the Water Fund. *Water Connection Fees are not included as part of the definition of "Gross Revenues."*

Total revenue from the Water Connection Fee was $928,510 for Fiscal Year 2018-19. The Water Connection Fees are identified as follows:

Residential: $1,910 per single family residence (Single Family/Duplex); $1,164 per unit for multi-family developments.

Non-Residential: $5.97 per gallon of estimated average daily water use.

Comparison to Surrounding Communities. Set forth in the following tables are the average bi-monthly water charges for customers of the Water System for Fiscal Year 2017-18 and a comparison to surrounding communities.

Table 8
Fiscal Year 2017-18 Comparative Bi-Monthly Charges
(Single-Family Residential – 5/8-inch meter)

Agency	Bi-Monthly Rate
City of Santa Clara	$78.42
City of Sunnyvale	89.82
City of Hayward	109.24
City of Milpitas[(1)]	**109.46**
City of Foster City	110.12
Alameda County WD	111.82
City of Mountain View	115.00
San Francisco PUC	126.34
City of Santa José	126.48
City of Palo Alto	131.82
San Jose Water Company	135.10
City of Redwood City	141.12
City of Millbrae	152.00
Mid-Peninsula WD	152.68
Pacifica (North Coast WD)	152.74
City of San Bruno	153.12
Montara Water & San	175.02
City of Burlingame	176.61
Town of Hillsborough	221.08

(1) Based on fixed charge for 5/8" meter, plus volumetric charge for assumed usage of 14 HCFs. Includes capital surcharge of $1.08 per HCF.
Source: City of Milpitas, from 2018 Rate Study.

Billing and Collection

Water Service Charges. Water service charges are collected by the City and billed, together with wastewater service charges, on a bi-monthly basis by the City. Bills are due and payable within 15 days of the date of the bill. If payment is not received, a 5% late fee is assessed; then a final notice is sent, after which the account is sent to a collection agency. The Milpitas Code authorizes the City to disconnect water service in the event of a failure to pay water service charges.

For Fiscal Year 2018-19, delinquency rates for utility bills were as follows: 9% received first delinquent notices; 2.5% received 2nd delinquent notices; and 0.4% accounts were shut off due to non-payment.

Water Connection Fees. The Water Connection Fees are collected as part of the building permit and water connection permit application procedures. Permits are not granted until payment has been received.

Capital Improvement Program

General. The City adopted a comprehensive five-year plan for capital improvements, the Adopted 2019-2024 Five Year Capital Improvement Program ("**CIP**") in June 2019. These are set forth in the following table, together with the expected sources of payment for the items in the CIP. *The following contains estimated projects and project costs, which may vary considerable from actual results.*

Table 9
Capital Improvement Program for Water System
Water Improvement Projects and Available Funding Sources
Fiscal Years 2019-2024[(1)]

PROJECT	TOTAL COST	PRIOR YEARS	2019-20	2020-21	2021-22	2022-23	2023-24
2nd SCVWD Water Reservoir 121 & Pump Sta.	$23,500,000	$200,000	$0	$0	$0	$ 0	$23,300,000
SCVWD Second Water Supply Turnout	3,100,000	100,000	0	0	0	0	3,000,000
(Rmb) TASP Recycled Water Distribution[(2)]	1,900,000	0	800,000	500,000	300,000	300,000	0
SCVWD Zone 1 Pressure Red. Valve	530,000	0	100,000	0	430,000	0	0
Well Upgrade Project	25,975,000	8,975,000	3,500,000	3,000,000	6,000,000	4,400,000	100,000
Hydrant Replacement Program	702,510	312,100	74,260	76,500	78,800	80,850	80,000
Reservoir Cleaning	450,000	300,000	0	0	0	0	150,000
Abel Street Pipeline Extension	940,000	440,000	500,000	0	0	0	0
Dempsey Road Water Line Replacement	7,857,772	4,607,772	3,250,000	0	0	0	0
Automated Meter Replacement Program	11,761,700	2,771,700	2,900,000	2,030,000	2,030,000	2,030,000	0
Water Supervisory Control & Data Acquisition	6,550,000	50,000	1,000,000	5,500,000	0	0	0
Recycled Water Pipeline Segment 1	5,000,000	3,750,000	(3,750,000)	0	0	0	5,000,000
Minor Water Projects	700,000	200,000	100,000	100,000	100,000	100,000	100,000
Water O&M Database Management	200,000	150,000	0	0	0	0	50,000
Water Leak Detection & Condition Assessment	850,000	150,000	150,000	150,000	150,000	150,000	100,000
Water Master Plan 2019	600,000	400,000	200,000	0	0	0	0
Los Coches Backbone	4,000,000	0	0	0	0	900,000	3,100,000
Lower Berryessa Creek Water Line	1,025,000	0	0	0	0	1,025,000	0
Recycled Water Pipeline Segment 2	4,755,000	0	0	0	0	4,755,000	0
Recycled Water Pipeline Segment 3	11,957,000	0	0	0	3,507,000	8,450,000	0
Recycled Water Pipeline Segment 4	19,600,000	0	0	6,200,000	13,400,000	0	0
Recycled Water Pipeline Segment 5	3,305,000	0	0	0	3,305,000	0	0
TOTAL COST	**$135,258,982**	**$22,406,572**	**$8,824,260**	**$17,556,500**	**$29,300,800**	**$22,190,850**	**$34,980,000**

Summary of Available Financing Sources

	2019-20	2020-21	2021-22	2022-23	2023-24
Water Fund	$0	$0	$0	$0	$0
Water Line Extension Fund	200,000	0	0	1,015,000	25,000
Water Bonds	7,400,000	8,500,000	4,100,000	0	0
Water Capital Surcharge	324,260	2,356,500	4,258,800	7,670,850	3,655,000
TASP	900,000	500,000	730,000	300,000	26,300,000
Unidentified	--	6,200,000	20,212,000	12,205,000	5,000,000
TOTAL AVAILABLE	**$8,824,260**	**$17,556,500**	**$29,300,800**	**$22,190,850**	**$34,980,000**

(1) Recycled Water Pipeline projects in the CIP do not have an identified funding source at this time; these costs are typically paid for by grants, developer contributions or other sources. Accordingly, their source of funding is listed as "Other" in the foregoing table.
(2) "(Rmb)" - Reimbursements to developers for Transit Area Specific Plan (TASP) public infrastructure improvements.
Source: City of Milpitas.

Outstanding Indebtedness

The City has no outstanding long-term debt related to its Water System.

In January 2013, BAWSCA issued revenue bonds in the principal amount of $35,780,000 (the "**BAWSCA Bonds**") to prepay the capital cost recovery payment obligation and fund a stabilization fund. The BAWSCA Bonds mature in October 2034 and are secured by surcharges to the monthly water purchase charges imposed upon the participating members, including the City. The BAWSCA Bonds are not a debt obligation of the City, any member of BAWSCA, and BAWSCA's failure to pay its BAWSCA Bonds would not constitute a default by any participating member. The annual debt service surcharges are a fixed amount for each participant. Because each participant's share of the debt service surcharge is proportional to the amount of water purchased during the prior fiscal year, the City's share of the debt service surcharge will fluctuate from year to year. For fiscal year 2018-19, the City paid its annual debt surcharge of $1,057,548, which is included as a component of purchased water expenses in the Water Enterprise Fund. The surcharge for fiscal year 2019-20 is estimated to be $995,676.

Funds and Reserves

The City currently maintains three separate funds for the Water System. Each of these funds is treated as a separate accounting entity, but are consolidated for rate setting.

The Water Operating Fund is the main operating fund of the Water System. The fund is used to pay for all operating and maintenance costs for water system. The fund is also used for ongoing capital and replacement projects as budgeted each year.

The Water CIP Fund is used for specific capital improvement projects that were budgeted in past years. Each year, the City sets aside the full cost of capital improvements approved that year by transferring money from the other three funds to the Water CIP Fund. The Water CIP Fund typically carries a significant balance that is reserved for the remaining costs of projects approved in prior years but still under construction.

The Water Infrastructure Fund was established to build reserves from surpluses in the Water Fund to offset the future costs of the repair and replacement of facilities reaching the end of their useful lives. The Water Infrastructure Fund is funded with transfers from the Water Operating Fund.

The City's fiscal policies provide as follows, among other things:

(1) The City will maintain working capital in the Water System funds to provide for future capital projects and unanticipated emergencies, such as pump station repairs. The City will attempt to maintain a working capital reserve of approximately 25% of the annual operating and maintenance expenses for the Water Fund.

(2) The City's goal is to accumulate at least $2 million a year in the Sewer Infrastructure Fund for replacement of infrastructure as the infrastructure reaches the end of its useful life.

Pro Forma Debt Service Coverage

The following table provides a pro forma statement of debt service coverage developed by the City, based on the definitions of Gross Revenues and Maintenance and Operation Costs set forth in the legal documents governing the 2019 Bonds (which excludes depreciation and other non-cash items).

Table 10
Water System
Pro Forma Historical and Projected Debt Service Coverage
Fiscal Years 2014-15 through 2023-24

	Actual				Unaudited	Projected*				
	2014-15	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Gross Revenue										
Charges for Services	$20,968,779	$18,559,494	$22,083,736	$24,724,457	$24,664,456	$25,252,429	$26,767,575	$28,373,629	$30,076,047	$30,978,328
Developer Contributions/Grants	140,888	80,155	88,515	124,297	1,286,104	--	--	--	--	--
Other Operating Revenue	153,586	132,746	147,340	148,709	51,664	230,000	214,310	227,168	240,798	250,430
Interest Income	171,329	250,777	(10,106)	64,941	225,000	449,000	449,000	449,000	449,000	449,000
Capital Surcharge			4,087,076	4,794,202	4,643,162	4,138,419	4,190,204	4,246,947	4,304,460	4,476,638
Total Gross Revenues	**21,434,582**	**19,023,172**	**26,396,561**	**29,856,606**	**30,870,386**	**30,069,848**	**31,621,089**	**33,296,744**	**35,070,305**	**36,154,396**
Maintenance and Operation Costs(1)										
Purchased Water	$12,195,672	$13,642,163	$15,548,813	$16,737,142	$17,715,900	$18,860,000	$19,576,000	$20,339,000	22,161,000	23,272,000
Personnel Services	2,532,465	2,632,301	1,107,805	3,202,958	3,126,760	4,027,954	4,189,072	4,314,744	4,444,187	4,577,512
Services and Supplies/Repairs	1,964,748	1,801,187	2,300,318	2,051,846	2,598,508	2,765,257	2,848,215	2,933,661	3,021,671	3,112,321
Transfer out to General Fund	2,366,459	2,347,000	2,633,000	2,594,000	2,705,884	2,725,061	2,834,063	2,919,085	3,006,658	3,096,858
Total M&O Costs	**19,059,344**	**20,422,651**	**21,589,936**	**24,585,946**	**26,147,052**	**28,378,272**	**29,447,350**	**30,506,491**	**32,633,516**	**34,058,691**
Net Revenues	**2,375,238**	**(1,399,479)**	**4,806,625**	**5,270,660**	**4,723,334**	**1,691,576**	**2,173,739**	**2,790,254**	**2,436,789**	**2,095,705**
Debt Service										
Installment Payments/2019 Bonds*	--	--	--	--	--	627,842	1,107,250	1,103,750	1,104,750	1,105,000
Total Debt Service*	**--**	**--**	**--**	**--**	**--**	**627,842**	**1,107,250**	**1,103,750**	**1,104,750**	**1,105,000**
Debt Service Coverage Ratio*	**--**	**--**	**--**	**--**	**--**	**2.69**	**1.96**	**2.53**	**2.21**	**1.90**
Water Fund FYE Cash Balance	**$25,211,142**	**$21,183,760**	**$26,290,211**	**$32,404,168**	**$37,812,038**					

** Preliminary; subject to change for Fiscal Years 2019-20 through 2023-24.*
(1) Excludes depreciation and amortization.
Source: City of Milpitas.

Additional Information Regarding Projections. The table above reflects a number of assumptions regarding projected debt service coverage for Fiscal Years 2019-20 through 2023-24, including the following:

- No growth in customers during the projection period, and no developer contributions/grants, other operating revenue or interest income.

- rate increases during the projection period consistent with the previously adopted rate study, which provides for increases of 6.0% per year for Fiscal Years 2019-20 through 2022-23. No rate increases were assumed for Fiscal Year 2023-24.

- Purchased Water expenses are projected to increase by up to 6.6% per year. Other expenses, consisting of personnel services and services & supplies, are projected to increase at 4% per year.

- No additional debt during the projection period.

With respect to capital costs associated with the Water System, the City's current CIP identifies several projects for planning purposes. All future years' projects and their related funding require annual review and approval by the City Council and are therefore subject to change. The City records its infrastructure capital costs, including Water System capital costs as capital assets. Because capital costs are not included in the definition of Maintenance and Operation Costs, they will not affect the availability of Net Revenues to make the Installments Payments. Should the City decide to finance any of these capital costs through the issuance of Parity Debt within the projection period, projected debt service could decrease without a corresponding increase in rates.

BOND OWNERS' RISKS

The following describes certain special considerations and risk factors affecting the payment of and security for the 2019 Bonds. The following discussion is not meant to be an exhaustive list of the risks associated with the purchase of any 2019 Bonds and the order presented does not necessarily reflect the relative importance of the various risks. Potential investors in the 2019 Bonds are advised to consider the following special factors along with all other information in this Official Statement in evaluating the 2019 Bonds. There can be no assurance that other considerations will not materialize in the future.

Revenues; Rate Covenant

The Revenues securing the 2019 Bonds consist primarily of Installment Payments payable by the City, which, in turn, are secured by the Net Revenues of the Water System. Net Revenues are dependent upon the demand for water usage, which can be affected by population factors and climactic conditions such as droughts. There can be no assurance that demand for water usage will be consistent with the levels contemplated in this Official Statement. A decrease in the demand for water could require an increase in rates or charges in order to comply with the rate covenants contained in the Installment Sale Agreement. The City's ability to meet its rate covenants is dependent upon its capacity to increase rates without driving down demand to a level insufficient to meet debt service on the Installment Payments and Parity Debt.

No Debt Service Reserve Fund

Neither the Authority nor the City will fund a debt service reserve fund for the 2019 Bonds. If Net Revenues are insufficient for the City to pay the Installment Payments when due, no debt service reserve account funds will be available under the Installment Sale Agreement or Indenture for the City to make such payments.

Maintenance and Operation Costs; Third-Party Sources of Water Supply

There can be no assurance that expenses of the Water System will be consistent with the levels contemplated in this Official Statement. In particular, the City obtains its potable water from two wholesale providers (SFPUC and SCVWD), and therefore the City may have less control over the expenses attributable to its water supply than if the City directly controlled its water. The cost of purchased water from SFPUC and SCVWD is, by far, the largest line item for Maintenance and Operating Costs. The wholesale rates for water charged by SFPUC and SCVWD are not passed-through to customers of the Water System, rather they are incorporated into the rates and charges that the City must establish in order to operate the Water System and to pay debt service on the Water System's long-term obligations, including the 2019 Bonds.

In addition to its purchased water expenses, changes in technology, changes in quality standards, and increases in the cost of operation or other expenses could require substantial increases in rates or charges in order to comply with the rate covenants in the Installment Sale Agreement. Until such rates can be implemented, Net Revenues may be reduced, increasing the possibility of nonpayment of the Installment Payments and, in turn, the 2019 Bonds.

Limitations on Remedies Available to Bond Owners

The ability of the City to comply with its covenants under the Installment Sale Agreement and to generate Net Revenues sufficient to pay principal of and interest on the Installment Payments and Parity Debt may be adversely affected by actions and events outside of the control of the City, and may be adversely affected by actions taken (or not taken) by voters, property owners, taxpayers or payers of assessments, fees and charges. Furthermore, any remedies available to the owners of the 2019 Bonds upon the occurrence of an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay and could prove both expensive and time consuming to obtain.

In addition to the limitations on Bondholder remedies contained in the Indenture, the rights and obligations of the Authority under the Indenture may be subject to the following: the United States Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the Owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

Seismic and other Natural Disasters; Climate Change

General. The City is located in a seismically active area of California. If there were to be an occurrence of severe seismic activity in the area of the City, there could be an interruption in the service provided by the Water System, resulting in a temporary reduction in the amount of Net Revenues available to timely pay the Installment Payments.

Other natural disasters, such as flooding, landslides or wildfires, could also affect or interrupt the service provided by the Water System, resulting in a temporary reduction in the amount of Net Revenues available to timely pay the Installment Payments.

Droughts. California is subject to droughts from time-to-time. On April 1, 2015, for the first time in California's history, Governor Edmund G. Brown directed the State Water Resources Control Board to implement mandatory water reductions in cities and towns across California to reduce water usage by 25%. Following a wet winter in 2016-17, most of the mandatory water reductions were lifted. However, there can be no assurance that drought conditions would not re-appear in the future, leading to decreased demand and usage of the Water System, and a potential decline in Net Revenues available to timely pay the Installment Payments.

Sea Level Rise/Climate Change. Net Revenues may be negatively impacted by future sea level rise in the San Francisco Bay area or other negative impacts resulting from climate change. The median elevation of the City is 19 feet. At Piedmont Road, Evans Road, and North Park Victoria Avenue, the elevation is generally about 100 feet, while the western area is almost at sea level. This low elevation, coupled with the proximity to San Francisco Bay, may result in adverse effects to property in the City, and corresponding to Net Revenues, in the

future. In addition, facilities owned and/or operated by the City's wholesale water providers may be negatively impacted given their proximity to San Francisco Bay.

The predictions for sea level rise in the San Francisco Bay vary. A report released by the San Francisco Bay Conservation Development Commission predicts sea levels in the San Francisco Bay to rise 16 inches by 2050 and 55 inches by 2100. The State of California's Fourth Climate Change Assessment, released in 2017, estimates sea level rise for the year 2100 in the range of 14 inches to 94 inches with an additional very low probability, worst-case estimate that exceeds 108 inches. A draft paper from the California Climate Change Center posits that increases in sea level will be a significant consequence of climate change over the next century.

Local impacts of climate change are not definitive, but parcels in the City could experience changes to local and regional weather patterns; rising bay water levels; increased risk of flooding; changes in salinity and tidal patterns of San Francisco Bay; coastal erosion; and water restrictions.

Loss of Tax-Exemption

As discussed under the caption "TAX MATTERS," interest on the 2019 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the 2019 Bonds were issued, as a result of future acts or omissions of the Authority or City in violation of its covenants in the Installment Sale Agreement and Indenture. Should such an event of taxability occur, the 2019 Bonds are not subject to special redemption and will remain outstanding until maturity or until redeemed under other provisions set forth in the Indenture.

Proposition 218

General. On November 5, 1996, California voters approved Proposition 218, the so-called "Right to Vote on Taxes Act." Proposition 218 added Articles XIIIC and XIIID to the State Constitution, which affect the ability of local governments to levy and collect both existing and future taxes, assessments, and property-related fees and charges. Proposition 218, which generally became effective on November 6, 1996, limited local governments' authority to impose or increase property-related "fee" or "charge," which is defined as "any levy other than an ad valorem tax, a special tax or an assessment, imposed by a local government upon a parcel or upon a person as an incident of property ownership, including user fees or charges for a property related service" (and referred to in this section as a "property-related fee or charge").

Specifically, under Article XIIID, before a municipality may impose or increase any property-related fee or charge, the entity must give written notice to the record owner of each parcel of land affected by that fee or charge. The municipality must then hold a hearing upon the proposed imposition or increase at least 45 days after the written notice is mailed, and, if a majority of the property owners of the identified parcels present written protests against the proposal, the municipality may not impose or increase the property-related fee or charge.

Further, under Article XIIID, revenues derived from a property-related fee or charge may not exceed the funds required to provide the "property-related service" and the entity may not use such fee or charge for any purpose other than that for which it imposed the fee or charge. The amount of a property-related fee or charge may not exceed the proportional cost of the service attributable to the parcel, and no property-related fee or charge may be imposed for a

service unless that service is actually used by, or is immediately available to, the owner of the property in question.

In addition, Article XIIIC states that "the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge. The power of initiative to affect local taxes, assessments, fees and charges shall be applicable to all local governments and neither the Legislature nor any local government charter shall impose a signature requirement higher than that applicable to statewide statutory initiatives."

Judicial Interpretation of Proposition 218. After Proposition 218 was enacted in 1996, appellate court cases and an Attorney General's opinion initially indicated that fees and charges for water and wastewater services, which are based on the amount of services consumed, would not be considered property-related fees and charges, and thus not subject to the requirements of Article XIIID. However, numerous subsequent court cases have held that certain types of water and wastewater charges could be subject to the requirements of Proposition 218. These cases include, for example, *Capistrano Taxpayers Assoc., Inc. v. City of San Juan Capistrano* (186 Cal. Rptr. 3d 362 (Cal. App. 4th Distr. 2015)), *Bighorn-Desert View Water Agency v. Verjil* (46 Cal. Rptr. 3d 73 (Cal. 2006)), and *Howard Jarvis Taxpayers Assoc. v. City of Fresno* (26 Cal. Rptr. 3d 153 (Cal. App. 5th Distr. 2005)).

Under the *Bighorn* case, for example, the court held that under Article XIIIC, local voters could adopt an initiative measure that could reduce or repeal a local agency's rates and charges, though it is not clear whether (and California courts have not decided whether) any such reduction or repeal by initiative would be enforceable in a situation in which such rates and charges are pledged to the repayment of bonds or other indebtedness, as is the case with respect to the Installment Payments securing the 2019 Bonds.

Under the *City of San Juan Capistrano* case, the court held that tiered or inclined rates that go up progressively in relation to usage must correspond to the actual cost of providing water service at each tier (level of usage), and accordingly the pricing for any tier cannot exceed the cost of service to that tier.

City's Current Practice Regarding Rates and Charges. The City's practice in implementing increases in water rates and charges has been to comply with the requirements of Article XIIID, including the practice of providing property owners with a 45-day mailed notice and public hearing before the City Council approves rate increases.

Conclusion. It is not possible to predict how courts will further interpret Article XIIIC and Article XIIID in future judicial decisions, and what, if any, further implementing legislation will be enacted. As noted above, under the *Bighorn* case, local voters could adopt an initiative measure that reduces or repeals the City's rates and charges, though it is not clear whether (and California courts have not decided whether) any such reduction or repeal by initiative would be enforceable in a situation in which such rates and charges are pledged to the repayment of bonds or other indebtedness, as is the case with respect to the Installment Payments securing the 2019 Bonds. ***There can be no assurance that the courts will not further interpret, or the voters will not amend, Article XIIIC and Article XIIID to limit the ability of local agencies to impose, levy, charge and collect increased fees and charges for water, or to call into question previously adopted water rate increases.***

Environmental Regulation

The supply of water by the City through the Water System is regulated, to a large extent, by the federal government and the State. Water treatment standards set forth in federal and State law control the operations of the Water System (and the wholesale water providers that supply water to the Water System) and mandate its use of technology. If the federal government, acting through the Environmental Protection Agency, or the State, acting through the Department of Health Services, or additional federal or State legislation, should impose stricter standards upon the Water System, the City's expenses related to the Water System could increase accordingly and rates and charges would have to be increased to offset those expenses. See "–Maintenance and Operation Costs; Third Party Sources of Water Supply" above."

It is not possible to predict the direction which federal or State regulation will take with respect to water standards, although it is likely that both will impose more stringent standards with attendant higher costs.

Cybersecurity

The City, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other sensitive electronic information, the City is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. No assurance can be given that the City's efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the City or the Water System, or the administration of the 2019 Bonds.

The City is also reliant on other entities and service providers in connection with the operation of the Water System and the administration of the 2019 Bonds, including without limitation, the City's wholesale water providers, the Trustee and the dissemination agent. No assurance can be given that the City and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

Secondary Market for Bonds

There can be no guarantee that there will be a secondary market for the 2019 Bonds or, if a secondary market exists, that any 2019 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

Future Parity Debt

As described in "SECURITY FOR THE 2019 BONDS – Parity Debt" above, the Installment Sale Agreement permits the City to issue Parity Debt in the future that is payable on a parity with the payment of the Installment Payments securing the 2019 Bonds. In the event of a decline in Net Revenues available to pay the Installment Payments securing the 2019 Bonds, the existence of additional Parity Debt could adversely affect the City's ability to timely pay the Installment Payments securing the 2019 Bonds.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the 2019 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the Authority and the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") that must be satisfied subsequent to the issuance of the 2019 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Authority and City have made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the 2019 Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a 2019 Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a 2019 Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the 2019 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such 2019 Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such 2019 Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the 2019 Bonds who purchase the 2019 Bonds after the initial offering of a substantial amount of such maturity. Owners of such 2019 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2019 Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering to the public at the first price at which a substantial amount of such 2019 Bonds is sold to the public.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the 2019 Bond (said term being the shorter of the 2019 Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the 2019 Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a 2019 Bond is amortized each year over the term to maturity of the 2019 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized bond premium is not deductible for federal income tax purposes. Owners of premium

2019 Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such 2019 Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the 2019 Bonds is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the 2019 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the 2019 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the 2019 Bonds, or as to the consequences of owning or receiving interest on the 2019 Bonds, as of any future date. Prospective purchasers of the 2019 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the 2019 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2019 Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the 2019 Bonds, the ownership, sale or disposition of the 2019 Bonds, or the amount, accrual or receipt of interest on the 2019 Bonds.

CERTAIN LEGAL MATTERS

Jones Hall, A Professional Law Corporation, Bond Counsel, will render an opinion with respect to the validity of the 2019 Bonds, the form of which opinion is set forth in APPENDIX E. Certain legal matters will also be passed upon for the City by Jones Hall, as Disclosure Counsel and by the City Attorney. Certain legal matters will be passed upon for the Underwriter by its counsel, Quint & Thimmig LLP, Larkspur, California. The fees of Bond Counsel, Disclosure Counsel and Underwriter's counsel are contingent on the sale and closing of the 2019 Bonds.

NO MATERIAL LITIGATION

No litigation is pending or threatened concerning the validity of the 2019 Bonds. Neither the Authority nor the City is aware of any litigation pending or threatened questioning the political existence of the Authority or the City or contesting the City's power to fix water rates and charges, or the power of the governing body of the Authority or the City Council or in any way questioning or affecting: (i) the proceedings under which the 2019 Bonds are to be issued; (ii) the validity of any provision of the 2019 Bonds, the Installment Sale Agreement or the Indenture; (iii) the pledge of Net Revenues under the Installment Sale Agreement or the pledge of Revenues under the Indenture; or (iv) the titles to office of the present members of the governing body of the Authority or the City Council.

There are a number of suits and claims pending against the City, which may include personal injury, wrongful death and other suits and claims against which the City may self-insure. The aggregate amount of the self-insured liabilities of the City which may result from such suits and claims will not, in the opinion of the City, materially impair the ability of the City to pay the Installment Payments securing the 2019 Bonds as they become due.

There is no litigation pending, with service of process having been accomplished, against the City which if determined adversely to the City would, in the opinion of the City, materially impair the ability of the City to pay the Installment Payments securing the 2019 Bonds as they become due.

RATING

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("**S&P**") has assigned its municipal bond rating of "____" to the 2019 Bonds. This rating reflects only the views of S&P, and an explanation of the significance of this rating, and any outlook assigned to or associated with this rating, should be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The Authority has provided certain additional information and materials to S&P (some of which does not appear in this Official Statement). There is no assurance that this rating will continue for any given period of time or that this rating will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of any rating on the 2019 Bonds may have an adverse effect on the market price or marketability of the 2019 Bonds.

CONTINUING DISCLOSURE

The City will covenant for the benefit of owners of the 2019 Bonds to provide certain financial information and operating data by not later than nine months after the end of the City's fiscal year, or March 31, of each year (based on the City's current fiscal year-end of June 30), commencing March 31, 2020, with the report for the 2018-19 fiscal year (the "**Annual Report**") and to provide notices of the occurrence of certain listed events.

These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**"). The specific nature of the information to be contained in the Annual Report or the notices of listed events by the City is set forth in "APPENDIX C – Form of Continuing Disclosure Certificate."

The City and its related governmental entities have previously entered into numerous disclosure undertakings under the Rule in connection with the issuance of long-term obligations. During the past five years, the City and its related entities have not failed to comply, in all material respects, with their undertakings under the Rule.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated, as underwriter of the 2019 Bonds (the "**Underwriter**"), has agreed to purchase the 2019 Bonds from the Authority at a purchase price of $_____ which represents the aggregate principal amount of the 2019 Bonds, plus/less [net] original issue premium/discount of $_____, less underwriter's discount of $_____.

The purchase contract under which the Underwriter is purchasing the 2019 Bonds provides that the Underwriter will purchase all of the 2019 Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the purchase contract.

The public offering prices of the 2019 Bonds may be changed from time to time by the Underwriter. The Underwriter may offer and sell the 2019 Bonds to certain dealers and others at a price lower than the offering price stated on the cover page of this Official Statement.

MUNICIPAL ADVISOR

The Authority has retained Fieldman, Rolapp & Associates, Inc., as its municipal advisor (the "**Municipal Advisor**") in connection with the authorization and delivery of the 2019 Bonds. The Municipal Advisor assumes no responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the 2019 Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

EXECUTION

The execution of this Official Statement and its delivery have been authorized by the governing body of the Authority and the City Council of the City.

MILPITAS MUNICIPAL FINANCING AUTHORITY

By: _____
Executive Director

CITY OF MILPITAS

By: _____
City Manager

APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE CITY FOR FISCAL YEAR ENDED JUNE 30, 2018

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$_____
Milpitas Municipal Financing Authority
2019 Water Revenue Bonds

This Continuing Disclosure Certificate (this "**Disclosure Certificate**") is executed and delivered by the City of Milpitas (the "**City**") in connection with the issuance of the above-captioned bonds (the "**2019 Bonds**"). The 2019 Bonds are being issued by the Milpitas Municipal Financing Authority (the "**Authority**") under an Indenture of Trust dated as of November 1, 2019 (the "**Indenture**") by and between the Authority and U.S. Bank National Association, as trustee (the "**Trustee**"). The City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the 2019 Bonds and in order to assist the Participating Underwriter in complying with the Rule (defined herein).

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4.

"*Annual Report Date*" means the date that is nine months after the end of the City's fiscal year (currently March 31 based on the City's fiscal year end of June 30).

"*Dissemination Agent*" means, initially, Willdan Financial Services, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a).

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Official Statement*" means the final official statement dated _____, 2019, executed by the City in connection with the issuance of the 2019 Bonds.

"*Participating Underwriter*" means any original underwriter of the 2019 Bonds required to comply with the Rule in connection with offering of the 2019 Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2020, with the report for the 2018-19 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City shall provide (or cause the Dissemination Agent to provide) to the MSRB, in a timely manner as required by the Rule, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) Audited Financial Statements of the City prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not contained in the audited financial statements filed under the preceding clause (a), the Annual Report shall contain information showing the following:

(i) A schedule of water rates in effect as of the close of the preceding fiscal year, by classification of customer;

(ii) Net Revenues received by the City during the preceding fiscal year and the amount by which such Net Revenues provides coverage for the payments of debt service coming due in such fiscal year with respect to the Installment Payments securing the 2019 Bonds and any other Parity Debt, in substantially the form of Table 10 in the Official Statement;

(iii) A description of any additional indebtedness incurred during the most recently-completed fiscal year that is payable from Net Revenues on a parity or subordinate basis with the Installment Payments securing the 2019 Bonds;

(iv) Customer information, for the most recently ended fiscal year only, in substantially the form of Table 3 in the Official Statement; and

(v) Water System top ten users information in substantially the form of Table 4 in the Official Statement.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the 2019 Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the City.

Note: For the purposes of the event identified in subparagraph (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material (for definition of "financial obligation," see clause (c)).

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties (for definition of "financial obligation," see clause (c)).

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, and, if the Listed Event is described in subsections (a)(2), (a)(6), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) and (a)(15) above, the City determines that knowledge of the occurrence of that Listed Event would be material under applicable Federal securities law, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event.

Notwithstanding the foregoing, notice of Listed Events described in subsection (a)(8) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected 2019 Bonds under the Indenture.

(c) For purposes of Section 5(a)(15) and (16), "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2019 Bonds. If such termination occurs prior to the final maturity of the 2019 Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the City. The initial Dissemination Agent shall be Willdan Financial Services.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City with respect to the 2019 Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the 2019 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the 2019 Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the 2019 Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first Annual Report filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form,

the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the City fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the 2019 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent (if other than the City), the Participating Underwriter and the holders and beneficial owners from time to time of the 2019 Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: _____, 2019

CITY OF MILPITAS

By_____
Name:_____
Title:_____

ACCEPTED AND AGREED:

Willdan Financial Services,
As Dissemination Agent

By_____
Authorized Representative

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Milpitas Municipal Financing Authority

Name of Issue: $_____ Milpitas Municipal Financing Authority 2019 Water Revenue Bonds

Date of Issuance: _____, 2019

NOTICE IS HEREBY GIVEN that the City of Milpitas has not provided an Annual Report with respect to the above-named bonds as required by the Continuing Disclosure Certificate dated as of _____, 2019, executed by the City of Milpitas. The City anticipates that the Annual Report will be filed by _____.

Dated:_____

DISSEMINATION AGENT

By_____
Name:
Title:

APPENDIX D

GENERAL INFORMATION ABOUT THE CITY OF MILPITAS AND THE COUNTY OF SANTA CLARA

*The following information concerning the County of Santa Clara (the "**County**") and the City of Milpitas (the "**City**") is included only for the purpose of supplying general information regarding the region in which the Water System is located. The 2019 Bonds are not a debt of the County, the City, the State of California (the "**State**") or any of its political subdivisions, and neither the County, the City, the State nor any of its political subdivisions is liable therefor. The City and the Underwriter take no responsibility for the accuracy or completeness of such information.*

General

The City. The City was incorporated in January 1954 and encompasses 13.63 square miles. It is located 45 miles south of San Francisco in the northern part of Santa Clara County and is situated in the northeastern side of Silicon Valley. Once a small agricultural town and later a stop-over point for travelers between Oakland and San Jose, Milpitas has grown into one of the world's premier computer and semiconductor producers.

Milpitas is a general law city that operates under a Council-Manager form of government. The City's political and legislative body is the City Council, which is empowered by the general laws of the State of California to formulate citywide policy, including a fiscal program, City services and appointment of City Manager and City Attorney. There are four City Council members who are elected at-large for staggered four–year terms; the Mayor is selected every two years in a separate citywide election.

The City provides a full range of municipal services, including: police, fire, neighborhood services, public improvements, planning, building and public facility inspection, engineering, water and sewer utilities, redevelopment, and general administrative services.

The County. The County covers an area of over 1,300 square miles and is located south of the San Francisco Bay in Northern California. There are two distinct valleys in the County, which are referred to as North County and South County. South County primarily features agricultural land and is comprised of only two cities, twenty miles apart from each other. Comprised of 13 adjoining cities, North County is densely populated, heavily industrialized and extensively urbanized. The northwestern portion of North County is commonly referred to as "Silicon Valley," owing to the high concentration of companies involved in the creation of silicon-based semiconductors. Several small lakes and reservoirs are scattered across the County and the highest peak can be found in San José at Mount Hamilton. Several major highways serve the County, including Highway 101 providing access to San Francisco and Los Angeles.

Population

The following table lists population estimates for the City, the County and the State for the last five years, as of January 1 each year.

CITY OF MILPITAS, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA
Population Estimates
Years 2015 through 2019, as of January 1

Year	City of Milpitas	Santa Clara County	State of California
2015	73,412	1,906,511	38,952,462
2016	74,492	1,925,306	39,214,803
2017	74,721	1,936,052	39,504,609
2018	74,980	1,974,798	39,740,508
2019	76,231	1,954,286	39,927,315

Source: California Department of Finance, Demographic Research Unit.

Industry and Employment

The City is part of the San Jose-Sunnyvale-Santa Clara Metropolitan Statistical Area ("**MSA**"), which is comprised of Santa Clara and San Benito Counties. The unemployment rate in the San Jose-Sunnyvale-Santa Clara MSA was 2.8 percent in July 2019, up from a revised 2.7 percent in June 2019, and unchanged from the year-ago estimate of 2.8 percent. This compares with an unadjusted unemployment rate of 4.4 percent for California and 4.0 percent for the nation during the same period. The unemployment rate was 5.1 percent in San Benito County, and 2.8 percent in Santa Clara County.

SAN JOSE-SUNNYVALE-SANTA CLARA MSA
Civilian Labor Force, Employment and Unemployment
Calendar Years 2014 through 2018
March 2018 benchmark

	2014	2015	2016	2017	2018
Civilian Labor Force (1)	1,021,000	1,039,100	1,056,300	1,041,700	1,079,700
Employment	967,200	994,900	1,015,700	1,008,000	1,050,800
Unemployment	53,800	44,200	40,600	33,700	28,900
Unemployment Rate	5.3%	4.3%	3.8%	3.2%	2.7%
Wage and Salary Employment:					
Agriculture	5,300	5,500	6,000	5,800	5,800
Mining and Logging	300	200	300	200	200
Construction	39,700	43,900	48,900	49,300	49,400
Manufacturing	159,500	162,400	163,600	166,400	172,300
Wholesale Trade	37,200	37,200	37,800	32,900	31,700
Retail Trade	86,400	87,800	87,700	85,800	86,300
Transportation, Warehousing, Utilities	14,400	14,600	15,300	134,100	134,100
Information	65,700	70,500	74,600	84,700	91,700
Financial Activities	34,100	34,600	35,600	36,100	37,100
Real Estate and Rental and Leasing	13,300	13,500	14,000	14,500	15,300
Professional and Business Services	203,000	216,300	225,200	237,400	237,300
Educational and Health Services	150,000	156,300	162,100	168,800	172,700
Leisure and Hospitality	91,900	95,800	98,900	103,400	105,000
Other Services	26,400	26,900	27,400	28,900	28,800
Federal Government	9,900	9,900	10,000	10,200	9,900
State Government	6,400	6,700	6,700	6,800	7,100
Local Government	77,100	76,400	77,400	78,600	79,900
Total all Industries (2)	1,020,600	1,058,500	1,091,500	1,110,700	1,131,000

(1) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Totals may not add due to rounding.
Source: State of California Employment Development Department.

Principal Employers

The following table lists the principal employers within the City for fiscal year 2017-18.

CITY OF MILPITAS
Principal Employers
Fiscal Year 2017-18

Employer Name	No. of Employees
Cisco Systems, Inc.	3,647
KLA-Tencor Corporations	2,147
San Disk Corporation	1,952
Flextronics International	1,600
Linear Technology Corporation	1,288
Milpitas Unified School District	899
Headway Technologies	698
FireEye, Inc.	664
Wal-Mart	459
Micron Consumer Products	450

Source: City of Milpitas.

The following table lists, in alphabetical order, the largest manufacturing and non-manufacturing employers within the County as of September 2019.

COUNTY OF SANTA CLARA
Major Employers
As of September 2019
(In Alphabetical Order)

Employer Name	Location	Industry
Adobe Inc	San Jose	Publishers-Computer Software (mfrs)
Advanced Micro Devices Inc	Santa Clara	Semiconductor Devices (mfrs)
Alphabet Inc	Mountain View	Internet Search Engines
Apple Inc	Cupertino	Computers-Electronic-Manufacturers
Applied Materials Inc	Santa Clara	Semiconductor Manufacturing Equip (mfrs)
California's Great America	Santa Clara	Amusement & Theme Parks
Christopher Ranch LLC	Gilroy	Garlic (mfrs)
Cisco Systems Inc	San Jose	Computer Peripherals (mfrs)
Ebay Inc	San Jose	E-Commerce
Flextronics International	Milpitas	Semiconductor Devices (mfrs)
Fujitsu Laboratories of Amer	Sunnyvale	Laboratories-Research & Development
Google LLC	Mountain View	Internet Search Engines
Hcl Technologies Ltd	Sunnyvale	Computer Software
Hewlett-Packard	Cupertino	Computers-Electronic-Manufacturers
Intel Corp	Santa Clara	Semiconductor Devices (mfrs)
Intuitive Surgical Inc	Sunnyvale	Physicians & Surgeons Equip & Supls-Mfrs
Lockheed Martin Space Systems	Sunnyvale	Satellite Equipment & Systems-Mfrs
Lumileds Lighting Co	San Jose	Lighting Fixtures-Supplies & Parts-Mfrs
Maxim Integrated Products Inc	San Jose	Printed & Etched Circuits-Mfrs
Microsoft Corp	Sunnyvale	Computer Software-Manufacturers
NASA	Mountain View	Federal Government-Space Research/Tech
Prime Materials	San Jose	Semiconductors & Related Devices (mfrs)
Stanford Children's Health	Palo Alto	Hospitals
Stanford School of Medicine	Stanford	Schools-Medical
US Veterans Medical Ctr	Palo Alto	Hospitals

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2019 2nd edition.

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total effective buying income for the City, the County, the State, and the United States for the period 2015 through 2019.

CITY OF MILPITAS, SANTA CLARA COUNTY,
STATE OF CALIFORNIA AND UNITED STATES
EFFECTIVE BUYING INCOME
As of January 1, 2015 through 2019

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2015	City of Milpitas	$2,103,353	$84,091
	Santa Clara County	66,130,110	75,008
	California	901,189,699	50,072
	United States	7,357,153,421	45,448
2016	City of Milpitas	$2,246,958	$84,507
	Santa Clara County	73,637,380	79,345
	California	981,231,666	53,589
	United States	7,757,960,399	46,738
2017	City of Milpitas	$2,461,558	$85,924
	Santa Clara County	77,917,425	81,466
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043
2018	City of Milpitas	$2,683,721	$90,988
	Santa Clara County	85,859,495	88,243
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2019	City of Milpitas	$2,895,468	$95,783
	Santa Clara County	91,332,099	92,773
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841

Source: The Nielsen Company (US), Inc for years 2015 through 2018; Claritas, LLC for 2019

.**Commercial Activity**

A summary of historic taxable sales within the City and the County during the past five years in which data is available is shown in the following tables.

Total taxable sales during the first quarter of calendar year 2018 in the City were reported to be $479,540,063 a 13.02% decrease over the total taxable sales of $551,295,772 reported during the first quarter of calendar year 2017. Annual figures are not yet available for calendar year 2018.

CITY OF MILPITAS
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2013 through 2017(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2013	1,196	1,166,488	1,926	1,658,417
2014	1,225	1,170,696	1,975	1,682,260
2015(1)	1,283	1,202,266	2,178	1,903,123
2016	1,251	1,297,943	2,161	1,998,669
2017	1,218	1,334,475	2,144	2,316,532

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.
Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Total taxable sales during the first quarter of calendar year 2018 in the County were reported to be $10,132,925,520 a 5.12% increase over the total taxable sales of $9,639,404,478 reported during the first quarter of calendar year 2017. Annual figures are not yet available for calendar year 2018.

COUNTY OF SANTA CLARA
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2013 through 2017 (Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2013	29,535	22,424,642	45,310	37,621,606
2014	30,058	23,271,753	45,852	39,628,655
2015(1)	20,057	23,700,907	50,573	41,231,759
2016	30,146	24,158,590	50,519	41,831,669
2017	30,263	24,862,883	50,812	42,805,399

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.
Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Construction Activity

Construction activity in the City and the County for the past five years for which data is available is shown in the following tables.

CITY OF MILPITAS
Building Permit Valuation
For Calendar Years 2014 through 2018
(Dollars in Thousands)[1]

	2014	2015	2016	2017	2018
Permit Valuation					
New Single-family	$70,570.5	$22,537.4	$38,510.7	$128,153.7	$145,144.3
New Multi-family	188,133.1	61,894.8	99,729.0	106,327.3	260,595.1
Res. Alterations/Additions	2,896.8	4,963.3	8,225.0	30,821.0	14,314.1
Total Residential	$261,600.4	$89,395.50	$146,464.70	$265,302.0	$420,053.5
New Commercial	$9,753.0	$409.9	$37,529.3	$48,700.3	$109,077.5
New Industrial	0.0	684.9	0.0	17,616.1	0.0
New Other	26,612.1	3,224.3	1,883.8	2,110.8	$4,121.9
Com Alterations/Additions	45,753.7	43,976.0	77,342.4	95,341.9	$93,005.6
Total Nonresidential	$82,118.8	$47,995.0	$116,755.6	$163,769.1	$206,205.0
New Dwelling Units					
Single Family	170	72	135	391	415
Multiple Family	1,025	175	384	561	1,168
TOTAL	1,195	247	419	952	1,583

(1) Totals may not foot due to rounding.
Source: Construction Industry Research Board, Building Permit Summary.

SANTA CLARA COUNTY
Building Permit Valuation
For Calendar Years 2014 through 2018
(Dollars in Thousands)[1]

	2014	2015	2016	2017	2018
Permit Valuation					
New Single-family	$594,472.7	$653,970.2	$660,301.6	$732,652.1	$728,590.6
New Multi-family	1,196,127.8	706,781.1	564,761.0	1,760,303.9	1,098,643.3
Res. Alterations/Additions	439,747.1	505,844.7	484,820.1	547,991.7	558,024.6
Total Residential	$2,230,347.6	$1,866,596.0	$1,709,882.7	$3,040,947.7	$2,385,258.0
New Commercial	$818,913.3	$1,258,808.7	$2,327,643.2	$1,150,170.4	$1,962,366.5
New Industrial	10,172.2	100,301.2	44,268.9	118,567.1	32,080.0
New Other	292,113.9	533,644.5	282,966.1	303,729.1	120,557.4
Com Alterations/Additions	1,534,213.1	1,697,046.2	2,072,862.8	1,786,849.8	2,017,142.3
Total Nonresidential	$2,655,412.5	$3,589,800.6	$4,727,741.0	$3,359,316.3	$4,132,146.2
New Dwelling Units					
Single Family	1,602	1,710	1,608	2,022	2,011
Multiple Family	8,310	3,906	3,297	6,629	6,342
TOTAL	9,912	5,616	4,905	8,651	8,353

(1) Totals may not foot due to rounding.
Source: Construction Industry Research Board, Building Permit Summary.

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

Milpitas Municipal Financing Authority
455 E Calaveras Blvd
Milpitas, California 95035

OPINION: $_____ Milpitas Municipal Financing Authority
2019 Water Revenue Bonds

Members of the Authority:

We have acted as bond counsel to the Milpitas Municipal Financing Authority (the "Authority") in connection with the issuance by the Authority of its Milpitas Municipal Financing Authority 2019 Water Revenue Bonds in the aggregate principal amount of $_____ (the "Bonds"), under an Indenture of Trust dated as of November 1, 2019 (the "Indenture"), between the Authority and U.S. Bank National Association, as trustee, and under the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the "Bond Law"). The Bonds are secured by Revenues as such term is defined in the Indenture, including installment payments (the "Installment Payments") made by the City of Milpitas (the "City") under an Installment Sale Agreement dated as of November 1, 2019 (the "Installment Sale Agreement") between the Authority and the City.

We have examined such certified proceedings and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the Authority and the City contained in the Indenture, the Installment Sale Agreement and in the certified proceedings, and upon other certifications furnished to us, without undertaking to verify the same by independent investigation.

Based upon our examination we are of the opinion, under existing law, that:

1. The Authority is a joint powers agency duly organized and existing under the laws of the State of California, with power to enter into the Indenture, to perform the agreements on its part contained therein and to issue the Bonds.

2. The Bonds have been duly issued by the Authority and constitute legal, valid and binding special obligations of the Authority enforceable in accordance with their terms.

3. The Indenture and the Installment Sale Agreement have been duly authorized, executed and delivered by the Authority and constitute legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms.

4. The Indenture establishes a valid lien on and security interest in the Revenues and other funds pledged thereby for the security of the Bonds, in accordance with the terms of the Indenture.

5. The City is a municipal corporation duly organized and existing under the laws of the State of California, with power to enter into the Installment Sale Agreement and to perform the agreements on its part contained therein. The Installment Sale Agreement has been duly approved by the City and constitutes a legal, valid and binding obligation of the City enforceable against the City in accordance with its terms. The Installment Sale Agreement establishes a valid lien on and security interest in the Net Revenues of the Water System and other funds pledged thereby for the security of the Installment Payments, in accordance with the terms of the Installment Sale Agreement.

6. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the Authority and the City comply with all requirements of the Internal Revenue Code of 1986, as amended, which must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Authority and the City have covenanted in the Indenture, the Installment Sale Agreement and in other instruments relating to the Bonds to comply with each of such requirements, and the Authority and the City have full legal authority to make and comply with such covenants. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

7. Interest on the Bonds is exempt from California personal income taxation.

The rights of the owners of the Bonds and the enforceability of the Bonds, the Indenture and the Installment Sale Agreement may be subject to bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be, and neither the City nor the Underwriter take responsibility for the accuracy thereof.

Neither the issuer of the Bonds (the "Issuer") nor the trustee, fiscal agent or paying agent appointed with respect to the Bonds (the "Agent") take any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (hereinafter, the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and

dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

RESOLUTION NO. ____ / SA __ / PFA ___

A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS, THE BOARD OF THE SUCCESSOR AGENCY TO THE FORMER MILPITAS REDEVELOPMENT AGENCY AND THE BOARD OF THE MILPITAS PUBLIC FINANCING AUTHORITY APPROVING THE ADOPTION OF A DEBT MANAGEMENT POLICY

WHEREAS, Senate Bill 1029 (SB 1029), which became effective on January 1, 2017, amended California Government Code 8855 to add certain requirements related to the issuance and administration of debt by local agencies such as the City of Milpitas (the "City"), the Successor Agency to the former Milpitas Redevelopment Agency (the "Successor Agency") and the Milpitas Public Financing Authority (the "Authority"), including the requirement to adopt a debt policy meeting the requirements of California Government Code 8855 prior to issuing any debt; and

WHEREAS, the City Council of the City, the Board of the Successor Agency and the Board of the Authority wish at this time to approve a debt policy that is compliant with California Government Code 8855 to govern future issuances of debt by the City, the Successor Agency and the Authority, as applicable; and

NOW, THEREFORE, the City Council of the City, the Board of the Successor Agency to the former Milpitas Redevelopment Agency, and the Board of the Milpitas Public Financing Authority hereby find, determine and resolve as follows:

1. Approval of Debt Management Policy. The City Council, the Board of the Successor Agency and the Board of the Authority hereby jointly approve and adopt the Debt Management Policy in the form presented to the meeting at which this Resolution is adopted. The Debt Management Policy shall govern the issuance and administration of debt issued by the City, the Successor Agency and the Authority, all in accordance with, and subject to, the conditions set forth in such policy.

2. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this ___ day of _____, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

_____
Mary Lavelle, City Clerk/
Successor Agency Secretary/
Public Financing Authority Secretary

_____
Rich Tran, Mayor/
Successor Agency Chair/
Public Financing Authority Chair

APPROVED AS TO FORM:

_____
Christopher J. Diaz, City Attorney/
Successor Agency Counsel/
Public Financing Authority Counsel

CITY OF MILPITAS
SUCCESSOR AGENCY TO THE FORMER MILPITAS REDEVELOMPENT AGENCY
MILPITAS PUBLIC FINANCING AUTHORITY

DEBT MANAGEMENT POLICY

Effective October 17, 2017

This Debt Management Policy (the "Debt Policy") establishes the parameters within which debt may be issued and administered by the City of Milpitas (the "City"), the Successor Agency to the former Milpitas Redevelopment Agency and the Milpitas Public Financing Authority (collectively, the "Covered Entities"). Additionally, these policies apply to debt issued by a Covered Entity on behalf of assessment district, community facilities district, or other special district, and conduit-type financing by a Covered Entity for multifamily housing or industrial development projects.

The Debt Policy may be utilized by staff of the Covered Entities with the discretion to deviate as determined appropriate by the City Manager or Director of Financial Services (or their equivalent positions), and may be amended by the governing board of the applicable Covered Entity as it deems appropriate from time to time in the prudent management of the debt and capital financing needs of the Covered Entities.

1. Findings

This Debt Policy is intended to comply with Government Code Section 8855(i), effective on January 1, 2017, and shall govern all debt undertaken by a Covered Entity.

The Covered Entities hereby recognize that a fiscally prudent debt policy is required in order to:

- Maintain the Covered Entities' sound financial position.
- Ensure the Covered Entities have the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the Covered Entities' credit-worthiness.
- Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the Covered Entities.
- Ensure that the Covered Entities' debt is consistent with their planning goals and objectives and capital improvement program or budget, as applicable.

2. Policies

A. Purposes For Which Debt May Be Issued

(i) Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the City.

(a) Long-term debt financings are appropriate when the following conditions exist:

• When the project to be financed is necessary to provide basic services.

• When the project to be financed will provide benefit to constituents over multiple years.

• When total debt does not constitute an unreasonable burden to the Covered Entities and the City's taxpayers and/or ratepayers, as applicable.

• When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.

(b) Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.

(c) The Covered Entities may use long-term debt financings subject to the following conditions:

• The project to be financed must be approved by the governing board of the Covered Entity.

• The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.

• The Covered Entity estimates that sufficient revenues will be available to service the debt through its maturity.

• The Covered Entity determines that the issuance of the debt will comply with the applicable state and federal law.

(ii) Short-term debt. Short-term debt may be issued to provide financing for the Covered Entities' operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the Covered Entities may undertake lease-purchase financing for equipment.

(iii) Financings on Behalf of Other Entities. The Covered Entities may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties in order to further the public purposes of Covered Entities. In such cases, the Covered Entities shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein.

B. Types of Debt

The following types of debt are allowable under this Debt Policy:

• General obligation bonds (GO Bonds)

• Bond or grant anticipation notes

• Lease revenue bonds, certificates of participation (COPs) and lease-purchase transactions

• Other revenue bonds and COPs

• Tax and revenue anticipation notes (TRANs)

• Land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes

• Tax increment financing to the extent permitted under State law

• Conduit financings, such as financings for affordable rental housing and qualified 501(c)(3) organizations

The governing body may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

C. Relationship of Debt to Capital Improvement Program and Budget

The City and Covered Entities are committed to long-term capital planning. The City and Covered Entities intend to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the capital budget and the capital improvement plan.

The City and Covered Entities shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The City and Covered Entities shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The Covered Entities shall integrate their debt issuances with the goals of the capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of their public purposes.

The Covered Entities shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

D. Policy Goals Related to Planning Goals and Objectives

The City and Covered Entities are committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The Covered Entities intend to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the annual operations budget.

It is a policy goal of the City and the Covered Entities to protect taxpayers, ratepayers (if applicable) and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The City and the Covered Entities will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related

taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the Covered Entities to realize, whenever possible, and subject to any overriding non-financial policy considerations, minimum net present value debt service savings equal to or greater than 3.0%.

E. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the Covered Entities shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

Without limiting the foregoing, the Covered Entities will periodically review the requirements of and will remain in compliance with the following:

- Any continuing disclosure undertakings entered into by the Covered Entities in accordance with SEC Rule 15c2-12.

- Any federal tax compliance requirements, including, without limitation, arbitrage and rebate compliance.

- Investment policies as they relate to the use and investment of bond proceeds.

Proceeds of debt will be held either (a) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the Covered Entities upon the submission of one or more written requisitions by the City Manager or Director of Financial Services (or their equivalent positions), or his or her written designee, or (b) by the Covered Entity, to be held and accounted for in a separate fund or account, the expenditure of which will be carefully documented by the Covered Entity.

MEETING MINUTES
CITY OF MILPITAS

Minutes of:	**Joint Meeting of Milpitas City Council, Successor Agency and Public Financing Authority**
Date:	**Tuesday, October 17, 2017**
Time:	**5:00 PM Closed Session** **7:00 PM Open Session**
Location:	**Council Chambers, Milpitas City Hall,** **455 East Calaveras Blvd., Milpitas**

CALL TO ORDER

Vice Mayor Grilli called the joint meeting to order at 5:00 PM. City Clerk Mary Lavelle called the roll.

PRESENT: Vice Mayor Grilli, Councilmembers Barbadillo and Nuñez

ABSENT: Mayor Tran and Councilmember Phan were absent at roll call, and arrived in Closed Session.

CLOSED SESSION

City Council convened in Closed Session to discuss labor negotiations, litigation and personnel matters, as listed on the agenda. City Attorney Chris Diaz said that Mayor Tran would recuse himself on Closed Session agenda item (e).

City Council then convened in Open Session at 7:00 PM with all members present.

ANNOUNCEMENT

The City Attorney stated there was no reportable action out of Closed Session.

PLEDGE

Boy Scouts Troop No. 163 presented the flags and led the pledge of allegiance.

INVOCATION

Councilmember Nuñez requested a moment of silence in honor of Mr. Noel Jackson, recently deceased long-time City employee. Next, Mr. Nuñez read aloud a bible quote regarding the value of community.

PRESENTATIONS

Mayor Tran presented the following:

Proclaimed Domestic Violence Awareness Month for October 2017. This event was first acknowledged by Vice Mayor Marsha Grilli. The proclamation was received by Tanis Crosby of the YWCA Silicon Valley, one of five agencies in Santa Clara County serving those in need due to domestic violence.

Proclaimed Manufacturing Day in Milpitas, which was held on Friday, October 13, 2017 in the City of Milpitas. Economic Development Director Edesa Bitbadal offered recognition to representatives from Flex and Cordis corporations, Milpitas Unified School District and others who celebrated this event and day the prior Friday.

Next, Mayor Tran invited Syed Mohsin and Thelma Batilo from the Community Advisory Commission to recognize the four 2017 winners of Neighborhood Beautification Awards: Terrace Gardens, Phoebe Kwong, Jon & Tiffany Arikata, and Chieu Lipscomb.

PUBLIC FORUM

Mayor Tran stated the time for speakers would be limited to one minute each.

Rob Means, Milpitas resident, spoke about electric cars, including battery operated. He also supported the future of driverless cars becoming more common in the future.

Charlene Lee addressed the Council, yelling loudly, saying she would sue the Police Chief and other City officials, based on past treatment of her.

Councilmember Nuñez wanted to make sure Mr. Means' topic would be referred to the Economic Development Director, and that it would come back to Council.

Interim Police Chief Pangelinan wanted to respond to comments made. The Milpitas Police Department investigated the issue that Charlene Lee brought forward to police twice in the past. The matter was investigated thoroughly and then brought to the District Attorney's office for further review. The D.A. agreed with findings of the police investigation, wherein no crime was found to have been committed.

At 7:40 PM, the City Council took recess. Ms. Lee was escorted out of the Council Chambers and the meeting.

Matthew Stevenson of San Jose, from Citizens Community Energy, came up. Mayor Tran asked him to come back later when the community choice energy item was scheduled.

Tom Valore, Milpitas resident, requested that agenda item no. 10 (solid waste amendment) be removed from the consent calendar.

Robert Marini, Milpitas resident, wondered why the City Council did not want to increase the fee for recycled water. He gave further statistics on the use of and cost for that product.

Voltaire Montemayor, Milpitas resident, wanted to support the city overall, and commented on some of the proclamations made earlier.

ANNOUNCEMENTS

Acting City Manager Steve Pangelinan stated that the Fiscal Year end report fpr FY 2016-17 would come to the City Council on November 7 (not October) and Council could any discuss surplus then. Also, Milpitas Police Department was in the final steps of implementeing "safe zones" for internet transactions, for people to feel safe making those in a public place (police parking lot) which included cameras.

Councilmember Nuñez noted that the Boy Scouts Troop No. 163 was one of the first scout troops to make a change allowing girls to be included in Cub Scouts and Boy Scouts, including an opportunity to work toward Eagle Scout status.

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

City Attorney Diaz asked Councilmembers if they had any personal conflicts of interest or reportable campaign contributions. None were reported.

APPROVAL OF AGENDA

Motion: to approve the meeting agenda, as amended

Councilmember Nuñez asked to place item no. 13 (resolution to amend Classification Plan) onto the consent calendar.

Vice Mayor Grilli agreed with her colleague, and then asked move up item no. 18 (community choice energy) to be heard first for discussion.

Mayor Tran requested to move his item no. 19 (homeless strategy) to the next regular Council meeting agenda.

Motion/Second: Vice Mayor Grilli/Councilmember Nuñez

Motion carried by a vote of: AYES: 5
NOES: 0

CONSENT CALENDAR

Motion: to approve the Consent Calendar (items noted with *asterisk), as amended

Mayor Tran asked to remove item no. 10 (garbage contract amendment), as requested by a resident. He asked to remove items no. 5 (adopt ordinance), no. 6 (joint resolution- refinancing) and no. 9 (landscaping maintenance contract) from consent.

Councilmember Nuñez requested to remove agenda items no. 7 (Resolution) and no. 11 (improvement agreement) from the consent calendar.

Vice Mayor Grilli requested to hear no. 18 (energy programs) before the consent items.

Mayor Tran requested to hear item no. 17 (Commissions) to be right after no. 18.

Motion/Second: Vice Mayor Grilli/Councilmember Nuñez

Motion carried by a vote of: AYES: 5
NOES: 0

*1. Council Calendar — Accepted City Council calendar for October 2017.

*2. Meeting Minutes — Approved City Council meeting minutes of October 2, 3 and 5, 2017.

*3. Community Garden — Appropriated $2,920 from the Senior Center Holding account to the Recreation and Community Services Senior Center operating budget for the City of Milpitas Community Garden program.

*4. 2018 Meetings — Approved the 2018 City Council meeting schedule, including canceling July meeting dates.

5. Adopt Ordinance No. 38.830 — Planning Director Brad Misner was available to answer questions.

Mayor Tran asked if the ordinance was related to a specific development and staff replied the ordinance related to zone changes for development at 1992 Tarob Court and on Lundy Ave. in the Transit Area to accommodate zoning for the project.

Vice Mayor Grilli felt that the public benefits were not highlighted in the last two weeks. The True Life Company would double its commitment to affordable housing by its contribution (from 5% to 10%) voluntarily.

Mayor Tran spoke in support of the impact on affordable housing from the project, especially based on Vice Mayor Grilli's comment.

Councilmember Phan asked the Mayor why he pulled it from consent. Mayor Tran responded about wanting to understand the impact on affordable housing.

A woman resident asked how many houses would be built as a result of this action. She was concerned about the amount of traffic. Also, the high school population was too high now.

Councilmember Barbadillo stated the ordinance changed zoning for 8.7 acres in the Transit Area Specific Plan. He read aloud what the change would effect and reported that he would vote no, same as he did at the last meeting.

Motion: to waive the second reading and adopt Ordinance No. 38.830 amending the City's Zoning Map

Motion/Second: Vice Mayor Grilli/Councilmember Phan

Motion carried by a vote of: AYES: 3
NOES: 1 (Barbadillo)
ABSTAIN: 1 (Mayor Tran)

6. Joint Resolution – bonds re-financing

Councilmember Nuñez felt this matter was not appropriately listed on the agenda. He believed it must be listed separately, and should not be on consent calendar.

Councilmember Nuñez asked about the firms recommended by staff to use for this financing. He wanted to look at the list of which ones had been used in the past ten years. He felt the need to take a longer look at such firms, and Finance Director Will Fuentes responded to him.

Councilmember Phan agreed with his colleague, about the review of any agreements for services. He agreed this matter did not belong on the consent calendar. Mr. Phan agreed that Council should have more discussion on the re-financing matter.

Mayor Tran asked for explanation of re-financing of the bond obligation for the wastewater system. He asked how much money would be saved by taking the staff recommended action.

Councilmember Nuñez referred to the meeting scheduled on the following day (special Council meeting for report from Citizens Water Rates Task Force). He commented on the process, urgency of action, separate votes, and the anticipated meeting on Wednesday.

Mayor Tran believed there was ample opportunity to contact staff by phone number to ask questions when the agenda was distributed for each Council meeting.

Vice Mayor Grilli said she was ready to make a motion.

Councilmember Phan inquired as to which Councilmembers served on the Council's Finance Subcommittee. The Mayor responded that was himself and Vice Mayor Grilli. Mr. Phan asked if this topic was brought to them and the Mayor said no, but that was not required. The Finance Subcommittee reviewed the Capital Improvement Program projects and the City's annual budget.

(1) Motion: to adopt Joint Resolution of the City Council No. 8705, Successor Agency No. 10 and Public Financing Authority No. 21 adopting a Debt Management Policy

Motion/Second: Vice Mayor Grilli/Councilmember Barbadillo

Motion carried by a vote of: AYES: 3
NOES: 2 (Nuñez, Phan)

(2) Motion: to adopt City Council Resolution No. 8706 authorizing the refinancing of the Wastewater System Obligations (bonds), appointing the financing team and approving related matters

Motion/Second: Vice Mayor Grilli/Councilmember Barbadillo

Motion carried by a vote of: AYES: 3
NOES: 1 (Nuñez)
ABSENT: 1 (Phan)

Councilmember Phan left the dais and the meeting at 11:54 PM (prior to the vote above).

Mayor Tran asked the Finance Director for a report back later on how much money was saved by this action.

7. Resolution- purchase of 4 police vehicles

This item was removed from consent but was not heard. It would be continued to next agenda.

*8. Resolution

1. Adopted Resolution No. 8707 authorizing the Police Chief to execute the agreement with California Office of Traffic Safety for 2018 Selective Traffic Enforcement Program grant.
2. Approved a budget appropriation in the amount of $100,000 to the Milpitas Police Department overtime budget as a result of the 2018 STEP grant.

9. BrightView Landscape

Mayor Tran asked why there was a contract for the park maintenance service, when there was city staff who did maintenance work in Public Works. Purchasing Agent Chris Schroeder responded that there was not enough staff to handle all park maintenance jobs, for up to 26 city parks. Acting Public Works Director Tony Ndah responded additionally. Mr. Schroeder said that until this new contract was approved, Terracare Services has had the service contract for the past five years.

Mayor Tran thanked the Purchasing Agent for his work on this required contract.

Motion:

1. Award a bid to BrightView Landscape Services Inc. and authorize the City Manager to execute the contract with BrightView for City of Milpitas Parks Maintenance Service, initially not to exceed $1,241,776.
2. Authorize the Purchasing Agent to extend the term of the contract annually for each of the four option years with annual price increases per the terms of the agreement and without further City Council action, except for appropriation of funds.

Motion/Second: Vice Mayor Grilli/Councilmember Barbadillo

Motion carried by a vote of: AYES: 4
NOES: 0
ABSENT: 1 (Phan)

10. Amendment to Milpitas Sanitation Agreement

This item was heard second after agenda item no. 18.

Engineering staff Leslie Stobbe presented this request to the City Council for Milpitas Sanitation Inc. which would be an "approved facility" providing post-collection services. Also available were David Sidiqqui from R3 consulting group and Lou Pellegirini of Milpitas Sanitation, Inc. Ms. Stobbe explained the changes to the current new agreement that were necessary and requested in the amendment at this meeting. No changes to the rates to be charged to customers were requested in this amendment.

Councilmember Nuñez requested explanation of Amendment Exhibit L (Rates), in the slide staff presented. He wanted to understand rates approved versus rates for items for additional services to go in the Exhibit L. Mr. Nuñez needed a lot more information before he could vote on changes.

Mayor Tran was concerned on changes to Exhibit L with new rates for service. The Mayor asked for explanation of side yard pickup. He asked further questions to Mr. Pellegrini, who responded on those items.

Councilmember Barbadillo referred to No. 3 on the Amendment No. 2 document, subcontractor. He sought clarification on language and terms, directing comments and questions to Mr. Pellegrini. City Attorney Diaz commented also. Mr. Barbadillo said it would be best to have had a red-lined version of contract changes.

Councilmember Nuñez asked about street sweeping, and wondered about the impact on Milpitas versus the current contract.

Vice Mayor Grilli inquired about the remark that there were no differences in the price to residents. Ms. Stobbe confirmed that was correct while pricing for some infrequent services, such as those for disabled or senior residents, with side yard pick up, were now included on the new exhibit.

Councilmember Phan asked Mr. Pelligrini about the risk of not starting newly in Milpitas on December 1. His company would start then if the amendment was adopted. Mr. Phan wondered why it took so long to prepare. He asked questions related to labor costs and labor peace agreements. Mr. Pellegrini described the union that his employees belonged to. Mr. Phan asked

for labor peace agreement with bargaining labor groups that MSI worked with and Mr. Pelligrini was affirmative on that.

Next, Mayor Tran invited public comment.

Tom Clavel, Milpitas resident, spoke in favor and asked for no further delay to adopt this amendment to the agreement. It was time for the will of the people to be heard on the agreement and to leave the contract with Republic Services.

Voltaire Montemayor, resident, talked about moving forward, despite some questions from the residents. Rates were fairly computed, he felt.

A woman, Milpitas resident of 7 years, said Milpitas was changing with new garbage stations. She was glad to remove Republic Services from this community and looked forward to the new company.

Dave, a 15 year resident, spoke of a friend who visited on the weekend and complained of the smell in this city. He was glad to change to a new garbage provider this year.

Aiwan Su, resident, discussed waste diversion goals for the State of California. Milpitas waste numbers were quoted and that more significant diversion of waste, including recycling rate, was needed for City of Milpitas. Don't delay the new garbage service.

Robin Chen, Milpitas resident, found that separating food scraps and compacting trash would reduce what goes to the landfill. Allow residents to pay a minimum garbage bill, if doing the reduction steps. She asked the Council to approve the amendment.

Wai Chu, 15 year resident of Milpitas, urged City Council to keep the new contract. Residents had waited a long time to change to a new garbage company.

Lynn, Milpitas resident, urged support to vote in favor of the amendment, for the new garbage company and to stop business with Republic. Air quality was important for residents.

Tom Valore, Milpitas resident, noted that questions asked by City Council were great to clarify what was to be accomplished by the amendment. He appreciated hearing the responses. Now residents agreed Council should move forward on the amendment.

Vice Mayor Grilli asked what the implication was if Council did not approve the amendment at this meeting. Mr. Pelligrini reported lots of activity had already occurred to get going by the start date on December 1. MSI would not be able to bring material anywhere if the amendment was not voted upon and the performance bond needed to be in place.

Councilmember Nuñez said the issues were never just one party's fault. This item was not about Republic Services, for him. He provided additional comments on this amendment and the new services by Milpitas Sanitation and comments received from residents.

Vicky, 15 years resident, was looking forward to having new service as of December 1. She urged no delay.

Councilmember Phan was uncomfortable with voting on this item and did not want it to be an uninformed vote. He wanted it to come back at the next meeting. This was all about building relationships.

Darrell Shu, a 23 year resident, said residents wanted a new garbage services company, due to the smell in Milpitas. Last year, the issue was part of the election. He suggested all meeting minutes to be put out to the public on the website. They needed to understand why there would be any delay.

Mayor Tran expressed his goal to allow the contractor to be ready on December 1 and was supportive of Milpitas Sanitation. He asked if six months' no charge would be offered to the elderly and veterans.

Councilmember Barbadillo felt this was part of the transition from the onset and fully understood what was going on. He wanted to be fair to the community and would vote for the amendment.

Motion: to approve Amendment No. 2 to the Agreement with Milpitas Sanitation, Inc. for Collection of Solid Waste and Collection and Processing of Recyclable Materials and Organic Materials

Motion/Second: Vice Mayor Grilli/Councilmember Barbadillo

Motion carried by a vote of: AYES: 3
NOES: 1 (Phan)
ABSTAIN: 1 (Nuñez)

11. Improvement Agreement — This item was removed from consent but was not heard. It would be continued to next agenda.

UNFINISHED BUSINESS

12. Resolution – rooftop solar — This item was removed from consent but was not heard. It would be continued to next agenda.

*****13. Resolution — This item was added to and approved on the Consent Calendar.

Adopted Resolution No. 8708 amending the Classification Plan to re-assign the Police Support Services Manager from the Mid-Con bargaining unit to the Unrepresented Employees group and adjust the annual salary range for Police Support Services Manager to $112,500 - $157,500.

14. RMC Water — This item was removed from consent but was not heard. It would be continued to next agenda.

15. Amendment to Common Interest Agreement — Acting Public Works Director Tony Ndah was ready to answer questions. Councilmember Nuñez sought clarity on the government entities involved, and staff reviewed the agencies involved in the Common Interest Group.

Motion: to approve Amendment No. 1 to the Common Interest, Privilege and Confidentiality Agreement with West Valley Sanitation District, Cupertino Sanitary District, County Sanitation District 2-3 and Burbank Sanitary District of the San José/Santa Clara Regional Wastewater Facility and direct the City Manager to execute the amendment in a form approved by the City Attorney

Motion/Second: Councilmember Nuñez/Vice Mayor Grilli

Motion carried by a vote of: AYES: 4
NOES: 0
ABSENT: 1 (Phan)

16. List of Council Items — This item was removed from consent but was not heard. It would be continued to next agenda

17. Commissions — This item was removed from consent but was not heard. It would be continued to next agenda.

18. Community Choice Energy programs — Economic Development Director Edesa Bitabadal explained how Community Choice Energy programs could work in Milpitas, to allow choice of electric service providers (an alternative to PG&E). One of eight could be selected from those operational in the Bay Area currently. She described Silicon Valley Community Energy, including the cities that are part of that Joint Powers Authority. The Milpitas Economic Development Commission recommended that the City join Silicon Valley Community Energy (SCVE).

She asked a representative from SVCE to come to the podium. Mr. Don Bray, account services manager of SVCE, addressed the Mayor and Council and distributed a letter inviting Milpitas to join his agency as a member. It was launched on April 3, 2017 providing clean energy to 11 cities and unincorporated Santa Clara County. Choices offered were for GreenStart or GreenPrime (all renewable sources). He defined the required steps to join the JPA and to serve customers in Milpitas by May of 2018.

Councilmember Nuñez wanted to take this subject to appropriate City Commissions for a recommendation.

Councilmember Barbadillo asked how this was different from PG&E as a source of electricity. PG&E's were about 33% renewable energy, while SVCE would be 99% renewable sources, so it was considered much cleaner. The Councilmember asked if the costs/invoices to customers would increase over time (currently 1% less than PG&E). He asked for assurance from Mr. Bray that there would continue to be reductions in rates going into the long-term future and inquired if there was any community outreach.

Vice Mayor Grilli recalled that in 2014, she was frustrated when this group was trying to get the City to join this JPA. So, she was pleased now to consider doing so, for the benefit of Milpitas residents.

Mr. Bray described the extensive outreach program, within member cities and communities that would occur if Milpitas joined the JPA.

Councilmember Nuñez asked if Chambers of Commerce in the county had taken a position on SVCE. Mr. Bray said his organization had joined all the Chambers in the Valley, and enjoyed good relationships with the Chambers.

Mayor Tran invited comments from the audience.

Arnold Sher, Milpitas resident, a member of Community Climate group in the city, urged the Council to take action to reduce carbon footprint. She asked the Council to join SVCE.

Tyler, life-long resident and Community Climate lobby leader, asked Council to go ahead and join SVCE, a long-established program already including 12 cities in the county. Renewable energy was essential to reduce carbon footprint.

Bruce Carny, resident of Mountain View, was a leader on sustainability in that City and an environmental activist in the Valley. He urged support to join SCVE.

Matthew Stevenson, volunteer of Climate lobby and a San Jose resident, wanted regular residents to participate in markets, with costs and other considerations. Lower prices and a choice of providers, with new ways to meet demands for energy, would be the result.

Rudy Steffing, resident, said something was not computing. They must use natural gas for generating some of the electricity all the time, and was not always renewable energy. There may be some use of nuclear energy also, which he knew as a retired engineer.

Voltaire Montemayor, resident, was in favor of approval of this program, for renewable energy since future sources of energy would run out. He urged joining.

Tom Clavel, Milpitas resident, president of a citizens group, spoke in favor of joining this contract. It would be very good for the environment even if the savings would be only 1% for customers.

Rob Means, resident, said this was a "no brainer" and the only choice was whether to go for 50% or 100% clean energy renewable program. Set the bar higher than all the other cities in the JPA.

Vice Mayor Grilli asked if the City or the customer chose between the two options, GreenStart or GreenPrime. Mr. Bray said that was the choice of the customer. Mrs. Grilli said Green Prime for City facilities was urged.

Councilmember Phan was supportive of clean energy and thanked SVCE folks for working with City staff. Reject any rhetoric that disparaged PG&E, he urged, which had been a good partner with the City.

Councilmember Nuñez was looking at this favorably. He asked for the impact on the City itself, if joining. Mr. Bray responded that the impact on staff time was minimal. SVCE had its own staff, and had a working group with City staff to reduce any amount of city staff time to implement. Mr. Nuñez was eager to move to the next step and wanted to be clear on all impacts on City staff, all departments, and to understand all liability.

Tom Valore, Milpitas resident, asked what was the interface of current solar systems with appropriate hardware for the new program. Mr. Bray responded about net metering and benefits that would accrue.

David Kane was a Los Altos resident where he had SVCE as his energy provider. He said there were no complications and it was a wonderful program.

Mayor Tran expressed his support and that it would benefit the community, including cost savings for residents of Milpitas.

Councilmember Barbadillo did not like that the local government must adopt an ordinance to establish a CCE program and the agency must have a program certified by state government. There was no guarantee, when the City would only have an RFP. He was not sure of the supply of clean energy. They needed to provide Council with more solid facts, data about the program and why it was better for Milpitas. He asked if PG&E had this alternate energy source, for example.

Motion: to accept the staff report, direct staff to come back with a resolution to join Silicon Valley Community Energy and consider the City joining the GreenPrime option, and answer questions brought up at this meeting

Motion/Second: Vice Mayor Grilli/Councilmember Nuñez

Motion carried by a vote of: AYES: 4
NOES: 1 (Barbadillo)

A request was heard to address item no. 10 next (solid waste agreement amendment).

REPORT

19. Homeless Strategy — Earlier, Mayor Tran had requested to move this item to the next meeting agenda.

NEW BUSINESS

20. Comcast Closure — This item was removed from consent but was not heard. It would be continued to next agenda.

ORDINANCE

21. Ordinance No. 48.21 – Solid Waste Management — This item was removed from consent but was not heard. It would be continued to next agenda.

ADJOURNMENT — Mayor Tran adjourned the joint City Council, Successor Agency and Public Financing Authority meeting at 12:02 AM on Wednesday, October 18, 2017.

The foregoing minutes were approved by Milpitas City Council on November 7, 2017.

Mary Lavelle, Milpitas City Clerk

RESOLUTION NO. 8446 / SA 7 / PFA 16

A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS, THE BOARD OF THE SUCCESSOR AGENCY TO THE FORMER MILPITAS REDEVELOPMENT AGENCY AND THE BOARD OF THE MILPITAS PUBLIC FINANCING AUTHORITY APPROVING THE ADOPTION OF DISCLOSURE POLICIES AND PROCEDURES

WHEREAS, the Securities and Exchange Commission (the "SEC") recommends that issuers of municipal bonds adopt policies and procedures to govern compliance and implement training with respect to their initial disclosure and continuing disclosure undertakings; and

WHEREAS, in response to the SEC's recommendations and in order to better monitor compliance with its disclosure undertakings, the City of Milpitas, the Successor Agency to the Former Milpitas Redevelopment Agency and the Milpitas Public Financing Authority find it desirable to adopt and maintain disclosure policies and procedures; and

WHEREAS, there has been presented to this meeting a proposed form of disclosure policies and procedures (the "Procedures"), a copy of which is attached hereto as Attachment 1.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City, the Board of the Successor Agency to the Former Milpitas Redevelopment Agency, and the Board of the Milpitas Public Financing Authority as follows:

Section 1. The City Council, the Board of the Successor Agency and the Board of the Authority hereby jointly approve and adopt the Disclosure Policies and Procedures attached hereto as Attachment 1, including Exhibit A thereto, presented to the meeting at which this Resolution is adopted,

Section 2. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this 3rd day of February, 2015, by the following vote:

AYES: (5) Mayor/Chair Esteves, Vice Mayor/Vice Chair Montano, and Members Barbadillo, Giordano and Grilli

NOES: (0)

ABSENT: (0)

ABSTAIN: (0)

ATTEST:

Mary Lavelle, City Clerk/Successor Agency Secretary/Public Financing Authority Secretary

APPROVED:

Jose S. Esteves, Mayor / Successor Agency Chair / Public Financing Authority Chair

APPROVED AS TO FORM:

Michael J. Ogaz, City Attorney / Successor Agency Counsel / Public Financing Authority Counsel

ATTACHMENT 1

CITY OF MILPITAS
SUCCESSOR AGENCY TO THE FORMER MILPITAS REDEVELOPMENT AGENCY
MILPITAS PUBLIC FINANCING AUTHORITY

Disclosure Policies and Procedures

Article I
General

These Disclosure Policies and Procedures (the "**Disclosure Procedures**") of the City of Milpitas (the "**City**"), the Successor Agency to the Former Milpitas Redevelopment Agency (the "**Successor Agency**") and the Milpitas Public Financing Authority (the "**Authority**" and together with the City and the Successor Agency, the "**Local Agencies**" and each a "**Local Agency**") are intended to ensure that the each Local Agency is in compliance with all applicable federal and state securities laws.

Article II
Disclosure Coordinator

The chief financial officer of each Local Agency shall be the disclosure coordinator of such Local Agency (each, a "**Disclosure Coordinator**").

Article III
Review and Approval of Official Statements

The Disclosure Coordinator of each Local Agency shall review any Official Statement prepared in connection with any debt issuance by such Local Agency in order to ensure there are no misstatements or omissions of material information in any sections that contain descriptions of information prepared by such Local Agency.

In connection with its review of the Official Statement, the Disclosure Coordinator of each Local Agency shall consult with third parties, including outside professionals assisting such Local Agency, and all members of such Local Agency's staff, to the extent that such Disclosure Coordinator concludes they should be consulted so that the Official Statement will include all "material" information (as defined for purposes of federal securities law).

As part of the review process, the Disclosure Coordinator of each Local Agency shall submit all Official Statements to the legislative body or governing board of such Local Agency (each, a "**Legislative Body**") for approval. The cover letter used by the Disclosure Coordinators to submit the Official Statements shall be in substantially the form of Exhibit A.

The approval of an Official Statement by a Legislative Body shall be docketed as a new business matter and shall not be approved as a consent item. Each Legislative Body shall undertake such review as deemed necessary by such Legislative Body, following consultation with the applicable Disclosure Coordinator, to fulfill the responsibilities of such Legislative Body under applicable federal and state securities laws. In this regard, the Disclosure Coordinator for each Local Agency shall consult with disclosure counsel to the applicable Local Agency to the extent such Disclosure Coordinator considers appropriate.

Article IV
Continuing Disclosure Filings

To the extent that the Local Agencies have entered into continuing disclosure undertakings in connection with their respective debt offerings, the Local Agencies are required each year to file annual reports with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("**EMMA**") system in accordance with such undertakings. Such annual reports are required to include certain updated financial and operating information, and the City's audited financial statements.

To the extent that the Local Agencies have entered into continuing disclosure undertakings in connection with their respective debt offerings, the Local Agencies are also required under their continuing disclosure undertakings to file notices of certain events with EMMA.

The Disclosure Coordinator for each Local Agency is responsible for establishing a system (which may involve the retention or one or more consultants) by which:

(i) such Local Agency will make the annual filings required by its continuing disclosure undertakings on a complete and timely basis, and

(ii) such Local Agency will file notices of enumerated events on a timely basis.

Article V
Public Statements Regarding Financial Information

Whenever the Local Agencies make statements or release information relating to their finances to the public that are reasonably expected to reach investors and the trading markets, the Local Agencies are obligated to ensure that such statements and information are complete, true, and accurate in all material respects.

Article VI
Training

Each Disclosure Coordinator shall ensure that the staff members of their respective Local Agencies involved in the initial or continuing disclosure process and the respective Legislative Bodies of the Local Agencies are properly trained to understand and perform their responsibilities.

Each Disclosure Coordinator shall arrange for disclosure training sessions to be conducted by disclosure counsel for the respective Local Agencies. Such training sessions shall include education on these Disclosure Procedures, the respective disclosure obligations of the Local Agencies under applicable federal and State securities laws and the disclosure responsibilities and potential liabilities of staff members of the Local Agencies and members of their Legislative Bodies. Such training sessions may be conducted using a recorded presentation.

EXHIBIT A

Form of Staff Report

To: Members of the [City Council][Board]

From:

Date: _____

This Staff Report relates to the proposed issuance of _____ (the "Obligations") by the [City][Successor Agency to the Former Milpitas Redevelopment Agency][Milpitas Public Financing Authority]. The [City Council][Board] is asked to approve issuance of the Obligations and all related documents. The near-final versions of these documents are attached.

The attached Preliminary Official Statement has been reviewed and approved for transmittal to the [City Council][Board] by the [City's][Successor Agency's][Authority's] financing team. The distribution of the Preliminary Official Statement by the [City][Successor Agency][Authority] is subject to federal securities laws, including the Securities Act of 1933 and the Securities Exchange Act of 1934. These laws require the Preliminary Official Statement to include all facts that would be material to an investor in the Obligations. Material information is information that there is a substantial likelihood would have actual significance in the deliberations of the reasonable investor when deciding whether to buy or sell the Obligations. If the [City Council][Board] concludes that the Preliminary Official Statement includes all facts that would be material to an investor in the Obligations, it must adopt a resolution that authorizes staff to execute a certificate to the effect that the Preliminary Official Statement has been "deemed final."

The Securities and Exchange Commission (the "SEC"), the agency with regulatory authority over the [City's][Successor Agency's][Authority's] compliance with the federal securities laws, has issued guidance as to the duties of the [City Council][Board] with respect to its approval of the Preliminary Official Statement. In its "Report of Investigation in the Matter of County of Orange, California as it Relates to the Conduct of the Members of the Board of Supervisors" (Release No. 36761 / January 24, 1996) (the "Release"), the SEC indicated that, if a member of the [City Council][Board] has knowledge of any facts or circumstances that an investor would want to know about prior to investing in the Obligations, whether relating to their repayment, tax-exempt status, undisclosed conflicts of interest with interested parties, or otherwise, he or she should endeavor to discover whether such facts are adequately disclosed in the Preliminary Official Statement. In the Release, the SEC indicated that the steps that a member of the [City Council][Board] could take include becoming familiar with the Preliminary Official Statement and questioning staff and consultants about the disclosure of such facts.

Section 1. *Purpose of Financing.*

Section 2. *Documents for Approval; Security for the Obligations.*

Section 3. *Risks Relating to Repayment and Tax-Exempt Status of the Obligations.*

Section 4. *Requested Approvals.*

PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE
CITY OF MILPITAS AND JONES HALL, APLC

This Agreement is made and entered into as of **_____, ____ 2019** ("Effective Date") by and between the City of Milpitas, a municipal corporation organized and operating under the laws of the State of California with its principal place of business at 455 E. Calaveras Boulevard, Milpitas, California 95035 ("City"), and **Jones Hall**, **APLC** a California Corporation with its principal place of business at **475 Sansome Street, San Francisco, CA 94111** (hereinafter referred to as "Consultant"). City and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

RECITALS

A. City is a public agency of the State of California and is in need of professional services for the following project:

BOND COUNSEL AND DISCLOSURE COUNSEL 2019 WATER REVENUE BONDS

(hereinafter referred to as "the Project").

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for City to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide the City with the services described in the Scope of Services attached hereto as Exhibit A.

2. Compensation.

a. Subject to paragraph 2(b) below, the City shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit B.

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of **Ninety-Eight Thousand Dollars and Zero Cents ($98,000)**. This amount is to cover all printing and related costs, and the City will not pay any additional fees for printing expenses. Periodic payments shall be made within thirty (30) days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the City, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the City by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the City and executed by both Parties before performance of such services, or the City will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the Agreement term and for four (4) years from the date of final payment under the Agreement for inspection by City.

5. Term.

The term of this Agreement shall be **from October _____, 2019** to **September _____, 20__**, unless earlier terminated as provided herein. The City reserves the right to review the Consultant's performance at the end of each year and cancel all or part of the Agreement.

6. Delays in Performance.

a. Neither City nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the City, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the City, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Consultant

Consultant is retained as an independent contractor and is not an employee of City. No employee or agent of Consultant shall become an employee of City. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from City as herein provided.

11. Insurance. Consultant shall not commence work for the City until it has provided evidence satisfactory to the City it has secured all insurance required under Exhibit D (Insurance Requirements), attached hereto and incorporated herein by this reference. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required therein.

12. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is One Thousand Dollars and Zero Cents ($1,000.00) or more, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

b. If the services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any

subconsultants, as applicable. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

c. This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant's performance of services, including any delay, shall be Consultant's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the City. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

13. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

14. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Santa Clara, State of California.

15. Termination or Abandonment

a. City has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, City shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. City shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by City and Consultant of the portion of such task completed but not paid prior to said termination. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to City only in the event of substantial failure by City to perform in accordance with the terms of this Agreement through no fault of Consultant.

c. The Consultant understands and accepts that at all times; the Agreement is subject to appropriation of funds by the Milpitas City Council. The Agreement may terminate without penalty, liability or expense of any kind to the City at the end of Agreement term. The City has no obligation to make appropriations for the Agreement in lieu of appropriations for new or other contracts. City budget

decisions are subject to the discretion of the Mayor and City Council. Consultant's assumption of risk of possible non-appropriation is a part of the consideration for the Agreement. This section controls against any and all other provisions of the Agreement.

16. Documents. Except as otherwise provided in "Termination or Abandonment," above, all original field notes, written reports, Drawings and Specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the City.

17. Organization

Consultant shall assign **James Wawrzyniak Jr.** as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the City.

18. Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described above.

19. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

CITY:	CONSULTANT:
City of Milpitas	Jones Hall, APLC
455 E. Calaveras Boulevard	475 Sansome Street, Suite 1700
Milpitas, California 95035	San Francisco, CA 94111
Attn: Walter Rossmann, Director of Finance	James Wawrzyniak, Jr., Shareholder

and shall be effective upon receipt thereof.

20. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and the Consultant.

21. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

22. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of City and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

23. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the provisions unenforceable, invalid or illegal.

24. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of City. Any attempted assignment without such consent shall be invalid and void.

25. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specifically specified in writing.

26. Time of Essence

Time is of the essence for each and every provision of this Agreement.

27. City's Right to Employ Other Consultants

City reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

28. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

29. Wage Theft Prevention

a. Consultant, and any subconsultant it employs to complete work under this Agreement, shall comply with all applicable federal, state and local wage and hour laws. Applicable laws

may include, but are not limited to, the Federal Fair Labor Standards Act, the California Labor Code and the Milpitas Minimum Wage Ordinance.

b. BY SIGNING THIS AGREEMENT, CONSULTANT AFFIRMS THAT IT HAS DISCLOSED ANY FINAL JUDGMENTS, DECISIONS OR ORDERS FROM A COURT OR INVESTIGATORY GOVERNMENT AGENCY, FINDING IN THE FIVE (5) YEARS PRIOR TO EXECUTING THIS AGREEMENT THAT CONSULTANT OR ITS SUBCONSULTANTS HAS VIOLATED ANY APPLICABLE WAGE AND HOUR LAWS. CONSULTANT FURTHER AFFIRMS THAT IT OR ITS SUBCONSULTANT(S) HAS EITHER FULLY SATISFIED EACH JUDGMENT, DECISION OR ORDER, OR, IF ANY JUDGMENT, DECISION OR ORDER HAS NOT BEEN FULLY SATISFIED, CONSULTANT AFFIRMS THAT IT OR ITS SUBCONSULTANT(S) IS CURRENTLY SATISFYING SAID JUDGMENT, DECISION OR ORDER THROUGH A PAYMENT OR ALTERNATIVE PLAN APPROVED BY THE APPLICABLE COURT/GOVERNMENT AGENCY AND THAT CONSULTANT OR ITS SUBCONSULTANT(S) ARE IN COMPLIANCE WITH SAID PLAN AS OF THE DATE OF EXECUTING THIS AGREEMENT.

c. If at any time during the term of this Agreement, a court or investigatory government agency issues a final judgment, decision or order finding that Consultant or a subconsultant it employs to perform work under this Agreement has violated any applicable wage and hour law, or Consultant learns of such a judgment, decision, or order that was not previously disclosed in its bid/proposal, Consultant shall inform the City no more than fifteen (15) calendar days after the judgment, decision or order becomes final or from the date of learning of the final judgment, decision or order. Consultant or its subconsultant(s) shall, within thirty (30) calendar days after notifying the City, either (i) fully satisfy any such judgment, decision, or order and provide the City with documentary evidence of satisfying said judgment, decision or order; or (ii) provide the City documentary evidence of a payment or other alternative plan approved by the court/government agency to satisfy the judgment, decision or order. If the Consultant or its subconsultant is subject to a payment or other alternative plan, the Consultant or its subconsultant shall continue to submit documentary evidence every thirty (30) calendar days during the term of the Agreement demonstrating continued compliance with the plan until the judgment, decision or order has been fully satisfied.

d. For purposes of this Section, a "final judgment, decision, or order" refers to one for which all appeals have been exhausted or the time period to appeal has expired. Relevant investigatory government agencies include: the United States Department of Labor, the California Division of Labor Standards Enforcement, the City, or any other governmental entity or division tasked with the investigation and enforcement of wage and hour laws.

e. Failure to comply with any part of this Section constitutes a material breach of this Agreement. Such breach may serve as a basis for immediate termination of this Agreement and/or any other remedies available under this Agreement and/or law.

f. Notice provided to the City shall be addressed to: Attention: Finance Director, 455 E. Calaveras Blvd. Milpitas, CA 95035. The Notice provisions of this Section are separate from any other notice provisions in this Agreement and, accordingly, only notice provided to the above address satisfies the notice requirements in this Section.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF MILPITAS AND JONES HALL, ALPC

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CITY OF MILPITAS
Approved By:

Steven G. McHarris, Interim City Manager

Date

Approved As To Form:

Christopher J. Diaz, City Attorney

Approved:

Walter C. Rossmann, Risk Manager/Director of Finance

JONES HALL, ALPC

Signature

Name

Title

Date

DIR Registration Number (If Applicable)

EXHIBIT A

Scope of Services

The City of Milpitas, together with the Milpitas Municipal Financing Authority, is proceeding to authorize the issuance of long-term bonds for the purpose of financing improvements relating to the City's water system (the "Bonds"); and whereas, in connection with the drafting of the documents and resolutions required to accomplish the authorization and issuance of the Bonds, the City requires the advice and assistance of bond counsel and disclosure counsel; and

Scope of Services:

1. Identification of Client.

The Consultant shall represent the City as Bond Counsel and Disclosure Counsel in connection with the proceedings for the authorization, issuance and sale of the Bonds. The Consultant will not represent, and will owe no duties to, any other party, including but not limited to financial advisor, trustee, bond insurer and underwriter(s) of the Bonds.

Consultant assumes that all other parties involved in the financing will retain such counsel, as they deem necessary and appropriate to represent their interests in this transaction. The Consultant further assumes that all other parties understand that in this transaction the Consultant will represent only the City, the Consultant is not counsel to any other party, and the Consultant is not acting as an intermediary among the parties. The Consultants' services as bond counsel and disclosure counsel are limited to those contracted for in this Agreement; the City's execution of this Agreement will constitute an acknowledgment of those limitations. Consultants' representation of the City will not affect, however, their responsibility to render an objective final legal opinion.

2. Duties of Consultants as Bond Counsel.

Consultants shall do, carry out and perform all of the following Bond Counsel services as are necessary for the issuance and sale of each series of the Bonds:

a. Consultation and cooperation with attorneys, financing consultants and other consultants, underwriters, staff and employees of the City, and assisting such consultants, underwriters, staff and employees in the formulation of a coordinated financial and legal Bond issuance by the City.

b. Preparation of all legal proceedings for the authorization, issuance and delivery of Bonds by the City; including preparation of resolutions authorizing the issuance of such Bonds, fixing the date, denominations, numbers, maturity and interest rates, providing the form of the Bonds and authorizing their execution, authentication and registration; certifying the terms and conditions upon which the same are to be issued; providing for the setting up of special funds for the disposition of proceeds of the sale of the Bonds and providing all other details in connection therewith, including special covenants and clauses for the protection of the interests of the Bondholders; preparation of the resolution selling all or any part of the authorized Bond issue; preparation of all documents required for Bond delivery and supervising such delivery; preparation of all other proceedings incidental to or in connection with the issuance, sale and delivery of the Bonds.

c. Upon completion of proceedings to the satisfaction of Consultants, providing a legal opinion, as traditionally issued by Bond Counsel and satisfactory in form and content to the City Attorney and other parties to the transaction, approving in all regards the legality of all proceedings for the authorization, issuance and delivery of each series of Bonds, which opinion shall be addressed to the City and any other party so requiring and shall inure to the benefit of the purchasers of the Bonds.

d. Supervising the closing of the Bonds to ensure that all closing conditions as set forth in the bond purchase agreements for the Bonds have been satisfied.

e. Any and all legal consultation requested by the City concerning the Bonds.

f. Such other and further services as are normally performed by Bond Counsel in connection with the issuance of bonds or obligations of a similar character to the Bonds.

3. Duties of Consultants as Disclosure Counsel.

In addition to their duties as Bond Counsel to the City, Consultants shall do, carry out and perform all the following services as Disclosure Counsel to the City in connection with the issuance of the Bonds:

a. Participating in the preparation of the Official Statement by consulting with representatives of the City, the City's municipal advisor, the underwriter(s) and others, gathering information about the water system and the City for disclosure in the Official Statement, and having primary responsibility for drafting the Official Statement.

b. Drafting the continuing disclosure undertakings of the City related to the Bonds in accordance with SEC Rule 15c2-12.

c. Rendering an opinion to the City and the underwriter(s) of the Bonds stating that based upon Consultants' participation in the preparation of the Official Statement, nothing has come to their attention to lead them to believe that the Official Statement (except for any financial statements and the financial and statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion included therein, and The Depository Trust Company and its book-entry system and information in the Appendices, as to which Consultant is not required to express a view) as of the date of the Official Statement or the date of closing of the Bonds contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

d. Such additional legal services as are customarily rendered by disclosure counsel on comparable financing transactions.

4. Responsibilities of the City. The City shall cooperate with the Consultant and shall furnish the Consultant with certified copies of all proceedings taken by the City, or other deemed necessary by Consultant to render an opinion upon the validity of such proceedings. All costs and expenses incurred

incidental to the actual issuance and delivery of Bonds, including the cost and expense of preparing certified copies of proceedings required by Consultant in connection with the issuance of the Bonds, the cost of preparing the Bonds for execution and delivery, all printing costs and publication costs, and any other expenses incurred in connection with the issuance of Bonds, shall be paid by the City.

5. Independent Contractor. The Consultant will act as an independent contractor in performing the services required under this Agreement, and under no circumstances shall Consultant be considered an agent, partner, or employee of the City.

6. Assignment. Attorneys may not assign their rights or delegate their obligations under this Agreement, in whole or in part, except with the prior written consent of the City.

7. Conflicts; Prospective Consent. Attorneys represent many political subdivisions and investment banking firms as bond counsel, disclosure counsel and/or underwriter's counsel, including Stifel, Nicolaus & Company, Incorporated, the city of San Jose and the city of Santa Clara. It is possible that during the time that Attorneys are representing the City with respect to the Bonds, Attorneys will also be representing, on other transactions, other political subdivisions and/or other investment banking firm(s) as bond counsel, disclosure counsel and/or underwriter's counsel. Attorneys do not believe such representation, if it occurs, will adversely affect Attorneys' ability to represent the City as provided in this Agreement, either because such matters will be sufficiently different from the issuance of the Bonds so as to make such representations not adverse to our representation of the City with respect to the issuance of the Bonds, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other clients with respect to Attorneys' representation of them will materially limit Attorneys' representation of the City with respect to the issuance of the Bonds. Execution of this Agreement signifies the City s consent to Attorneys' representation of other clients consistent with the circumstances described in this paragraph.

EXHIBIT B

Schedule of Charges/Payments

Consultant will invoice City on a monthly cycle. Consultant will include with each invoice a detailed progress report that indicates the amount of budget spent on each task. Consultant will inform City regarding any out-of-scope work being performed by Consultant. This is a time-and-materials Agreement.

The Consultant will provide Bond Counsel services and Disclosure Counsel services for one series of Bonds issued for the water system; and

Compensation. Compensation will be payable on a series-by-series of Bonds basis as follows:

(a) Bond Counsel Services. For the Bond Counsel services described above, the City will pay Consultant a flat fee of $60,000 for each series of Bonds, contingent on the closing of each such series of Bonds.

(b) Disclosure Counsel Services. For the Disclosure Counsel services described above, assuming each series of Bonds has a separate Official Statement and Continuing Disclosure undertaking, the City will pay Consultant a flat fee of $35,000 for each series of Bonds.

(c) Expense Recovery. In addition to the foregoing fees, Consultant will receive an amount not to exceed $3,000 for each series of Bonds for preparation of official transcripts of the Bond proceedings, messenger and delivery services, costs of legal publication, photocopying and related matters.

Said fees and expenses shall be payable solely from the proceeds of each series of Bonds and shall be entirely contingent upon the successful closing thereof. The compensation set forth is not set by law but is negotiable between the Consultant and the City.

EXHIBIT C

Activity Schedule

This agreement will go into effect immediately and will terminate upon issuance of the Bonds (or earlier termination by a party). Bonds are anticipated to be issued in November 2019.

Termination of Agreement.

(a) Termination by City. This Agreement may be terminated at any time by the City with or without cause upon written notice to Attorneys.

(b) Termination by Attorneys. This Agreement may be terminated by Attorneys upon 15 days' written notice to City if City fails to follow written legal advice given by Attorneys.

(c) Termination Upon Issuance of Bonds. This Agreement shall terminate upon the issuance of the Bonds.

(d) Consequences of Termination. In the event of termination, all finished and unfinished documents shall at the option of the City become its property and shall be delivered to the City by Attorneys.

EXHIBIT D

Insurance Requirements

Please refer to the insurance requirements listed below. Those that have an "X" indicated in the space before the requirement apply to Contractor's or Consultant's Agreement.

Contractor or Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor or Consultant, its agents, representatives, employees or subcontractors.

Contractor or Consultant shall provide its insurance broker(s)/agent(s) with a copy of these requirements and request that they provide Certificates of Insurance complete with copies of all required endorsements.

Contractor or Consultant shall furnish City with copies of original endorsements affecting coverage required by this Exhibit D. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements and certificates are to be received and approved by City before work commences. City has the right to require Contractor's or Consultant's insurer to provide complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications.

Liability Insurance; Costs of Regulatory Agency Investigations. The Consultant must maintain at their own expense at all times during the term of this Agreement policies of insurance, acceptable to the City, covering its workers 'compensation injuries, public liability and professional liability. In the event any investigation, inquiry or other action is instituted by the Securities and Exchange Commission, the Internal Revenue Service or other governmental regulatory agency into the Certificates under federal securities law or federal tax law, the City and Consultant shall meet and confer to discuss the extent to which it is appropriate for the Consultant to represent the common interests of the City and the Consultant in responding to such investigation, inquiry or other action, and the extent to which the cost thereof shall be borne by Consultant.

Commercial General Liability (CGL):

___ Coverage at least as broad as Insurance Services Office ("ISO") Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than $2,000,000.00 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

_X__ Coverage at least as broad as ISO Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than $1,000,000.00 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

___ Coverage at least as broad as ISO Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than $5,000,000.00 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

Automobile Liability:

_X__ Coverage at least as broad as ISO Form Number CA 0001 covering, Code 1 (any auto), of if Contractor or Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limits no less than $1,000,000.00 per accident for bodily injury and property damage.

___ Coverage at least as broad as ISO Form Number CA 0001 covering, Code 1 (any auto), with limits no less than $5,000,000.00 per accident for bodily injury and property damage.

___ Garage keepers' extra liability endorsement to extend coverage to all vehicles in the care, custody and control of the Contractor or Consultant, regardless of where the vehicles are kept or driven.

Professional Liability (Errors and Omissions):

The Employer's Liability policy shall be endorsed to waive any right of subrogation as respects the City, its elected and appointed officials, officers, attorneys, agents, and employees.

_X__ Insurance appropriates to the Contractor or Consultant's profession, with limit no less than $1,000,000.00 per occurrence or claim, $2,000,000.00 aggregate.

___ (If Design/Build), with limits no less than $1,000,000.00 per occurrence or claim, and $2,000,000.00 policy aggregate.

___ Insurance appropriates to the Contractor or Consultant's profession, with limit no less than _____ per occurrence or claim, _____ aggregate

Workers' Compensation Insurance:

_X___ Insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than $1,000,000.00 per accident for bodily injury or disease. *(Not required if Contractor or Consultant provides written verification it has no employees)*

The Contractor or Consultant makes the following certification, required by section 1861 of the California Labor Code:

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

X_____
Contractor/Consultant Signature

Builder's Risk (Course of Construction):

___ Insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions.

Surety Bonds:

___ Contractor shall provide the following Surety Bonds:

1. Bid Bond
2. Performance Bond
3. Payment Bond

The Payment Bond and Performance Bond shall be in a sum equal to the contract price. Bonds shall be duly executed by a responsible corporate surety, authorized to issue such bonds in the State of California and secured through an authorized agent with an office in California.

Contractor's or Consultant's Pollution Legal Liability:

___ Contractor's or Consultant's pollution legal liability and/or Asbestos Legal Liability and/or Errors and Omissions (if project involves environmental hazards) with limits no less than $1,000,000.00 per occurrence or claim and $2,000,000.00 policy aggregate.

If the Contractor or Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Contractor or Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

Other Insurance Provisions:

The insurance policies are to contain, or be endorsed to contain the following provisions:

_X___ Additional Insured Status:

The insurance policies are to contain, or be endorsed to contain the following provision:

The City, its elected and appointed officials, officers, attorneys, agents, and employees are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor or Consultant or any subcontractors including materials, parts, or equipment furnished in connection with such work or operations, including completed operations. General liability coverage can be provided in the form of an endorsement to the Contractor's or Consultant's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used).

The Additional Insured coverage under the Contractor's policy shall be "primary and non-contributory" and will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13.

The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City (if agreed to in a written contract or agreement) before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

_X___ Primary Coverage:

The insurance policies are to contain, or be endorsed to contain the following provision:

For any claims related to this contract, the Contractor's or Consultant's insurance coverage shall be primary insurance as respects the City, its elected and appointed officials, officers, attorneys, agents, and employees. Any insurance or self-insurance maintained by the City, its elected and appointed officials, officers, attorneys, agents, and employees shall be in excess of the Contractor's or Consultant's insurance and shall not contribute with it.

____ Builder's Risk (Course of Construction Insurance) (applicable to Construction Contracts only)

Contractor or Consultant may submit evidence of Builder's Risk insurance in the form of Course of Construction coverage. Such coverage shall name the City as a loss payee as their interest may appear.

If the project does not involve new or major reconstruction, at the option of the City, an Installation Floater may be acceptable. For such projects, a Property Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at the City's site.

_X___ Notice of Cancellation, Suspension or Otherwise Voiding Policies:

Each insurance policy required above shall contain, or be endorsed to contain that coverage shall not be suspended, voided, canceled or reduced in coverage or in limits except with thirty (30) days' prior written notice by certified mail, return receipt requested to the City.

_X___ Waiver of Subrogation:

Contractor or Consultant hereby grants to City a waiver of any right to subrogation which any insurer of said Contractor or Consultant may acquire against the City by virtue of the payment of any loss under such insurance. Contractor or Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer. The Workers' Compensation Policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by Contractor or Consultant, its employees, agents and subcontractors.

____ Completed Operations

For Construction Agreements, Contractor shall maintain insurance as required by this Agreement to the fullest amount allowed by law and shall maintain insurance for a minimum of five (5) years following the completion of this project. In the event Contractor fails to obtain or maintain completed operations coverage as required by this Agreement, the City at its sole discretion may purchase the coverage required and the cost will be paid by Contractor.

THE FOLLOWING PROVISIONS APPLY TO ALL AGREEMENTS

Deductibles and Self-Insured Retentions ("SIR"):

Any deductibles or self-insured retentions must be declared to and approved by City. The City may require the Contractor or Consultant to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. At the option of the City, either (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its elected and appointed officials, officers, attorneys, agents, and employees; or (2) the Contractor or Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

All SIRs must be disclosed to Risk Management for approval and shall not reduce the limits of liability.

Policies containing any SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or the City.

City reserves the right to obtain a full-certified copy of any insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

Acceptability of Insurers:

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to City.

Claims Made Policies: (note - should be applicable only to professional liability, see below)

1. The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor or Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.
4. A copy of the claims reporting requirements must be submitted to the City for review.
5. If the services involve lead-based paint or asbestos identification/remediation, the Contractor's Pollution Liability Policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Contractors Pollution Liability Policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

Subcontractors:

Contractor or Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors.

Subcontractor agrees to be bound to Contractor and City in the same manner and to the same extent as Contractor is bound to City under this Agreement and any other contract documents. Subcontractor further agrees to include the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, with any sub-subcontractor to the extent they apply to the scope of the sub-subcontractor's work. A copy of the City indemnity and insurance provisions will be furnished to the subcontractor upon request.

Verification of Coverage:

Contractor or Consultant shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor or Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Special Risks or Circumstances

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage or other special circumstances.

Failure to Comply:

Each insurance policy required above shall contain or be endorsed to contain that any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its elected and appointed officials, officers, attorneys, agents, and employees.

Applicability of Coverage:

Each insurance policy required above shall contain or be endorsed to contain that the Contractor's or Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Adopt a Resolution authorizing the creation of a Pilot Rent Relief Program, Approve Related Budget Amendment, and prepare and execute a Professional Services Agreement with Silicon Valley Independent Living Center (Staff Contact: Sharon Goei, 408-586-3260)**
Category:	Community Development
Meeting Date:	10/15/2019
Staff Contact:	Sharon Goei, 408-586-3260; Robert Musallam, 408-586-3275
Recommendations:	1. Adopt a Resolution authorizing the creation of a Pilot Rent Relief Program. 2. Approve a Budget Amendment to appropriate $100,000 from the Affordable Housing Fund to the FY 2019-20 Housing Operating Budget for Silicon Valley Independent Living Center (SVILC) to implement the Pilot Rent Relief Program. 3. Authorize the City Manager to prepare and execute a one-year Professional Services Agreement with Silicon Valley Independent Living Center to manage the Milpitas Pilot Rent Relief Program.

Background:

On February 20, 2018, the City Council approved the formation of the Tenant Protection Task Force. The Task Force was established in September 2018, consisting of tenant and landlord representatives, to develop recommendations that would address tenant challenges experienced in Sunnyhills and similar communities. Representatives of the tenant community serving on the Task Force included Project Sentinel, Law Foundation of Silicon Valley, the President of the Sunnyhills Apartment Tenants Association, and Silicon Valley Independent Living Center. Representatives of the landlord community serving on the Task Force included California Apartment Association, an apartment property manager, a landlord representative, and Santa Clara Association of Realtors.

The Task Force meetings spanned from September 2018 through February 2019. The landlord and tenant groups met separately from each other in October, November, and December. Subsequent joint meetings in January and February were held to identify any commonalities the groups shared including core values. The results of the Tenant Protection Task Force were presented to the City Council on April 2, 2019.

On May 7, 2019, the City Council met to consider Council/Mayor requests for an urgency ordinance for rent control and an urgency ordinance for just cause eviction. While Council did not approve moving forward on the urgency ordinances, it did approve the establishment of a new City Council Housing Subcommittee to continue to address the needs of the community based on the community feedback the Council received. Councilmembers Montano and Nuñez were appointed to serve on this newly formed subcommittee.

On May 21, 2019, the City Council Housing Subcommittee held its first meeting. The Subcommittee acknowledged the May 7 Council decision to not pursue rent control and just cause ordinances, and sought alternatives to provide tenant assistance by brainstorming ideas, which included the implementation of a rent relief program. From May through September 2019, the Subcommittee held eleven Subcommittee meetings that were open to the public to discuss and direct City staff on their vision for the rent relief program.

On June 4, 2019, the City Council met to consider recommendations for Community Development Block Grant (CDBG) funds. The Council established an Ad Hoc CDBG Funding Subcommittee consisting of V Mayor Dominguez and Councilmember Nuñez. Through the work of the Ad Hoc CDBG Subcommittee,

was able to establish partnership opportunities with the Silicon Valley Independent Living Center (SVILC) for the Pilot Rent Relief Program that the Housing Subcommittee is proposing.

On August 6, 2019, the Housing Subcommittee recommended budgeting $100,000 for the one-year Pilot Rent Relief Program.

On September 11, 2019, Assembly Bill 1482 passed the Legislature and the Governor has now signed the bill. The bill is set to limit rent increases across the state to 5 percent plus cost of living inflation, or 10 percent, whichever is lower.

The staff recommendations reflect the direction provided by the City Council Housing Subcommittee. To stay up-to-date on the progress and work being accomplished by the Housing Subcommittee for the Milpitas community, visit the Housing Subcommittee website *Latest News and Updates*.

This item was originally scheduled for the September 17, 2019 Council meeting and has been rescheduled for the October 15, 2019 Council meeting.

Analysis:

City staff met with the Silicon Valley Independent Living Center (SVILC), the McKinney Vento/Homelessness Liaison for Milpitas Unified School District, SV@Home, and Catholic Charities to identify the different populations that could benefit from a potential rent relief program.

Eligible Recipients

The proposed City of Milpitas' Pilot Rent Relief Program would provide various forms of financial assistance to Milpitas residents and families that have emergency housing needs.

Eligible recipients would include the following:

- Low-to-moderate income individuals and families with dependent children under age 18;
- Seniors who are age 55 and older;
- Disabled individuals;
- Victims of domestic violence;
- Emancipated foster youth;
- Section 8, Below Market Rate Rentals and other housing opportunities providing a subsidy; and
- Other residents experiencing a high cost of living not captured under eligible recipients (potential eligibility through referral from a resource partner listed on the City of Milpitas' website).

The eligible recipient must be able to demonstrate that they are a resident of Milpitas. For the purpose of this program, a resident of Milpitas is defined as an individual or family that has resided in Milpitas for at least six months. However, depending on the assistance provided, and at staff's discretion, an eligible recipient may be able to receive assistance with a residency requirement as early as three months. Exceptions may also be considered for emergency situations.

Types of Available Assistance

The Pilot Rent Relief Program provides eligible recipients relief funding for the following:

- **Rent/Deposit Relief:** Eligible recipients applying for housing may request first month's rent and deposit assistance to help secure housing.
- **Emergency Hardship Relief:** Eligible recipients may apply for a one time, emergency relief after an unforeseen hardship.
- **Eviction Prevention:** Eligible recipients may apply for eviction prevention relief if they have received a three-day notice to pay or quit or are substantially behind on rent.
- **Domestic Violence Relocation:** Victims of domestic violence may apply for emergency relocation relief. Eligible recipients would apply via referral from a known domestic violence referral partner

- **Child & Family Homelessness Relief:** Foster children or homeless families with school age children experiencing temporary homelessness may apply for emergency housing relief to obtain temporary, secure housing (motel, hotel, etc.). Families may then use rent/deposit relief to move into more permanent housing. Eligible recipients would apply via referral from a known referral partner.
- **Section 8 Good Faith Deposits:** Eligible recipients experiencing processing delays with the Santa Clara County Housing Authority may apply for a one time, good faith deposit to bridge the financial gap between securing a place to live and when the Housing Authority's rent payment begins.

The maximum amount of relief would be $5,000, annually per household. However, foster children, homeless families with school age children, and victims of domestic violence are not subject to this maximum amount. The amount of relief approved would be determined on a case-by-case basis. Relief would be provided in the form of grants paid directly to the landlord.

Because the Housing Subcommittee would like to offer rent relief to eligible Milpitas residents as quickly as possible, staff recommends contracting with Silicon Valley Independent Living Center (SVILC) to administer the program during the one-year pilot period. SVILC is an experienced service provider and currently manages direct rental assistance programs for Season of Sharing and the City of Gilroy. Additionally, they currently assist their clients with other rental assistance programs such as: 1) the Housing Trust Fund; 2) Emergency Food and Shelter Program (FEMA); 3) Money Follows People/Medi-Cal and Department of Rehabilitation Transition Fund for nursing facility residents; 4) Mercury-News Holiday Wish Book for home modifications not funded elsewhere; and 5) County Office of Supportive Housing funding for those referred through the Homeless Management Information System screening. Based on their experience, SVILC estimates their service cost would be approximately $1,290 per referral.

If the Pilot Rent Relief Program is extended, the Housing Subcommittee recommends conducting a request for proposal (RFP) process so other non-profits could apply for administration of the Rent Relief Program. The one-year pilot period would allow staff to gather data, evaluate the results, and refine the program for preparing the RFP. The City's objective is to issue an RFP at the six-month point of the one-year pilot period.

Staff will be working closely with SVILC to collect the data we believe is necessary to evaluate the program. While staff is still detailing the final metrics they intend to collect, at minimum, the City will receive a monthly report outlining the following information:

- Standard demographics of each person that contacts SVILC for assistance
- The type of assistance they are requesting
- How much they are requesting
- Why that assistance is needed? In other words, did they receive a rent increase, eviction notice, etc…?
- Actions taken by SVILC. Was the applicant qualified/disqualified? Why/why not?
- What was the outcome?

This data will help staff make regular updates to the Housing Subcommittee and to give the Subcommittee the data they need to make future decisions to benefit the renters in our community and to consider continuation of the program beyond the pilot period.

Policy Alternative:

Alternative: The City does not create a pilot rent relief program.

Pros: The City would save $100,000, plus staff time and resources.
Cons: The tenant community will not have direct access to a relief program designed specifically for Milpitas residents.
Reason for Not Recommending: The Housing Subcommittee has developed the pilot rent relief program to provide the most vulnerable Milpitas residents the short-term assistance they need to stay in their homes and to avoid displacement.

Fiscal Impact:

To fund this Pilot Rent Relief Program, staff recommends that Council approve a budget amendment in the amount of $100,000 from the Affordable Housing Fund. Staff will monitor the initial allocation and evaluate if additional funds will be needed in the current FY 2019-20 operating budget. In addition to funding the pilot program, existing staff time will be allocated to establish the pilot program.

California Environmental Quality Act:
The action being considered has no potential for causing a significant effect on the environment and is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3).

Recommendation:
1. Adopt a Resolution authorizing the creation of a Pilot Rent Relief Program
2. Approve a budget amendment to appropriate $100,000 from the Affordable Housing Fund to the FY 2019-20 Housing Operating Budget for Silicon Valley Independent Living Center (SVILC) to implement the Pilot Rent Relief Program.
3. Authorize the City Manager to prepare and execute a one-year Professional Services Agreement with Silicon Valley Independent Living Center to manage the Milpitas Pilot Rent Relief Program.

Attachments:
a. Resolution, including Exhibit A to the Resolution, to authorize the creation of a Pilot Rent Relief Program
b. Budget Change Form

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS TO AUTHORIZE THE CREATION OF A PILOT RENT RELIEF PROGRAM

WHEREAS, on February 20, 2018, the City Council approved the formation of the Tenant Protection Task Force, and in September 2018, the Task Force was established, consisting of tenant and landlord representatives to develop recommendations to address challenges experienced by renters in the City of Milpitas; and

WHEREAS, the Tenant Protection Task Force met from September 2018 through February 2019, and the results of the Tenant Protection Task Force were presented to the City Council on April 2, 2019; and

WHEREAS, following the presentation, on May 7, 2019, the City Council approved a new City Council Housing Subcommittee; and

WHEREAS, the Housing Subcommittee directed City staff to prepare a pilot rent relief program, that would provide short term relief for residents experiencing the hardships of high-cost housing in Milpitas; and

WHEREAS, the City Council finds that the high cost of rental housing in Milpitas has created economic hardship for many tenants. Providing rental relief to tenants can encourage community stability, avoid displacement, and protect the health, safety, and welfare of the residents of Milpitas. This pilot program is intended to provide short-term rental assistance to Milpitas' most vulnerable residents.

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, declares, and resolves as follows:

1. The City Council has considered the full record before it, which includes, but is not limited to, the supporting documentation, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

2. The City Council does hereby approve the establishment of the Milpitas Pilot Rent Relief Program, as set forth in **Exhibit A**, attached hereto and incorporated herein.

3. The Milpitas Pilot Rent Relief Program shall expire one year from the adoption of this Resolution, unless extended by further action of the City Council. Not less than 90 days prior to such expiration, City staff shall provide a report to the City Council on the progress and effectiveness of the Program to date.

4. The City Council hereby approves the appropriation of funds from the Affordable Housing Fund for the Pilot Rent Relief Program

5. The City Council hereby authorizes the City Manager to execute a one-year professional services agreement with the Silicon Valley Independent Living Center to manage the Pilot Rent Relief Program.

6. The City Council hereby designates the City Clerk as the custodian of the documents and other materials which constitute the record of proceedings upon which the decision herein is based. These documents may be found at the City Clerk's Office at 455 East Calaveras Boulevard, Milpitas, California 95035.

PASSED AND ADOPTED this _____ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

_____
Mary Lavelle, City Clerk

APPROVED:

_____
Rich Tran, Mayor

APPROVED AS TO FORM:

_____
Christopher J. Diaz, City Attorney

EXHIBIT A

City of Milpitas – Pilot Rent Relief Program

Program Criteria, Guidelines and Procedures

ELIGIBLE RECIPIENTS

The City of Milpitas' Pilot Rent Relief Program provides various forms of financial relief to Milpitas residents and families who have emergency housing needs.

Eligible recipients include the following:

- Low-to-moderate income individuals and families with dependent children under age 18;
- Seniors who are age 55 and older;
- Disabled individuals;
- Victims of domestic violence;
- Emancipated foster youth;
- Section 8, Below Market Rate Rentals and other housing opportunities providing a subsidy;
- Other residents experiencing a high cost of living not captured under eligible recipients (potential eligibility through referral from a resource partner listed on the City of Milpitas' website).

The eligible recipient must be able to demonstrate that they are a resident of Milpitas. For the purpose of this program, a resident of Milpitas is defined as an individual or family that has resided in Milpitas for at least six months. However, depending on the assistance provided, and at staff's discretion, an eligible recipient may be able to receive assistance with a residency requirement as early as three months. Exceptions may also be considered for emergency situations.

TYPES OF AVAILABLE ASSISTANCE

The Pilot Rent Relief Program provides eligible recipients relief funding for the following:

- **Rent/Deposit Relief:** Eligible recipients applying for housing may request first month's rent and deposit assistance to help secure housing.
- **Emergency Hardship Relief:** Eligible recipients may apply for a one time, emergency relief after an unforeseen hardship.
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- **Section 8 Good Faith Deposits:** Eligible recipients experiencing processing delays with the Santa Clara County Housing Authority may apply for a one time, good faith deposit to bridge the financial gap between securing a place to live and when the Housing Authority's rent payment begins.

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The maximum amount of relief would be $5,000, annually per household. However, foster children, homeless families with school age children, and victims of domestic violence are not subject to this maximum amount. The amount of relief approved would be determined on a case-by-case basis. Relief would be provided in the form of grants paid directly to the landlord.

APPLICATION INSTRUCTIONS AND PROCEDURES

Eligibility Screening

Before filling out an application, a determination of the applicant's eligibility and residency must be made to ensure that the applicant can receive relief funds from the Pilot Rent Relief Program.

Completing the Application

All Pilot Rent Relief Program applications must be completed by the applicant and submitted to Silicon Valley Independent Living Center. Applicant should not fill out the Intake and Budget Forms on their own. This should be done by Silicon Valley Independent Living Center, who serves as the primary contact for the applicant.

Silicon Valley Independent Living Center is responsible for:

- Collecting information and documentation to support the application
- Ensuring the application, including intake form and budget form are filled out and answered in full
- Ensuring the application packet is complete
- Responding to questions or concerns relating to each request. If Silicon Valley Independent Living Center is uncertain about an applicant's qualifications, he/she should contact the Silicon Valley Independent Living Center for guidance.

Submitting the Application

Potential applicants may submit completed applications:

- By email to _____
- Or in person at _____

Application Review and Determination

Silicon Valley Independent Living Center will review each application within one week of receipt. Once the Silicon Valley Independent Living Center receives determination on an application, the applicant will be notified of the results (including any approved award amount) via email.

Payment

Silicon Valley Independent Living Center will arrange payment to the landlord. A check will be issued to the payee (not the applicant) after the application has been approved. Payment is sent directly to the landlord unless other arrangements are made.

REQUIREMENTS FOR A COMPLETE APPLICATION

1. Completed Pilot Rent Relief Program intake form
   • Picture ID
   • Include an explanation of why assistance is requested and what has been done to address the situation

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- Include the payee or landlord information (including tax ID number).
- Ensure that the applicant signs the form.

2. Identification of Household Members
   - Adults: Name, date of birth, and picture ID
   - Children (under age 18): Referral from Milpitas Unified School District

3. Proof of Income Verification of all current income sources: i.e., copies of paystubs, SSI, Disability, unemployment, child support, CalWORKs, CalFresh and/or other income used to pay rent and household expenses. To demonstrate sustainability, provide at least one month's worth of income verification or employment confirmation letter from future employer.

4. Household Budget Worksheet
   - Complete budget worksheet
   - The budget should demonstrate how the financial hardship resulted in inability to pay housing expenses or provide for the critical family need
   - The budget should demonstrate that the household can meet regular expenses in future months

5. Documentation of Need - Applications for Housing Assistance require the following:
   - For Rent Relief:
     - Documentation of rent or other housing-related expenses owed (i.e., notice of delinquent rent, 3-day notice, rent increase letter)
     - Rental agreement
     - Documentation of any special payment arrangements
     - Verification of tenancy, including landlord's tax ID # (for rent) – W-9 for any private landlord

   - For First Month Rent/Security Deposit:
     - Documentation of reason for emergency or unplanned move (i.e., homeless, relocation, family reunification, displacement)
     - Documented amount for security deposit
     - Documented amount of security deposit to be refunded from current residence
     - New rental contract or letter of intent from new residence
     - Documentation of any special payment arrangements
     - Verification of tenancy

   - For Section 8 Subsidized Housing:
     - Rental Agreement
     - Documentation of the amount applicant is obligated to pay
     - Verification of tenancy, including landlord's tax ID # (for rent) – W-9 for any private landlord

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City of Milpitas, California

BUDGET CHANGE FORM

Type of Change	From*		To*	
	Account	Amount	Account	Amount
Check one: ☒ Budget Appropriation ☐ Budget Transfer	216-2909	$100,000	216-5364237	$100,000

Adopt a Resolution authorizing the creation of a Pilot Rent Relief Program, Approve Related Budget Amendment, and prepare and execute a Professional Services Agreement with Silicon Valley Independent Living Center (Staff Contact: Sharon Goei, 408-586-3260)

Background:

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Recommendation:

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3. Authorize the City Manager to prepare and execute a one-year Professional Services Agreement with Silicon Valley Independent Living Center to manage the Milpitas Pilot Rent Relief Program.

Attachments:

a. Resolution, including Exhibit A to the Resolution, to authorize the creation of a Pilot Rent Relief Program
b. Budget Change Form

☒ **Check if City Council Approval required.** **Meeting Date**: October 15, 2019

Requested by:	**Department Head:** Sharon Goei	**Date:** October 15, 2019
Reviewed by:	**Finance Director:** Walter C. Rossmann	**Date:** October 15, 2019
Date approved by City Council, if required:		**Confirmed by:**

FI/24786/V **Form 30-222 (Rev. 1/92)**

CITY OF MILPITAS
HOUSING AUTHORITY
AGENDA REPORT
(AR)

Item Title:	**Consider Adoption of a Housing Authority Resolution Approving and Adopting Bylaws of the City of Milpitas Housing Authority, and Consider Election of Officers for the City of Milpitas Housing Authority (Contacts: Councilmembers Nuñez and Montano, 408-586-3000)**
Category:	Community Development
Meeting Date:	10/15/2019
Contacts:	Councilmember Carmen Montano, 408-586-3024 Councilmember Bob Nuñez, 408-586-3023 Christopher Diaz, City Attorney, 408-586-3041 Sharon Goei, Director of Building Safety and Housing, 408-586-3260
Recommendations:	1. Adopt a Housing Authority Resolution approving and adopting the Bylaws for the City of Milpitas Housing Authority. 2. Following adoption of the Bylaws, elect a Chairperson, Vice Chairperson and Secretary of the Housing Authority by a vote of the Housing Authority Board of Commissioners.

Background:

On February 15, 2011, by Resolution No. 8062, the City Council declared a need for the City of Milpitas Housing Authority and made appropriate findings under the Housing Authorities Law (Health & Saf. Code, § 34200 et seq.) in order to activate the Authority. As part of Resolution No. 8062, the City Council designated itself as the Housing Authority Commission, and designated the Mayor as the first Chair of the Housing Authority. Health and Safety Code section 34311 authorizes the Authority to make bylaws and regulations, if not inconsistent with the Housing Authorities Law, to carry into effect the powers and purposes of the Authority, however, to date the Housing Authority has not adopted bylaws.

As part of its review of the various housing-related issues facing the City, the City Council Housing Subcommittee has been discussing the possibility of utilizing the Housing Authority in a more prominent way to address the City's housing issues. As an initial step, the Subcommittee recommended that the Housing Authority adopt bylaws to help carry out its responsibilities. The Bylaws recommended by the Subcommittee are included in the Council agenda packet.

Analysis:

The proposed Bylaws include basic requirements regarding the officers of the Housing Authority, which will include a Chairperson, and Vice Chairperson, and a Secretary. The Bylaws also designate the City Finance Director as the Treasurer, and the City Manager as the Executive Director of the Housing Authority. The Bylaws specify in Article II, Section 9 that the City Council shall serve as the Commissioners of the Authority. This section also specifies that if the Housing Authority has tenants, the Council will need to appoint two additional tenant commissioners to serve on the Authority. Many Housing Authorities throughout the state own and operate affordable housing developments for low income households, but the City of Milpitas Housing Authority does not currently do so. The City of Milpitas Housing Authority does own two residential units and one parcel with eight commercial spaces that are currently rented to tenants; however, these are properties that were transferred to the Housing Authority as former redevelopment agency properties and the Housing Authority is seeking to develop or dispose of these properties in accordance with the requirements of th

Redevelopment Dissolution Law. The Housing Authority does not plan to operate these properties as Housing Authority owned affordable housing on a permanent basis, and therefore these units do not trigger the requirement for tenant commissioners. If, in the future, the City of Milpitas Housing Authority does decide to own and operate rental affordable housing on a more permanent basis, the City Council will have to designate tenant commissioners, and the Bylaws allow for that.

The Bylaws provide rules and adopt statutory requirements regarding conflicts of interest for Authority Commissioners and staff members, and provide that Commissioners will not receive compensation, except for travel and expense reimbursement consistent with applicable City policies. The Bylaws additionally set the regular meeting dates for the Authority to run concurrently with City Council meetings, so the Authority meetings may be held as needed at the same time as City Council meetings.

At the recommendation of the Housing Subcommittee, the Bylaws further provide that the officers of the Authority (the Chairperson, Vice Chairperson, and Secretary) be elected by a vote of the Commissioners. The vote is to be held immediately following adoption of the Bylaws, and in the future would be held every two years, at the time the City's general election results are certified and the new Council is seated. If the Housing Authority adopts the Bylaws in their current form, the Commissioners should then vote to elect the Chairperson, Vice Chairperson and the Secretary.

Policy Alternative:

Alternative: The Commissioners could decline to adopt the Resolution approving and adopting the Housing Authority Bylaws, or could recommend amendments to the Bylaws.

Pros: The Commissioners may want to provide additional direction to staff to refine specific aspects of the Bylaws or add additional information.

Cons: This could delay adoption of the Bylaws and staff believes the Bylaws provide an adequate framework for the Housing Authorities operations, consistent with the recommendations of the Housing Subcommittee.

Reason for Not Recommending: The Bylaws will provide a helpful framework for the Housing Authorities operations, and staff believes that they are adequate and consistent with the recommendations of the Housing Subcommittee as drafted.

Fiscal Impact:
There is no fiscal impact from adoption of the Bylaws or election of officers to the Housing Authority.

California Environmental Quality Act:
The action being considered has no potential for causing a significant effect on the environment and is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3).

Recommendations:
1. Adopt Resolution approving and adopting the Bylaws for the City of Milpitas Housing Authority.
2. Following adoption of the Bylaws, elect a Chairperson, Vice Chairperson and Secretary of the Housing Authority by vote of the Housing Authority Board of Commissioners.

Attachment:
a. Resolution of the Housing Authority, including Exhibit A to Resolution - Bylaws of the City of Milpitas Housing Authority

RESOLUTION NO. HA_____

A RESOLUTION OF THE CITY OF MILPITAS HOUSING AUTHORITY APPROVING AND ADOPTING BYLAWS FOR THE AUTHORITY

WHEREAS, pursuant to the Housing Authorities Law (Health & Saf. Code, § 34200 et seq.) ("HAL"), the City Council of the City of Milpitas ("City") permitted the City of Milpitas Housing Authority ("Authority") to transact business and exercise any power inferred thereon by the provisions of the HAL as provided in City Council Resolution No. 8062 dated February 15, 2011; and

WHEREAS, the Authority is responsible for addressing insanitary or unsafe dwelling accommodations for persons of low income within the City; and

WHEREAS, the HAL sets forth the general procedures for creating and operating the Authority; and

WHEREAS, specifically, Health and Safety Code section 34311 authorizes the Authority to make bylaws and regulations, if not inconsistent with the HAL, to carry into effect the powers and purposes of the Authority; and

WHEREAS, the Authority is interested in adopting bylaws, as set forth in **Exhibit A** attached hereto and incorporated herein by reference ("Bylaws") to memorialize Authority procedures and powers.

NOW, THEREFORE, the Housing Authority Board of Commissioners hereby finds, determines, declares and resolves as follows:

1. Recitals. The Recitals set forth above are true and correct and incorporated herein by reference.

2. Adoption of Bylaws. In accordance with Health and Safety Code section 34311, and based on the Recitals set forth above, the Board hereby approves and adopts the Bylaws of the City of Milpitas Housing Authority (the "Bylaws"), attached to this Resolution as **Exhibit A**, together with non-substantive changes and amendments as may be approved by both the Executive Director and Authority Counsel.

3. Election of Officers. Following adoption of this Resolution, consistent with the Bylaws, the Board shall elect officers to the Authority by vote of the Board. The manner of electing officers set forth in the Bylaws shall supersede the provision of Council Resolution No. 8062 which provides that Mayor shall serve as the first Chair of the Housing Authority Commission.

4. Implementation. The Board of Commissioners hereby authorizes and directs the Executive Director, or his or her designee, to take any action and execute any documents necessary to carry out the purposes of this Resolution.

5. CEQA. The determination given in this Resolution does not commit the City of Milpitas Housing Authority to any action that may have a significant effect on the environment. As a result, such determination does not constitute a project subject to the requirements of the California Environmental Quality Act.

6. Severability. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the

provisions of this Resolution are severable. The Authority Board hereby declare that they would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

PASSED AND ADOPTED this _____ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

_____
Mary Lavelle, Housing Authority Secretary

APPROVED:

_____
Rich Tran, Chair

APPROVED AS TO FORM:

_____
Christopher J. Diaz, Housing Authority Counsel

Exhibit A

Bylaws for the City of Milpitas Housing Authority

(attached behind this cover page)

BYLAWS OF THE CITY OF MILPITAS HOUSING AUTHORITY

ARTICLE I
THE AUTHORITY; OFFICE; SEAL

Section 1. NAME OF AUTHORITY - The name of the organization shall be the City of Milpitas Housing Authority ("Authority").

Section 2. SEAL AUTHORITY - The official seal of the Authority shall be in the form of a circle and shall bear the name of the Authority and the year of its organization.

Section 3. PRINCIPAL OFFICE - The Principal Office of the Authority shall be 455 East Calaveras Blvd., Milpitas, California, or such other location in the City of Milpitas as the Authority may from time to time designate.

ARTICLE II
OFFICERS AND PERSONNEL

Section 1. OFFICERS - The officers of the Authority shall be a Chairperson, a Vice Chairperson and a Secretary.

Section 2. CHAIRPERSON - The Chairperson of the Board of Commissioners of the Authority ("Board") shall be elected by a vote of the Commissioners of the Authority. The Chairperson shall preside at all meetings of the Authority. The Chairperson shall sign all contracts, deeds and other instruments made by the Authority, in the name of the Authority, as required by the Department of Housing and Urban Development, the Housing Authorities Law as set forth in Section 34200 et seq. of the California Health and Safety Code, or other applicable federal or state laws. The Chairperson may delegate the authority to sign all contracts, deeds and other instruments, consistent with and provided for in the City's Purchasing Guidelines, to the Executive Director.

Section 3. VICE CHAIRPERSON - The Vice Chairperson of the Board shall be elected by a vote of the Commissioners of the Authority. The Vice Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson; and in case of the resignation or death of the Chairperson, the Vice Chairperson shall perform such duties as are imposed on the Chairperson until such time as the Authority shall select a successor Chairperson.

Section 4. SECRETARY - The Secretary shall be a member of the Board, and shall be elected by a vote of the Commissioners of the Authority. The Secretary shall attend all meetings of the Authority, record all votes, maintain a full and thorough record of all proceedings of the Authority, including all resolutions of the Board, in a journal of proceedings to be kept for such purposes. The Secretary shall keep all official records of the Authority, maintain custody of the seal of the Authority and shall have power to affix such seal to all contracts and instruments

authorized to be executed by the Board, and perform all other duties incident to the Office of Secretary.

Section 5. ELECTION OF OFFICERS – The officers of the Authority shall be elected by a vote of the Commissioners of the Authority immediately following adoption of these Bylaws. Thereafter, the officers of the Authority shall be elected by a vote of the Commissioners every two years, on the date that the results of each general municipal election are certified, and the new City Council is seated.

Section 6. TREASURER - The Finance Director of the City of Milpitas shall be the Treasurer. The Treasurer shall have the care and custody of all funds of the Authority and shall deposit the same in the name of the Authority in such bank or banks as the Authority may select. The Treasurer may sign all orders and checks for the payment of money and shall pay out and disburse such monies under the direction of the Board. Except as otherwise authorized by resolution of the Board, all such orders and checks shall be signed using the same process as used by the City of Milpitas and consistent with the City's adopted policies and procedures, as they may be amended from time to time. The Treasurer shall keep regular books of accounts showing receipts and expenditures and shall render to the Board on a quarterly basis, or more often when requested by any member of the Board, an account of transactions and of the financial condition of the Authority. The Treasurer shall give such bond for the faithful performance of the Treasurer's duties as the Board may determine.

Section 7. EXECUTIVE DIRECTOR - The Executive Director of the Authority shall be the City Manager of the City of Milpitas and shall be responsible, subject to the policies and directions of the Board, for the general supervision over the administration of the business and affairs of the Authority and the implementation of the Authority policies. The Executive Director shall be charged with the management of the housing projects owned and or administered by the Authority. The Executive Director shall sign, on behalf of the Authority, all contracts and other documents delegated by the Board or within the Executive Director's authority as provided herein unless federal or state regulations require otherwise; appoint, remove, discipline, and supervise the Authority's personnel; supply the Board with such information and recommendations as necessary or as may be requested by the Board; authorize and certify payrolls, requisitions, and other documents relating to the financial affairs of the Authority; and perform such other duties as may from time to time be prescribed for the Executive Director by the Board. The Executive Director may delegate such administrative duties and authority as are consistent with these Bylaws and such other rules and regulations as may from time to time be approved by the Board.

Section 8. ADDITIONAL DUTIES - The officers and personnel of the Authority shall perform such other duties and functions as may from time to time be required by the Board or the Bylaws.

Section 9. NUMBER AND APPOINTMENT OF COMMISSIONERS - The City Council shall serve as the Commissioners of the Authority in accordance with California Health and Safety Code Section 34290. Provided that within one year of the Authority having "tenants,"

as that term is defined in Health and Safety Code Section 34213.5, the Council shall either appoint two (2) additional commissioners to serve on the Authority ("Tenant Commissioners") or create a Housing Commission as required by state law. The terms of the commissioners shall be as required by the Housing Authorities Law.

Section 10. CONFLICTS OF INTEREST; CODE OF CONDUCT - Commissioners and Authority staff are honored with the public's trust, and shall conduct all Authority business in an impartial, objective manner not tainted by financial conflicts of interest. Commissioners and Authority staff shall abide by the disclosure and disqualification requirements of the Fair Political Practices Act and implementing regulations, the provisions of California Government Code Section 1090 and all other applicable rules regarding conflicts of interest. In addition, Commissioners shall abide by all rules of conduct duly adopted by the Board. Commissioners and Authority employees shall not acquire any direct or indirect interest in a housing project or in any property included or planned to be included in any project, nor shall he or she have any direct or indirect interest in a contract or proposed contract for materials or services to be furnished or used in connection with the housing project, in accordance with California Health and Safety Code Section 34281. If a Commissioner or Authority employee owns or controls a direct or indirect interest in any such property, he or she shall immediately make a written disclosure of it to the Authority and the disclosure shall be entered into the minutes. This Section 10 shall not be construed as precluding a Tenant Commissioner from serving, provided the fact of such tenancy is disclosed to the Authority in writing and entered into the minutes immediately upon a Tenant Commissioner assuming office.

Section 11. COMPENSATION – Members of the Board of Commissioners may receive their actual and necessary expenses, including travel expenses incurred in the discharge of their duties, as provided in the adopted "Council Travel and Expenditure Reimbursement Policy" and in accordance with State law. Members of the Board of Commissioners, excluding Tenant Commissioners, may not receive additional compensation, such as a meeting stipend. Tenant Commissioners shall be compensated as provided for by City Council and in accordance with the Housing Authorities Law, as may be amended from time to time. Those non-board members who serve as staff or officials of the Authority shall only receive their compensation for the City of Milpitas position and shall not receive additional compensation for their position with the Authority. The Authority's Board of Commissioners may fix and determine the compensation of all Authority employees, counsels, consultants, and agents not otherwise serving in a City of Milpitas position.

ARTICLE III
MEETINGS

Section 1. PLACE FOR MEETINGS - Meetings of the Board shall be held at the Principal Office of the Authority, unless another place is stated in the notice of the meeting.

Section 2. REGULAR MEETINGS - Regular meetings shall be held with notice on the first and third Tuesday of each month of each year at 7:00 p.m. If a regular meeting time shall be a legal holiday, that regular meeting shall be held on the next succeeding business day.

Section 3. SPECIAL MEETINGS – A special meeting of the Board may be called by the Chairperson, Vice Chairperson when acting in the capacity of the Chairperson in accordance with these bylaws, or two Commissioners for the purpose of transacting business of the Authority. Special meetings may be called as determined to be necessary and shall be noticed as provide for in the Ralph M. Brown Act (Government Code section 54950 et seq.).

Section 4. CANCELLATION OF MEETINGS – The Executive Director or Board may cancel any meeting determined in his or her reasonable discretion to be unnecessary. Any cancellation shall be subject to and in accordance with the Ralph M. Brown Act as it may be amended from time to time.

Section 5. QUORUM - The powers of the Authority shall be vested in the Commissioners in office. A majority of the Commissioners empowered to vote shall constitute a quorum for the purpose of conducting the business and exercising the powers of the Authority, and for all other purposes, but a smaller number may recess or adjourn from time to time until a quorum is obtained.

Section 6. CONDUCT OF MEETINGS - Notwithstanding any other provision in these Bylaws, all regular and special meetings of the Board shall be held in compliance with the requirements of the Housing Authorities Law, the Ralph M. Brown Act of the California Government Code, and acceptable business meeting practices. The Board shall consider all appropriate business matters to come before the Board.

Section 7. MANNER OF VOTING - The voting on all matters coming before the Board shall be by voice vote or roll call, and the ayes and nays shall be entered upon the minutes of such meeting.

Section 8. ATTENDANCE AT MEETINGS - Commissioners shall attend all regular and special meetings of the Board unless there is good cause for the Commissioner's absence. Commissioners may be removed from their position as provided for in Health and Safety Code Section 34282.

Section 9. PUBLIC MEETINGS; NOTICES - All meetings of the Board shall be open and public, and all persons shall be permitted to attend any meeting of the Board, except as otherwise provided in the Ralph M. Brown Act and other applicable laws. The Authority shall comply with all public noticing required by the Ralph M. Brown Act and other applicable law.

Section 10. PUBLIC COMMENT; REASONABLE LIMITATIONS - The Board encourages and welcomes public comment on all items on the Board' agenda and, during the public

comment period, on any matters not on the Board's agenda but within the subject matter jurisdiction of the Board. For reasons of efficiency, speakers will be limited to three (3) minutes each.

ARTICLE IV
AMENDMENTS

Section 1. AMENDMENTS TO BYLAWS - The Bylaws of the Authority shall be amended only with the approval of a majority of the Commissioners empowered to vote at a regular or a special meeting, but no amendment shall be considered unless at least seventy two (72) hours written notice thereof has been previously given to all members of the Board.

ARTICLE V
MISCELLANEOUS

Section 1. INDEMNIFICATION - To the fullest extent permitted by law, the Board may authorize indemnification by the Authority of any person who is or was a member of the Board, officer, employee or other agent of the Board, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a member of the Board, officer, employee or other agent of the Authority, against expenses, judgments, fines settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Authority and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful and, in the case of an action by or in the right of the Authority, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

BYLAWS
OF THE
CITY OF MILPITAS
HOUSING AUTHORITY

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

1. That I the duly appointed and acting Secretary of the City of Milpitas Housing Authority ("Authority"), a public body corporate and politic; and

2. That the foregoing Bylaws, consisting of five (5) pages, are the Bylaws of the Authority, as duly approved by the Board of the Authority, at a meeting duly held on _____, 2019.

In Witness Whereof, I have hereunto subscribed my name and affixed the seal of the Corporation this ___ day of ___ 2019.

_____
Secretary

MILPITAS CITY COUNCIL MEETING

PREVIEW OF AGENDA ITEMS

NOVEMBER 5, 2019

PRESENTATION

- Neighborhood Beautification Awards
- Milpitas Star Awards

CONSENT CALENDAR

1) Accept City Council calendar for November 2019 (Mary Lavelle)
2) Approve City Council meeting minutes of October 8 and 15, 2019 (Mary Lavelle)
3) 2nd reading/Adopt Ordinance No. 38.837 to amend zoning to prohibit Assembly Uses in M2 Heavy Industrial Zoning Districts (Ned Thomas)
4) 2nd reading/Adopt revised Ordinance No. 302 for a Rent Review Program (Sharon Goei)
5) 2nd reading/Adopt revised Ordinance No. 303 for Just Cause Eviction tenant protection (S. Goei)
6) Adopt a Resolution Accepting Waterstone Development at 1494 California Circle (Kan Xu)
7) Adopt a Resolution Accepting Coyote Creek Townhomes Development (Kan Xu)
8) Authorize City Manager to Execute Amendment No. 3 to Consulting Services Agreement with Page and Turnbull for Alviso Adobe Renovation, Phase V, Project No. 5055 (Steve Erickson)
9) Approve Veterans Commission Work Plan (Dale Flunoy)
10) Approve Parks, Recreation and Cultural Resources Commission Work Plan (Renee Lorentzen)
11) Per Milpitas Arts Commission, Approve Art Piece for Higuera Adobe Park (Renee Lorentzen)
12) Accept Bulletproof Vest Partnership Grant for the Milpitas Police Dept. (Raj Maharaj)
13) Approve City Council Meeting Schedule for 2020, including cancellation of July and first August regular meetings (Mary Lavelle)

PUBLIC HEARINGS

14) 1st reading/Introduce Ordinance for a Zoning Amendment and Adopt a Resolution Approving Robson Homes Subdivision project on N. Park Victoria Drive (Ned Thomas)
15) 1st reading/Introduce updated Fire Code Ordinance No. 113.25 with local amendments (A. Zamora)
16) 1st reading/Introduce updated Building Code Ordinance No. 65.147 with local amendments (S Goei)
17) 1st reading/Introduce Ordinance No. 65.148 California Energy and Green Building ("Reach") Codes with local amendments (Bill Tott)

PREVIEW NEXT AGENDA

18) Preview list of items for November 19, 2019 Council agenda (Mary Lavelle)