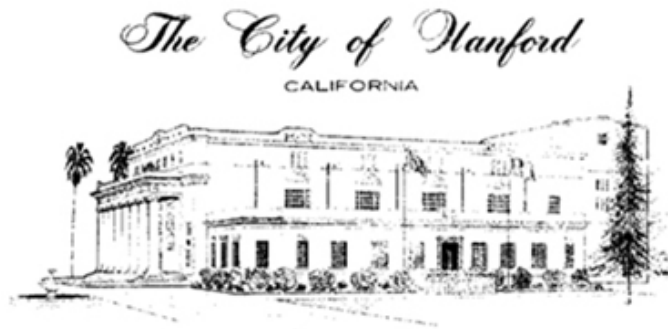




**CITY COUNCIL SPECIAL MEETING
AGENDA**

**July 24, 2014 6:00 PM
Council Chambers, Civic Auditorium
400 N. Douty Street**

SPECIAL MEETING - 6:00 PM

ROLL CALL BY THE CITY CLERK:

FLAG SALUTE:

PUBLIC COMMENT:

Any person may directly address the Council at this time on any item on the agenda, or on any item that is within the subject matter jurisdiction of the Council. A maximum of five minutes is allowed for each speaker.

Written Correspondence:

1. PUBLIC HEARINGS:

- A.** Highway 43/198 Commercial Project – Accept the Planning Commission's recommendation of approval and consider the following actions:
Environmental Impact Report, State Clearinghouse Number 2012061013, prepared for the Highway 43/198 Commercial Center project. Resolution 14-37-R.
GENERAL PLAN AMENDMENT NO. 2011-01, is a request to change the land use designation from Highway Development, Open Space and Service Commercial on 58 acres to Planned Commercial and to amend Policy 9.2 and add Objective 10.1 and Policies 10.1.1, 10.1.2, 10.1.3, 10.1.4 and 10.5 pertaining to the location and criteria for Planned Commercial developments. Resolution 14-38-R
RE-ZONE No. 2011-01, is a request to change the existing zoning on a 58 acre site from Service Commercial (SC), Conservation and Open Space (CO) and Planned Highway Development (PHD) to Planned Commercial (PC). Introduce and waive the first reading of Ordinance 14-05
PLANNED UNIT DEVELOPMENT NO. 2013-02 is a request for a master plan to allow a commercial center with approximately 500,000 square feet with shared access, cross access, shared parking, a comprehensive sign program and architectural design. Resolution 14-39-R
TENTATIVE PARCEL MAP 2013-05 is a request to subdivide approximately 58 acres into 28 parcels to be developed in four phases for future commercial development. Resolution 14-40-R
DEVELOPMENT AGREEMENT BETWEEN THE CITY OF HANFORD AND 198/43, LLC is a development agreement to implement the standards and conditions imposed as part of other actions and the construction and financing of improvements required for the Highway 43/198 Commercial Center. Introduce and waive the first reading of Ordinance 14-06
The project is located at the southwest corner of East Lacey Boulevard and State Route 43. APN 016-060-021.
- B.** Public Works: Conduct a public hearing and, by separate motions, adopt resolutions establishing the impact fees for 14-43-R Fire Protection and 14-44-R Transportation facilities.

2. NEW BUSINESS:

- A.** Adopt Resolution 14-41-R approving Sales Tax Sharing Agreement between the City of Hanford and Pinnacle Pointe LLC. Resolution 14-41-R

ADJOURNMENT:

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office located at 319 N. Douty Street, Hanford, California 93230, during normal business hours. City Council Agendas and materials are also available at the City's website, www.cityofhanfordca.com; subject to staff's ability to post the agenda before the meeting.

If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's office, 559-585-2515, 319 N. Douty Street, Hanford, California 93230, at least 2 days prior to the meeting {28 CFR 35.102.35.104 ADA Title II}



AGENDA STAFF REPORT

MEETING DATE: 7/24/2014

AGENDA SECTION: 1. A.

SUBJECT:

Highway 43/198 Commercial Project – Accept the Planning Commission's recommendation of approval and consider the following actions:

Environmental Impact Report, State Clearinghouse Number 2012061013, prepared for the Highway 43/198 Commercial Center project. Resolution 14-37-R.

GENERAL PLAN AMENDMENT NO. 2011-01, is a request to change the land use designation from Highway Development, Open Space and Service Commercial on 58 acres to Planned Commercial and to amend Policy 9.2 and add Objective 10.1 and Policies 10.1.1, 10.1.2, 10.1.3, 10.1.4 and 10.5 pertaining to the location and criteria for Planned Commercial developments. Resolution 14-38-R

RE-ZONE No. 2011-01, is a request to change the existing zoning on a 58 acre site from Service Commercial (SC), Conservation and Open Space (CO) and Planned Highway Development (PHD) to Planned Commercial (PC). Introduce and waive the first reading of Ordinance 14-05

PLANNED UNIT DEVELOPMENT NO. 2013-02 is a request for a master plan to allow a commercial center with approximately 500,000 square feet with shared access, cross access, shared parking, a comprehensive sign program and architectural design. Resolution 14-39-R

TENTATIVE PARCEL MAP 2013-05 is a request to subdivide approximately 58 acres into 28 parcels to be developed in four phases for future commercial development. Resolution 14-40-R

DEVELOPMENT AGREEMENT BETWEEN THE CITY OF HANFORD AND 198/43, LLC is a development agreement to implement the standards and conditions imposed as part of other actions and the construction and financing of improvements required for the Highway 43/198 Commercial Center. Introduce and waive the first reading of Ordinance 14-06

The project is located at the southwest corner of East Lacey Boulevard and State Route 43. APN 016-060-021.

RECOMMENDATION:

The Planning Commission recommended that the City Council approve the following actions:

1. Certify Final Environmental Impact Report prepared for the Highway 43/198 Commercial Center.
2. General Plan Amendment 2011-01
3. Re-Zone 2011-01
4. Planned Unit Development 2013-02
5. Tentative Parcel Map 2013-05
6. Development Agreement between the City of Hanford and 198/43 LLC

RECOMMENDED MOTIONS:

1. Move to adopt Resolution 14-37-R certifying the Final Environmental Impact Report, State Clearinghouse 2012061013, prepared for Hwy 43/198 Commercial Center.
2. Move to adopt Resolution No. 14-38-R approving General Plan Amendment No. 2011-01.
3. Move to introduce and waive the first reading of Ordinance No. 14-05 for Re-zone No. 2011-01.
4. Move to adopt Resolution No. 14-39-R approving of Planned Unit Development 2013-02.
5. Move to adopt Resolution 14-40-R approving Tentative Parcel Map 2013-05.

6. I move to introduce and waive the first reading of Ordinance 14-06 approving a Development Agreement between the City of Hanford and 198/43, LLC.

BACKGROUND:

A full staff report is attached as well as the Planning Commission staff report and signed resolutions.

Following the early distribution of the staff report, an additional letter was recieved from James Freedner, attached. Mr. Freedner brings up several issues which were all addressed in the Environmental Impact Report (EIR). No new environmental issues were raised in the letter or evidence that would result in a determination that there were new impacts that were not properly evaluated in the EIR.

NOTE: Due to the size of the document, the Planning Commission staff report was distributed to the City Council separately. A copy of the staff report and the Final Resolutions are available at the City Clerk's office for review by the public.

FISCAL IMPACT:

ATTACHMENTS:

Description

- ☐ City Council Staff Report
- ☐ Letter James Freedman
- ☐ CC Resolution 14-37-R Final EIR
- ☐ CC Resolution 14-38-R
- ☐ CC Ordinance 14-05 Re-Zone
- ☐ CC Resolution 14-39-R Planned Unit Development
- ☐ CC Resolution 14-40-R Tentative Parcel Map
- ☐ CC Ordinance 14-06 Development Agreement

HANFORD CITY COUNCIL

STAFF REPORT

MEETING DATE: July 24, 2014

SUBJECT: Highway 43/198 Commercial Project – Accept the Planning Commission's recommendation of approval and consider the following actions:

Environmental Impact Report State Clearinghouse Number 2012061013, prepared for the Highway 43/198 Commercial Center project.

GENERAL PLAN AMENDMENT NO. 2011-01, is a request to change the land use designation from Highway Development, Open Space and Service Commercial on 58 acres to Planned Commercial and to amend Policy 9.2 and add Objective 10.1 and Policies 10.1.1, 10.1.2, 10.1.3, 10.1.4 and 10.1.5 pertaining to the location and criteria for Planned Commercial developments.

RE-ZONE No. 2011-01, is a request to change the existing zoning on a 58 acre site from Service Commercial (SC), Conservation and Open Space (CO) and Planned Highway Development (PHD) to Planned Commercial (PC).

PLANNED UNIT DEVELOPMENT NO. 2013-02 is a request for a master plan to allow a commercial center with approximately 500,000 square feet with shared access, cross access, shared parking, a comprehensive sign program and architectural design.

TENTATIVE PARCEL MAP 2013-05 is a request to subdivide approximately 58 acres into 27 parcels to be developed in four phases for future commercial development.

DEVELOPMENT AGREEMENT BETWEEN THE CITY OF HANFORD AND 198/43, LLC is a development agreement to implement the standards and conditions imposed as part of other actions and the construction and financing of improvements required for the Highway 43/198 Commercial Center.

The project is located at the southwest corner of East Lacey Boulevard and State Route 43. APN 016-060-021.

RECOMMENDATION

The Planning Commission recommended that the City Council approve the following actions by the listed resolutions, attached to the Planning Commission staff report:

1. Certification of the Final Environmental Impact Report prepared for the Highway 43/198 Commercial Project. Planning Commission Resolution No. 2014-09.

2. General Plan Amendment No. 2011-01. Planning Commission Resolution 2014-10.
3. Re-zone 2011-01. Planning Commission Resolution 2014-11.
4. Planned Unit Development 2013-02. Planning Commission Resolution 2014-12.
5. Tentative Parcel Map 2013-05. Planning Commission Resolution 2014-13.
6. Development Agreement. Planning Commission Resolution 2014-14.

The above actions were approved by the Planning Commission on July 8, 2014. All actions were by unanimous vote, with the exception of the Development Agreement which was approved with a 6-1 vote, one Commissioner voting no.

BACKGROUND

On July 8, 2014, the Planning Commission held a public hearing and took public comment on the proposed project in accordance with the Hanford Municipal Code. A copy of the Planning Commission Staff Report and final resolutions is attached to the City Council packet.

The public hearing was well attended. Representatives from the developer were present and addressed the Commission. Four individuals also addressed the Commission in support of the project. All mentioned that Costco specifically brought more shopping and kept sales tax dollars in Hanford that are now leaving Hanford. One agency, Kings County Area Public Transit Authority, spoke regarding their need to be able to serve the project with transit service, which would also require the expansion of their paratransit service three quarters of a mile beyond their fixed route service. The agency looked forward to working with the developer to ensure adequate area for transit to be provided on Lacey Blvd. No one spoke in opposition.

Following the public comment period, the Commissioners addressed several areas: adequate fire flow, investment on the east side of Hanford, impact fees, changes to the parcel map for the relocation of Lacey Blvd and SR 43, architectural standards and the sales tax sharing agreement.

Staff responses to the Planning Commission included confirmation that there would be adequate fire flow for the project, that impacts fees reflect the fees that were part of the fee reduction for incentive purposes for the 10 year period of the development agreement. Following the expiration of the agreement, fees will apply that are in effect at the time of building permit application. In addition, the parcel map may change slightly in configuration as a result of the realignment of Lacey Boulevard, however, it is most likely that the parcel map will not change and the result of the realignment will be a remnant parcel that could be incorporated into the project. The actual realignment will be determined with the design of the intersection. The Planning Commission also questioned why a copy of the sales tax sharing agreement was not included in the staff report. Staff informed the Commission that a sales tax sharing agreement was not within the purview of the Commission.

A letter was also submitted in response to the Final EIR from Caltrans, Exhibit A, stating that Caltrans preference is for a roundabout at the relocated intersection of SR 43 and

Lacey Boulevard. Caltrans has determined that a roundabout will mitigate the 2035 cumulative traffic impacts as identified in the EIR. Staff will continue to work with Caltrans to design the SR 43 and Lacey Boulevard intersection.

Following the close of the public hearing, the Planning Commission voted to recommend certification of the EIR based on the fact that no new evidence was submitted to the City or presented to the Commission that would suggest that the project would result in new or increased projects following the release of the Final EIR. The Planning Commission also voted to recommend approval of all the actions associated with the project.

The remaining outstanding issue, which staff has been working on for several weeks, is the signalized intersection on Lacey Boulevard into the primary entrance for the project. Staff is recommending a condition that requires that the intersection be constructed prior to opening day of Phase 1 and that a City street be constructed to the north, which will provide access to the two parcels to the north. This requirement is found as a condition of approval in the Planned Unit Development (PUD) as condition six and stated below.

That prior to opening day of Phase I, the traffic signal on E. Lacey Boulevard at the project's primary entrance shall be completed. A City-maintained cul-de-sac street shall also be constructed by developer north of this new intersection, which will serve as the intersection's north leg and will facilitate access to properties adjacent to the new cul-de-sac street, including APNs 014-251-040 and 014-251-050. Construction of the new cul-de-sac street shall be completed no later than the completion of the improvements to E. Lacey Boulevard that are related to Mitigation Measure 4.10.2.b(1) of the public hearing draft of the EIR, which is the relocation of the intersection of State Route 43 and E. Lacey Boulevard.

The condition will address the potential traffic safety impacts resulting from traffic from both parcels onto Lacey Boulevard, which will have a median in the future. The two businesses will access Lacey from the new street at the new signalized intersection, which will allow the full turning movements to and from Lacey Boulevard. The alternative, due to the new median, would require truck traffic to right in and right out only and will require the truck traffic to find alternate routes through town to access Highway 198 at 10th Avenue, 9th Avenue, or Redington Street. They also may try to make u-turns at signalized intersections, a potential safety issue. It is typical to limit access to major arterial roadways as much as possible to reduce traffic conflicts. The developer will be required to construct the street to the north as part of the proposed project.

The developer has been provided with the condition and disagrees with the requirement as a condition of the development. The concern of the developer is that the construction of the road to the north requires the acquisition of right of way, which, if the right of way cannot be obtained, could delay the project. An alternative for the Council to consider would be to amend the recommended motion removing the condition and direct staff to negotiate an agreement(s) between the developer, the City and the

property owner(s) to the north regarding acquisition of right of way and construction of the culdesac as part of the Lacey Boulevard improvements.

PROJECT DESCRIPTION

The project is a 58 acre commercial development proposed to be located at the southwest corner of East Lacey Boulevard and State Route 43, Exhibit "B". State Route 198 borders the project site on the south. The project will be developed four phases with an ultimate developed square footage of approximately 500,000 square feet of commercial space. Access to the site will be from Lacey Boulevard, with one primary access to be signalized and several secondary access points that will accommodate right in, right out only traffic. The commercial development includes two large anchor tenants, six major tenant spaces and 13 smaller pads and buildings to accommodate smaller level commercial. Currently three locations are designated for drive-thru type of development. The final square footage and types of commercial development may change as development progresses and will be based on the needs of the commercial business. The development is required to meet the City standards for parking, setbacks and landscaping.

The proposed project will require the approval of General Plan Amendment 2011-01, Re-Zone 2011-01, Planned Unit Development (PUD) 2013-02 and Tentative Parcel Map 2013-05 described as follows:

- General Plan Amendment 2011-01 is a request to change the land use designation from Highway Development, Open Space and Service Commercial to Planned Commercial, see Figure 1, and to amend Policy 9.2 and add Objective 10.1 and Policies 10.1.1, 10.1.2, 10.1.3, 10.1.4 and 10.1.5 pertaining to the location and criteria for Planned Commercial developments. The following text amendments are proposed as highlighted in **Bold** and ~~strikeout~~:

POLICY LU 9.2 (AQ)

Sites for planned commercial uses shall be designated on the Land Use Map, and shall be limited to areas of approximately 1/3 mile around East Lacey Blvd. and 12th Avenue, ~~and a location near State Highway 43 and Grangeville Blvd.,~~ **and the southwest corner of East Lacey Blvd. and Highway 43.**

Objective LU 10.1 would be added to the General Plan to describe the location of the proposed Planned Commercial development as shown in "**Bold**" below:

OBJECTIVE 10.1

Create a planned commercial development served by East Lacey Blvd. that serves the local and regional shopping needs of Hanford and the surrounding area that does not compete with the Hanford Downtown.

Policies LU 10.1.1, LU 10.1.2, LU 10.2.3, LU 10.1.4, and LU 10.1.5 would be added to the General Plan further describing the proposed Planned Commercial development on the southwest corner of East Lacey Blvd. and SR 43 as shown in "**Bold**" below:

POLICY LU 10.1.1 (AQ)

Planned commercial development shall be designated on the southwest corner of East Lacey Blvd. and Highway 43 in its current or future alignment.

POLICY LU 10.1.2

Planned Commercial uses shall exclude full service banks, mortgage companies, loan offices, credit unions, "merchant banks" and other similar financial institutions. Planned commercial uses shall also exclude theatres and auto/truck and recreational vehicle dealerships. It is the City's intent to preserve the downtown as a viable commercial center.

POLICY LU 10.1.3

At least fifty-one (51) percent of the gross floor area of the building premises in which the Planned Commercial businesses will operate will be used for the retail sales of new merchandise. The fifty-one (51) percent gross floor area requirement may be reduced if the City determines that more than forty-nine (49) percent of the gross floor area of the business premises is required to perform other tasks directly associated with the retail sale of new merchandise. Included in the 49% are any services to be rendered to customers of the business premises that are incidental to and specifically related to the new merchandise sold upon the business premises.

POLICY LU 10.1.4

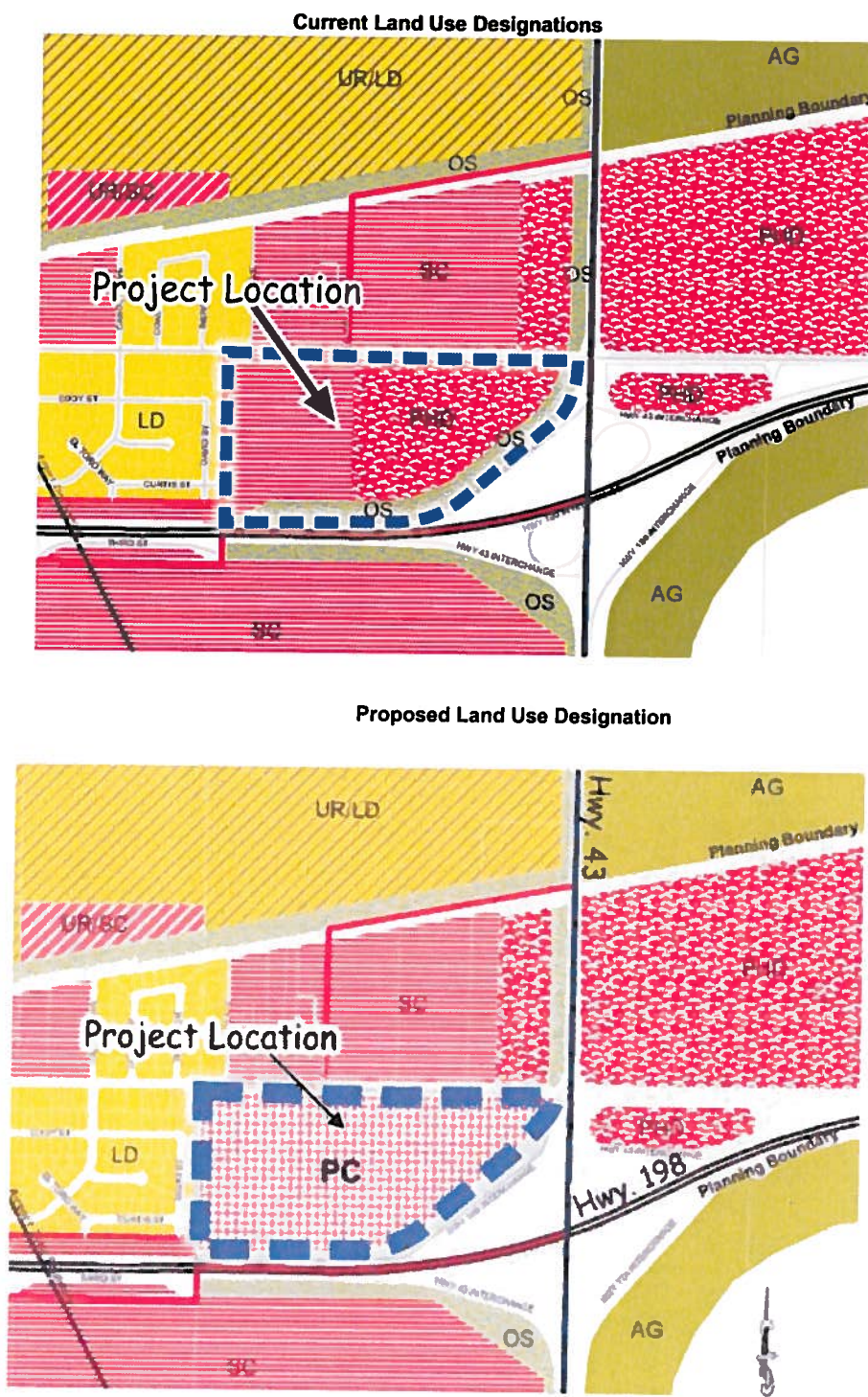
New development of parcels that may be created in the Planned Commercial Designation must be consistent with a Specific Plan or Master Plan prepared for a larger complex. The design and development of the small parcel as an out-pad should not reasonably preclude the effective and efficient design of a larger complex. Design of the small parcel should provide for parking that would eventually merge with future larger complex development, block walls or permanent fencing around the site will not be allowed except for adjacent residential development on the westerly boundary, and that buildings constructed on the parcel are oriented as if they were part of a larger complex located on an out-pad and not require direct street access to East Lacey Blvd. or Highway 43.

POLICY LU 10.1.5

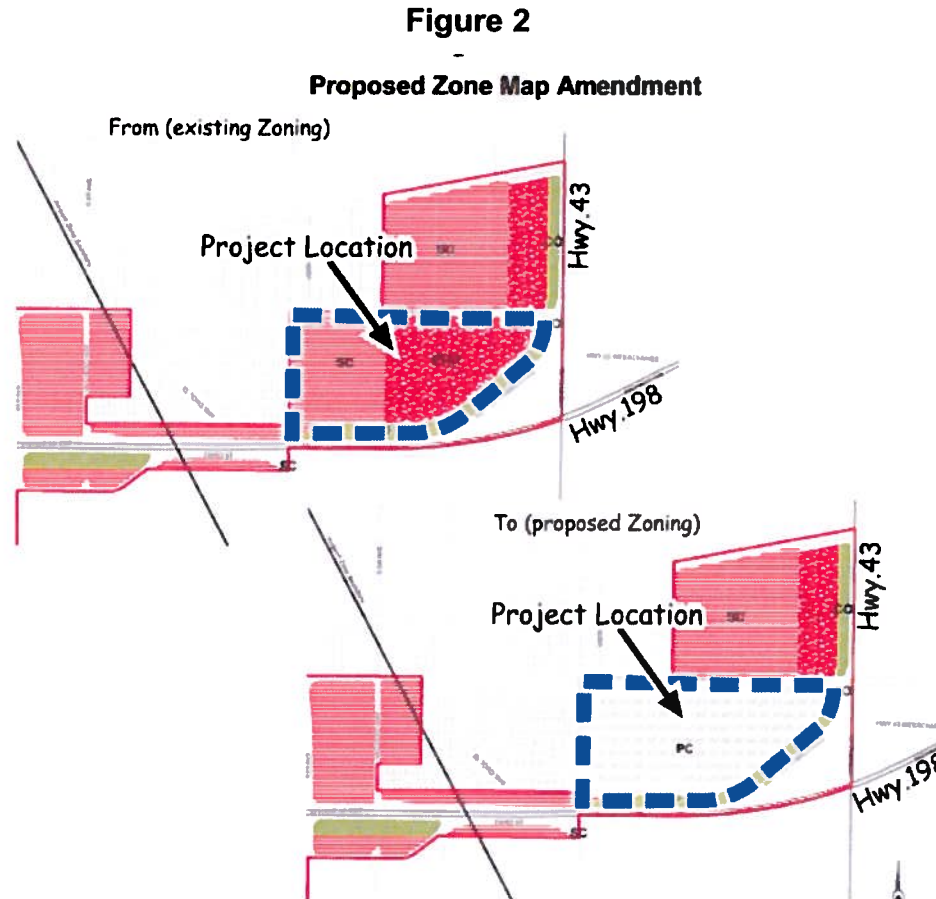
A minimum of 10-acre initial site shall be developed with any planned commercial project. A minimum of five-acre increments will be allowed after the initial 10-acre site is developed. Development of small sites along street frontages will not be allowed without first development of the major tenant of the proposed project. A "major tenant" is defined as a structure of 50,000 square feet or more occupied by a single business; or smaller major

tenant structures may be allowed if tenant is a nationally recognized retail sales activity (except for drive through restaurant operations).

Figure 1



- Re-Zone 2011-01 is a request to change the existing zoning on the site from Service Commercial (SC), Conservation and Open Space (CO) and Planned Highway Development (PHD) to Planned Commercial (PC), see Figure 2.



- Planned Unit Development 2013-02, a request for a planned unit development which will allow shared access, cross access, shared parking, a comprehensive sign program and architectural design, See Figure 3. The development is proposed to be developed in four phases. Each phase has been designed to provide adequate access, loading and unloading and parking for the proposed uses.
 - Phase I will provide approximately 275,000 square feet of building space and consist of a discount club of 150,000 square feet including a fueling center; approximately 100,000 square feet of anchor retail; 6,500 square feet of fast-food restaurants; 5,000 square feet of sit-down restaurants; and other pads of 9,500 and 4,000 square feet, storm drainage basin to accommodate at a minimum the drainage capacity for Phase 1.

Other amenities will include two access points to Lacey Boulevard. The entrance to the east, which is the primary entrance to the center will be signalized with the first phase of development.

- Phase 2 consists of three large retail tenant spaces, two smaller building pads, parking, an additional entrance to Lacey Boulevard and an approximately five acre storm drain basin.
- Phase 3 consists of three large retail tenant spaces, two smaller building pads and parking.
- Phase 4 consists of four building pads, parking and an entrance to Lacey Boulevard.
- Tentative Parcel Map 2013-05, a request to subdivide a single parcels into 27 parcels for a commercial development as shown on the Vesting Tentative Parcel Map attached as Exhibit B.

Figure 3



PROJECT EVALUATION

The City Council is the final approving body for the proposed project. Prior to consideration, the City Council must certify the Environmental Impact Report. The Final Environmental Impact Report (FEIR) is incorporated by reference into this staff report. The FEIR was distributed separately from the staff report to allow adequate time to review

ENVIRONMENTAL ASSESSMENT

The City of Hanford is the Lead Agency for the purposes of compliance with the California Environmental Quality Act (CEQA). An environmental impact report has been prepared, State Clearinghouse No. 2012061013, in accordance with the Guidelines for Implementation of the California Environmental Quality Act. The Final and Draft EIR herein incorporated by reference, has analyzed the potential impacts from the proposed project.

On October 1, 2013, the City of Hanford released the DEIR for the required 45 day comment period, which ended on November 14, 2013. The Notice of Availability of the DEIR was distributed to local, State and Federal agencies, property owners within 500 feet and all parties who commented on the NOP. The DEIR was available on-line on the City website and a hard copy was available for review at City Hall. Printed or electronic copies were also available for purchase.

Potential impacts to the following Initial Study categories were evaluated and found to be less than significant or less than significant with mitigation as described and evaluated in the Draft EIR and Final EIR and as listed in the Mitigation and Monitoring Reporting Plan.

- | | |
|-----------------------------------|---------------------------------|
| ○ Aesthetics | ○ Hydrology and Water Quality |
| ○ Biological Resources | ○ Land Use |
| ○ Cultural and Historic Resources | ○ Mineral Resources |
| ○ Geology and Soils | ○ Public Facilities |
| ○ Hazards and Hazardous Materials | ○ Recreation |
| | ○ Utilities and Service Systems |

Impacts to Air Quality, Noise, Greenhouse Gases, Traffic and Farmland Conversion were found to be significant and unavoidable. As discussed in the Draft EIR and Final EIR, mitigation measures have been included to reduce the level of significance to the highest extent possible, however impacts remain significant and unavoidable. A Statement of Overriding Considerations is required when impacts remain significant and unavoidable.

Comments on the Draft EIR were received from 13 individuals or agencies. The Final EIR includes the City's Response to those comments. The comments primarily focused on traffic impacts to State Routes 43, 198 and Lacey Boulevard, cumulative impacts to

traffic conditions in the vicinity, potential impacts to biological resources, air quality, greenhouse gas emissions water supply and incompatible land uses.

The public also had an opportunity to comment on the Final EIR at the Planning Commission public hearing, however, no one addressed the Commission with comments on the Final EIR. One comment letter was received from Caltrans, attached, indicating their preference would be for a roundabout at the SR 43/198 intersection. No other comments were received.

Although a roundabout was not evaluated in the Final EIR, staff will continue to work with Caltrans to identify the best solution to mitigate traffic impacts for proposed project in accordance with the mitigation monitoring and reporting plan. Caltrans has determined that a roundabout will mitigate 2035 cumulative traffic impacts as described in the Final EIR. Staff will continue to work with Caltrans to design the intersection in accordance with measures identified in the Final EIR.

No new evidence was submitted or presented to the Planning Commission during the public hearing indicating that there are new or increased impacts that will result from the project that were not identified in the Final EIR. No additional correspondence has been received since the Planning Commission hearing.

Staff and the Planning Commission recommend that the City Council certify the Environmental Impact Report based on the findings in Resolution 14-37-R, attached. The Resolution includes findings specifically stating that the EIR has been prepared in accordance with the California Environmental Quality Act (CEQA), that the City Council has reviewed and considered the information in the EIR prior to its certification and that the EIR reflects the City of Hanford's independent judgment and analysis. The Resolution also includes the adoption of the Mitigation, Monitoring and Reporting Plan as required by CEQA and a Statement of Overriding Considerations, which addresses the impacts that could not be mitigated to a level less than significant (Air Quality, Noise, Greenhouse Gases and Farmland Conversion). The Statement of Overriding Considerations is required by the CEQA and states that there are specific economic, social and environmental benefits of the project which outweigh the unavoidable adverse environmental impacts. The overriding considerations are as follows:

- The Project is consistent with the City of Hanford General Plan objectives and policies that provide for contiguous urban growth and extension of urban services to areas identified for urban growth in the Hanford General Plan and the City Master Water Plan. The Project is an infill commercial project which is not considered growth inducing beyond development envisioned by the General Plan.
- The Project site is within the City of Hanford City Limits.
- The Project provides a logical extension of urban development for commercial purposes identified in the General Plan and the Project is bound on three sides by existing urban development.
- The Project would provide for contiguous urban development of commercial land uses generally consistent with the City land use designations of the General Plan. The General Plan Amendment to Planned Commercial is consistent with

the intent of the General Plan for this location as a commercial regional serving location.

- City sewer and water pipeline improvements to the Project site are described in the City facility utility master plans. This Project would contribute to the development and cost of these necessary facilities which would be an overall benefit to the City by serving other approved projects, as well as future urban development envisioned by the City's General Plan for northeast Hanford area.
- The Project will enhance the retail opportunities in the Hanford area and capture retail sales leakage.
- The Project will locate local and regional serving retail within a designated commercial area in the City of Hanford.
- The Project will provide any opportunity for residents of Hanford and the greater Hanford area to shop locally.
- The Project will help fulfill the City's goal to serve as a regional retail center and reduce the number of vehicle trips to retail centers outside the City.
- Project will create employment opportunities within the City.
- Project will generate revenue for the City allowing the City to fund needed facilities and services.
- Project will generate additional revenue for Kings County, local school districts, and other special service districts.

GENERAL PLAN AMENDMENT 2011-01

The project site is designated Planned Highway Development, Service Commercial and Open Space. The proposed project is an amendment to the land use designation of the entire 58 acre site to Planned Commercial. The proposed amendment also includes amendments to the text of the General Plan. The proposed map amendments will be consistent with the General Plan as amended.

Specifically, the General Plan contains policies that state that the northwest corner of SR 43 and 198 shall be designated for Planned Highway Development and limits the location of Planned Commercial designations. The proposed text amendment adds the project site to the list of areas for Planned Commercial designations and deletes the references to this location being limited to Planned Highway Development. The amendment also contains specific provisions that apply to other Planned Commercial areas at Lacey Boulevard and 12th Street, which limit what can be developed in the Planned Commercial zone.

Compliance with Senate Bill 18

The processing of general plan amendments are subject to compliance with SB18, or California Government Code 65352.3. SB18 requires that when processing a general plan amendment, agencies must consult with the Native American Heritage Commission (NAHC) and offer potentially affected tribal organizations to request to participate in the amendment process through consultation. Staff received the list of affected tribes from the NAHC and sent letters requesting notification if the tribal

organization wished to enter into the consultation process. No comments or requests for consultation were received.

The City of Hanford can make a finding that it has complied with Government code 65352.3.

GENERAL PLAN OBJECTIVES AND FINDINGS

Section 17.66.020(C) states that when an amendment to a zoning district requires a general plan amendment that the amendment be processed in accordance with Section 65350 of the California Government Code.

General Plan Amendment 2011-01 Findings for Approval

1. That the public hearing for the proposed general plan amendment was properly noticed in accordance with state law and the Hanford Municipal Code.
2. That an Environmental Impact Report was prepared in accordance with the California Environmental Quality Act and recommended for certification.
3. That notice of the proposed General Plan Amendment was provided to the Native American Heritage Commission and the referred tribal agencies in accordance with California Government Code 65352.3 (SB18).
4. That the proposed amendment is consistent with the objectives in Municipal Code Section 17.02-020 by making the following determinations:
 - A. That the proposed amendment provides for a wholesome, attractive living environment.
 - B. That the proposed amendment continues the protection of the Downtown.
 - C. That the proposed development promotes appropriately located commercial development that will serve a larger regional area.
 - D. That the proposed amendment will allow new urban expansion that is logical, desirable and in conformance with the objectives and policies of the general plan as amended.
5. The General Plan Amendment is compatible, integrated and internally consistent with existing policies of the General Plan as amended.
6. That an Environmental Impact Report, SCH 2012061013, has been certified by the City Council in accordance with the California Environmental Quality Act.
7. That a mitigation monitoring program and statement of overriding considerations have been adopted for the proposed project and herein incorporated by reference.

RE-ZONE 2011-01

The project site is zoned SC, Service Commercial, PHD Planned Highway Development and CO, Planned Conservation and Open Space. The project is a proposal to rezone

the entire 58 acres to Planned Commercial. The proposed zoning is consistent with the proposed general plan designation of Planned Commercial.

Section 17.66 of the Municipal Code describes the process for consideration of a Rezone. The Planning Commission has held a public hearing and recommended approval to the City Council as required in Section 17.02.020 of the Municipal Code.

Re-Zone 2011-01 Findings for Approval

1. That the proposed Re-zone is consistent with the proposed General Plan designation as amended.
2. That the proposed Re-zone is consistent with the objectives and policies of Section 17.02.020 of the Municipal Code as follows.
 - a) That the re-zone guides the physical development of the city in such a manner as to achieve progressively the general arrangement of the land uses described and depicted in the general plan, as amended.
 - b) That the proposed project fosters a wholesome, serviceable and attractive living environment, the beneficial development of areas which exhibit conflicting patterns of use, and the stability of existing land uses which conform with the objectives, policies, principles and standards of the general plan, as amended.
 - c) That the proposed project does not result in excessive population densities and the overcrowding, of land with structures.
 - d) That the proposed project results in a safe, effective traffic circulation system, the provision of adequate off-street parking and truck loading facilities, and the appropriate location of community facilities.
 - e) That the proposed project will protect and promote appropriately located commercial and industrial activities in order to preserve and strengthen the city's economic base.
 - f) That the proposed project will protect and enhance real property values and the city's natural assets.
 - g) That the proposed project will ensure unimpeded development of such new urban expansion that is logical, desirable and in conformance with the objectives and policies of the general plan.
 - h) That the proposed will provide and protect open space in accordance with the policies of the open space element of the general plan, as amended.
3. That an Environmental Impact Report, SCH 2012061013, has been certified by the City Council in accordance with the California Environmental Quality Act.
4. That a mitigation monitoring program and statement of overriding considerations have been adopted for the proposed project and herein incorporated by reference.

PLANNED UNIT DEVELOPMENT 2013-02

A Planned Unit Development (PUD) is required for developments that do not conform in all respects with the zone plan or zone district. Normally all parcels must meet minimum street frontage, parcel size and setbacks as designated in the Zoning Ordinance, in this case in the Planned Commercial (PC) zone. The proposed project includes a request for a tentative parcel map to subdivide a single parcel into 27 parcels. Not all the proposed parcels meet the minimum requirements in the PC zone. However, the overall design of the project provides for adequate circulation, setbacks and parking. The development will be required to be developed in substantial conformance with the Site Plan, Exhibit C. A PUD may also be used to describe development phases to ensure that each phase of development has adequate ingress, egress circulation and parking. The proposed development includes four phases. Each phase has been reviewed and it has been determined that each phase has adequate parking, circulation and infrastructure.

The timing of the phases and infrastructure construction is further described in a development agreement between the City and the Developer.

Elevations and Signage

The applicant has provided a detailed program for elevations and signage, labeled "Hanford Marketplace Sign Criteria" included as Exhibit D. Through the PUD process, a development may be required to be developed with a cohesive design and sign program and may deviate from the standards in the Zoning Ordinance. Although the exhibit is labeled sign program, it also contains the details of the building design that were submitted separately, and herein referred to as the "Design Program."

The building elevations show a variety of building types with a common theme. Large exterior walls will be broken up by architectural features such as columns, cornices, wall height, paint, landscaping and materials. The architectural details specifically apply to the north and south elevations visible from public rights of way. Long, unarticulated walls are not permitted to be visible from any public right of way or from the interior of the center.

The Design Program provides for tenant signs to be individual, internally illuminated letters with a separate logo, if appropriate, and shall comply with the Hanford Zoning Ordinance. The applicant proposed several types of free-standing signs. One center identification sign of approximately six feet in height, with a curvilinear design 80 feet long located at the northeast corner of the site. The lettering on the center identification sign shall be limited to the name of the shopping center. Two forty (40) foot tall signs are proposed to be located along State SR 198 and four seventeen (17) foot tall signs are proposed along Lacey Blvd. The signs will include the name of the shopping center as individual tenants as determined by the property owner. The allowance for multiple free-standing signs is in keeping with other signage from large commercial centers located on 12th Avenue. The primary difference being that the two forty (40) foot signs are only visible from State SR 198 and 43. The four seventeen (17) foot signs are only visible from Lacey Boulevard. Given the size and location of the project, the signage is consistent with what has been approved through the PUD process in other locations.

Due to the additional free-standing signs, no individual monument signs for a single tenant will be permitted. All signage will be required to be consistent with Exhibit D.

PUD 2013-02 Findings

1. That the proposed location of the Planned Unit Development is in accordance with the objectives of this title.
2. That the proposed location of the Planned Unit Development and the conditions under which it would be operated or maintained will not be detrimental to the public health, safety or welfare of the community to properties or improvements in the vicinity and will not generate more traffic than the streets in the vicinity can carry without congestion and will not overload utilities.
3. That the proposed Planned Unit Development will comply with Section 17.62.010 as follows:
 - a) The overall density and intensity complies with the goals and objectives in the Planned Commercial zone.
 - b) The design of the project will result in an aesthetically pleasing development with substantial parking, storage and setbacks.
 - c) That adequate access to all parcels has been provided.
 - d) That the project has been designed to minimize impacts to surrounding uses.
 - e) That the timing of development will require the construction of improvements to facilitate adequate circulation and other services to the subject site.
4. That the requirements and standards including but not limited to population density, site area and dimensions, site coverage, yard spaces, height of structures, distances between structures, off-street parking and off-street loading facilities, landscaped areas and street design will produce an environment of stable and desirable character consistent with the objectives of this title.
5. That the architectural appearance, and/or varieties of land uses in the development will complement each other and will harmonize with the existing and proposed land uses in the vicinity.
6. That an Environmental Impact Report, SCH 2012061013, has been certified by the City Council in accordance with the California Environmental Quality Act.
7. That a mitigation monitoring program and statement of overriding considerations have been adopted for the proposed project and herein incorporated by reference.

PUD 2013-02 Conditions:

1. That the project be developed in substantial compliance with the Site Plan, Exhibit C.
2. That the project shall meet the minimum setbacks as described in the Planned Commercial (PC) zone.
3. That the project be developed to conform with the elevations the Design Program, Exhibit C.

4. That all signs are required to be consistent with the Design Program found in Exhibit D.
5. That no individual monument signs will be permitted.
6. That prior to opening day of Phase I, the traffic signal on E. Lacey Boulevard at the project's primary entrance shall be completed. A City-maintained cul-de-sac street shall also be constructed by developer north of this new intersection, which will serve as the intersection's north leg and will facilitate access to properties adjacent to the new cul-de-sac street, including APNs 014-251-040 and 014-251-050. Construction of the new cul-de-sac street shall be completed no later than the completion of the improvements to E. Lacey Boulevard that are related to Mitigation Measure 4.10.2.b(1) of the public hearing draft of the EIR, which is the relocation of the intersection of State Route 43 and E. Lacey Boulevard.
7. That the Planned Unit Development 2013-02 is subject to all the conditions of approval for Vesting Tentative Parcel Map 2013-05.
8. That the approval of Planned Unit Development 2013-02 shall expire with the expiration of the Development Agreement, if the project is not constructed.

TENTATIVE PARCEL MAP

Tentative Parcel Map 2013-05 is a proposal to subdivide a single parcel into 27 parcels for a commercial development as shown in Exhibit E. There is no limitation to the number of parcels for a parcel map for a commercial development that meets the requirement of Government Code Section 66426.

In order to approve a Tentative Parcel Map the following findings must be made:

Findings:

1. The map is being processed in accordance with the Subdivision Map Act.
2. The map is in compliance with the goals and objectives of the General Plan.
3. That the Final Map be recorded in substantial compliance with Exhibit E.
4. That all street and city utility improvements will be constructed to City Public Works Improvement Standards.
5. That the future development will utilize city sewer and water.
6. Private utility companies have been contacted and have stated that the utilities can be extended from adjacent streets.
7. The site is flat and not located in a flood zone.
8. That an Environmental Impact Report, SCH 2012061013, has been certified by the City Council in accordance with the California Environmental Quality Act.

9. That a mitigation monitoring program and statement of overriding considerations have been adopted for the proposed project and herein incorporated by reference.

Conditions:

1. That the development shall conform to all applicable zoning regulations and the requirements and the requirements of the improvement standards of the city and the Subdivision Map Act.
2. That all dedications for road right of way, storm drainage, and other public utility easements be dedicated to the City as part of the recorded map.
3. That all required public improvements are provided for on the map.
4. That the tentative parcel map shall expire upon the expiration of the Development Agreement between the City and 198/43, LLC.
5. That building permits must be obtained from the City Building Division for any structural, plumbing, electrical or mechanical work being done.
6. That the site, as well as the buildings, shall be made accessible and usable by the disabled according to the California Building Code, Chapter 11B.
7. That a preliminary soils report, prepared by a qualified soils engineer, be provided to the Engineering and Building Divisions prior to approval of site improvement plans. The soils report shall comply with the 2013 California Building Code, Chapter 18
8. That a final soils report, prepared by a qualified soils engineer, be provided to the Engineering and Building Divisions before issuance of building permits.
9. That a school impact fee for each square foot of new building area shall be paid when building permits are issued.
10. That any new address or address change shall be assigned by the Building Division.
11. That all construction shall conform to the 2013 Edition, California Building Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Fire Code, and California Energy Code and the City of Hanford Water Efficient Landscape Design and Installation Ordinance.
12. That Kings County Impact fees shall apply to this project.
13. That Developer comply with the City of Hanford Public Works Construction Standards and Specifications requirements. Any deviation from said standards and specifications must be approved by the City Engineer prior to construction.
14. That an encroachment permit for all work in the right-of-way be obtained from the Public Works Department prior to beginning construction.
15. That development is subject to an engineering review and inspection fee in accordance with City Resolution No. 14-09-R, or any revisions thereof. Subject fee shall be payable prior to approval of improvement plans.

Map and Plan Requirements:

16. That developer submit to the City Engineer, a set of construction plans on 24" X 36" sheets for all required improvements. These plans shall be prepared by a registered

civil engineer, and shall include a site plan showing trash enclosure locations and a complete site utility plan showing locations and sizes of sewer, storm drain and water mains, laterals, manholes, meters, valves, hydrants, etc. All plans shall be approved by the City and all other involved agencies before the release of the building permits.

17. That prior to beginning any construction, or within twenty (20) calendar days after the approved plans are released by the City, the developer shall submit to the City of Hanford Engineering Division one (1) reproducible, (1) electronic, and four (4) blue-line copies of the approved set of construction plans, and two (2) bound sets of the approved construction specifications, if any.
18. That within twenty (20) calendar days after all improvements have been constructed and accepted by the City, the developer shall submit to the City of Hanford Engineering Division one (1) reproducible, (1) electronic, and one (1) blue-line copy of the approved set of construction plans revised to reflect all field revisions and marked "RECORD DRAWING".

Drainage Requirements:

19. That a drainage/site improvement plan for development be prepared by a registered civil engineer for review and approval by the Public Works Department prior to the issuance of building permits. All drainage improvements shall be certified by a registered civil engineer as being constructed to the approved plan.
20. That all project drainage shall be contained in an on site drainage basin located as shown on the tentative parcel map, including street drainage fronting the property. Applicant's engineer shall submit drainage calculations for Public Works Department review and approval prior to issuance of a building permit.
21. That project site be developed in conformance with the approved drainage plan, with minor modifications being approved by the Public Works Department.
22. That applicant is required to comply with the State of California Water Resource Control Board requirements specifically related to the National Pollution Elimination System permit process.
23. That the Storm Drain pipeline utilized for street/site drainage shall be sufficiently sized/oversized to facilitate proper drainage to the on-site drainage basin.

Street Right-of-Way Dedication & Easement Requirements:

24. That Developer shall dedicate to the City additional street right of way as needed to facilitate widening of Lacey Blvd in conformance with the approved site plan (an ultimate width of 84 feet at the west end of Parcel L, 100 feet along the frontage of Parcel I to the west side of the proposed signalized intersection and 110 feet to SR 43).

25. That all easements for irrigation ditches and/or pipelines be legally abandoned, removed, and/or relocated to the satisfaction of the City Engineer prior to issuance of a Building permit.
26. That an easement for storm drainage purposes be dedicated or otherwise conveyed to the City, to the satisfaction of the City Engineer, to facilitate street drainage to the on-site basin.

Street Requirements:

27. That all improvements consisting of sanitary sewers, storm sewers, water mains, concrete curbs, gutters, sidewalks, street lights, site grading and pavement surfacing and all other improvements be installed in accordance with City of Hanford Public Works construction standards and specifications currently in effect.
28. That Lacey Blvd. shall be widened/realigned along development frontage, in conformance with the approved site plan, and as directed by the city engineer. Improvements to include construction of new driveway entrances and deceleration taper(s) in conformance with City standards.
29. That streetlights be installed along the Lacey Blvd. property frontage in conformance with City Standard GE-56. Street lights shall be located as designated by City Engineer.
30. That the street improvements be designed and constructed in accordance with the approved site plan. (Ultimate width of 84 feet at the west end of Parcel L, 100 feet along the frontage of Parcel I to the west side of the proposed signalized intersection and 110 feet to Highway 43).
31. That a traffic signal shall be installed at the main entrance to the shopping center as shown on the approved site plan in conformance with City standards and specifications.
32. That a traffic signal shall be installed at the intersection of the realigned Lacey Blvd. and SR 43 per the approved site plan in conformance with City and Caltrans standards.
33. That all drive entrances into development from Lacey Blvd. shall be constructed with easy access curb returns (min. 20 foot radius, unless approved otherwise by city engineer).
34. That developer shall construct all mitigation improvements as outlined in the Final Environmental Impact Report pertaining to transportation required for this project.
35. That all utility poles, vaults, pedestals and other appurtenances located adjacent to and along the development frontage of Lacey Blvd. east of the proposed signalized entrance shall be placed underground as necessary to facilitate widening/realignment of said street at developer's own expense.

36. The State of California Department of Transportation ("Caltrans") will require the relocation of the existing intersection of Lacey Boulevard and SR 43 ("Lacey/43 Intersection") to the north and the corresponding realignment of sections of Lacey Boulevard east and west of SR 43. The relocation of the Lacey/43 Intersection and the realignment of Lacey Boulevard shall collectively be referred to hereinafter as "the Lacey/43 Improvements." The Lacey/43 Improvements shall be in addition to any other mitigation measures and conditions that City may establish with respect to the improvement of Lacey Boulevard.
37. Developer shall, at its initial cost and expense, undertake the design and construction work for the Lacey/43 Improvements. Developer will, at least ninety (90) calendar days prior to the commencement of construction of the Lacey/43 Improvements, present to City the final design, specifications, and itemized list of costs for the Lacey/43 Improvements, which will be subject to City's review and approval. Developer will not commence construction of the Lacey/43 Improvements without first obtaining City's approval. Following City's approval of the design, specifications, and itemized list of costs for the Lacey/43 Improvements, Developer will not authorize any change orders for such work unless Developer first obtains the approval of City's Public Works Director. All work shall conform to the mitigation measures identified in the project EIR and shall be built for cumulative impacts now.
38. It shall be the City's obligation to obtain the ROW Property. City may elect to engage a third party right-of-way consultant to obtain the necessary ROW Property. In furtherance of the assemblage of the ROW Property, Developer has deposited with City amounts necessary to begin pre-condemnation proceedings, including obtaining all necessary appraisals supporting any offer to purchase the ROW Property, as required by the California Code of Civil Procedure governing City's power of eminent domain. For purposes of this Agreement, the appraised value of the ROW Property shall be the value identified by the appraisal performed by Simon Company for City. In the event that City is unsuccessful in negotiating the voluntary sale of the ROW Property, City agrees to consider presenting a resolution of necessity to the City Council, the adoption of which is the sole and absolute discretion of the Hanford City Council, in order to acquire the ROW Property through its power of eminent domain.
39. Following completion of the Lacey/43 Improvements and dedication of the same to City and other government agencies having jurisdiction over the ROW Property, Developer will submit a final invoice, requesting payment from City for all unpaid and reimbursable costs and expenses with true and correct copies of the Supporting Material relating to the Lacey/43 Improvement work. Within thirty (30) calendar days of City's receipt thereof, and all required Supporting Material, City will pay to Developer the sum of: (i) Developer's Final Invoice; (ii) change orders approved by City pursuant to Subsection B above; and (iii) fifteen percent (15%) of the sum of Developer's Monthly Invoices, Developer's Final Invoice, and change orders, if any. The fifteen percent (15%) payment component shall compensate Developer for its

engineering fees, permit fees, construction surveying, geotechnical fees, and all other non-construction costs associated with the Lacey/43 Improvements. City will also reimburse Developer for twenty-five percent (25%) of Developer's cost to install the traffic signal at the Project's primary entrance ("Lacey/Entry Traffic Signal"); Developer will invoice City separately for such work, which will be accompanied by Supporting Material. Developer will not be entitled to any mark-up of the costs associated with the Lacey/Entry Traffic Signal. Reimbursement will be limited to the cost of the following improvements: curb and gutter, pavement, striping, signal work required at Lacey Boulevard, earthwork for roadway construction, and median curb for a standard 84 foot wide ROW at the west end, a 100 foot ROW transition from the 84 foot ROW to the west side of the signal at the Project's main entrance, a 110 foot ROW from just west of said signal to SR 43, and streets lights, to the extent required, on the north side of the realigned Lacey Boulevard. Reimbursement work will also include the pavement and grading on the east side of SR 43 to connect Lacey Boulevard back to the existing alignment. No reimbursement will be made hereunder for utility relocations, drive approaches on the south side of the realigned Lacey Boulevard, sidewalk on the south side of Lacey Boulevard, paving outside of above noted ROW design standards, landscape and hardscape in median islands, including conduits, and any other work not collected for in City's impact fee program.

40. That prior to opening day of the first phase of development, the intersection of SR 198 and Fourth Street shall have Stop Signs installed on the westbound approach on Fourth Street at Developer's expense.
41. That prior to opening day of the third phase of development, the intersection of Lacey Boulevard and 9-1/4 Avenue shall be widened to provide one left turn lane and one right turn lane on the southbound approach. New lanes shall provide a minimum of 100 feet of vehicle storage. Improvements are subject to reimbursement per the City's Transportation Impact Fee program.
42. That prior to opening day of third phase of development, the intersection of Lacey Boulevard and 9th Avenue shall be widened to provide one left turn lane and one right turn lane on the northbound approach. New lanes shall provide a minimum of 100 feet of vehicle storage. Improvements are subject to reimbursement per the City's Transportation Impact Fee program.
43. A public transit stop shall be constructed along the Lacey Blvd. development frontage per the approved site plan as per the project EIR.

Soil Requirements:

44. That a Preliminary Soils Report, prepared by a qualified Soils Engineer, be provided to the Engineering and Building Departments prior to approval of development improvement plans.

45. That a final soils report, prepared by a qualified Soils Engineer, be provided to the Engineering and Building Departments prior to acceptance of development improvements by the City or issuance of building permits or whichever comes first.
46. That Developer retain the Design Engineer to inspect and verify that all grading within the development is completed in conformance with approved plans. Design Engineer shall be required to provide a certification letter to the Building Department prior to issuance of any building permits.

Sanitary Sewer Requirements:

47. That developer shall furnish, install and maintain a grease trap assembly on all sewer laterals receiving process water from food preparation businesses as applicable. Subject grease trap assembly shall be approved by the City Utility Superintendent prior to installation.
48. That developer shall extend a minimum 10 inch diameter sanitary sewer main along the development frontage per the City's Sewer Master Plan.
49. That ALL proposed Sewer laterals to the development parcels shall be installed prior to construction of Lacey Blvd. paving improvements.
50. That the Developer upsize the existing 8 inch diameter sewer main from Sierra Drive, west of this development, to a 10 inch diameter sewer line. The existing 8 inch diameter main along the development frontage is to be abandoned per City Standards and Specifications. Developer shall be entitled to a reimbursement by the City for the costs associated with the replacement of said 8 inch diameter sewer main and appurtenances. Developer shall submit competitively bid costs for City review/approval prior to commencing work per City Specifications.
51. That developer shall construct all mitigation improvements as outlined in the Final Environmental Impact Report pertaining to sanitary sewers approved with this project.
52. That prior to opening day of the second phase of development, developer shall upgrade the Sanitary Sewer Lift Station at Lacey Blvd. and 9-1/4 Avenue per the requirements of the EIR.

Water System Requirements:

53. That the developer shall install a minimum 12 inch diameter water main and appurtenances along the SR 43 frontage of the Development in conformance with City Water Master Plan requirements. A fire hydrant or blow-off assembly shall be installed at the end of the main line.
54. That the developer shall furnish and install appropriate cross connection/ backflow preventer assemblies for all services provided, including fire service lines.

55. That all backflow preventer assemblies shall be tested and approved prior to being placed in service by a certified technician with a copy of test results being provided to the City Utility Department.

56. That ALL proposed Water services to the development parcels shall be installed prior to construction of Lacey Blvd. paving improvements

57. That developer shall construct all mitigation improvements as outlined in the Final Environmental Impact Report pertaining to water systems approved with this project.

Development Impact Fees:

58. That development is subject to impact fees in accordance with the Development Agreement, which will fund improvements to mitigate impacts from the proposed project. All fees are payable prior to issuance of building permits, unless approved otherwise by City Engineer

Refuse Requirements:

59. That Developer shall submit to Refuse Superintendent locations of all refuse bins for approval prior to development of each parcel/pad.

DEVELOPMENT AGREEMENT

A development agreement may be entered into between the City and a developer to ensure compliance with City conditions, phasing of development improvements and provide assurance to the developer regarding development standards and policies. The development agreement is provided as Exhibit F.

The term for the proposed Development Agreement is ten (10) years and establishes vested rights for the project. A summary of the development is as follows:

Vested Rights:

- All entitlement approvals (e.g., parcel map, planned unit development, and conditions of approval) will run concurrently with DA.
- Shopping center will remain subject to the version of the HMC existing at the time of DA approval; however, shopping center will be subject to the California Building Code, as may be amended.

Improvements Along Lacey: Developer to underground utilities along Lacey Blvd, partway between SR 43 and the shopping center's western boundary.

SR 43/Lacey Improvements:

- Developer to relocate intersection to the north and realign Lacey east and west of SR 43.
- City will acquire land for realigned Lacey and will utilize eminent domain authority if landowners do not voluntarily sell.
- City to abandon unneeded portion of existing Lacey after new alignment completed.

- City's acquisition of land for Lacey realignment may create remnant parcels (small areas that would be unusable by landowners due to unusual size/configuration). City will acquire remnant parcels as required by law; City will offer the remnant parcels to owner of shopping center property for purchase at appraised value.
- SR 43/Lacey work to be completed within 24 months of issuance of Costco's Certificate of Occupancy.
- Developer will warrant construction work for 1 year.
- City will reimburse developer for cost of SR 43/Lacey work plus 15%. The 15% mark-up will cover engineering fees, permit fees, and other non-construction costs.
- Developer will also receive reimbursement for 25% of the cost of the traffic signal on Lacey, at the Project's main entrance.

Storm Water Drainage Basin

- Per existing City policy, developer will construct an onsite storm water drainage basin.
- In addition to storm water from the shopping center, water from the south side of Lacey, between SR 43 and the shopping center's western boundary, will flow into this basin.

Impact Fees:

- City-wide reduced impact fees (70% rate) expired June 30, 2014.
- Costco will pay the 70% rate that existed pre-June 30, 2014.
- At the time the Council considers the shopping center entitlements, Council will also consider increases to transportation and fire impact fees needed to fund mitigation measures identified in the shopping center EIR.
- Impact fees for all non-Costco parcels will be fixed during the 10 year DA term at the following rates:
 - 100% of fire and police impact fees existing when DA approved; and
 - 85% of other impact fees existing when DA approved.
- The impact fees for the shopping center will not increase during the 10 year term of the DA even if impact fees are raised on a City-wide basis.
- Costco's share of the increase in transportation and fire impact fees (see bullet point above regarding impact fee adjustment for mitigation measures) will be paid by the non-Costco parcels.
- Prevailing Wage: Developer must pay prevailing wage for all public improvements for which it is receiving reimbursement/payment.

The Hanford Municipal Code Section 16.44 pertains to Development Agreements. The City Council is required to make the following findings which are included in the Ordinance as follows:

1. Is consistent with the objectives, policies, general land uses, and programs specified in the general plan and any applicable specific plan;
2. That an Environmental Impact Report, SCH 2012061013, has been certified by the City Council in accordance with the California Environmental Quality Act.
3. That a mitigation monitoring program and statement of overriding considerations have been adopted for the proposed project and herein incorporated by reference.

Owner

Pinnacle Pointe, LLC
5 River Park Place East
Fresno CA 93720

Applicant

198/43, LLC
265 E. River Park Circle #465
Fresno CA 93720

Engineer

Zumwalt-Hansen, Inc.
609 N. Irwin
Hanford, CA 93230

ATTACHMENTS

Exhibit A – Caltrans Letter

Exhibit B – Location Map

Exhibit C – Site Plan

Exhibit D – Development Program

Exhibit E – Tentative Parcel Map

Exhibit F – Development Agreement

Draft and Final Environmental Impact Report (Distributed Separately)

EXHIBIT A
CALTRANS LETTER



*Serious drought.
Help save water!*

DEPARTMENT OF TRANSPORTATION

DISTRICT 6

1352 WEST OLIVE AVENUE
P.O. BOX 12616
FRESNO, CA 93778-2616
PHONE (559) 488-4325
FAX (559) 445-4088
TTY 711

July 7, 2014

2133 IGR/CEQA
6-KIN-43-18.40
Final EIR
SR 43 / SR 198 Commercial Center
SCH #2012061013

Ms. Melody N. Haigh, Senior Planner
City of Hanford
Community Development Department
317 North Douty Street
Hanford, California 93230

Dear Ms. Haigh:

Thank you for the opportunity to review the Final Environmental Impact Report (FEIR) for the State Route (SR) 43 / SR 198 Commercial Center Project. The project proposes to amend the General Plan Map and Text to redesignate and rezone 58 acres for Planned Commercial Development and then subdivide the property into 27 parcels, in order to develop a new shopping center with 498,624 square feet of building area on approximately 58 acres. The project is proposed to be developed in four phases, and is anticipated to take 10 years to complete. The project site is located on the southwest corner of the SR 43/Lacey Boulevard intersection in the City of Hanford.

Per the comment in Caltrans' letter dated November 15, 2013, as an Opening Day mitigation measure, Caltrans' preference is for the roundabout option at the newly relocated SR 43/Lacey Boulevard intersection. Please reflect the roundabout option under mitigation measures in the text of the FEIR, specifically on Page 4.10-38 and on Page 6-11 in Table FEIR 6-1.

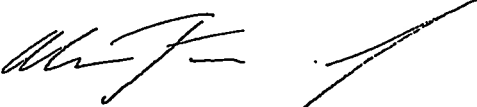
Caltrans has been meeting with City of Hanford staff and the project proponent to discuss the details of the roundabout option and its comparison to the signalized option at the relocated SR 43/Lacey Boulevard intersection. Given the viability of the roundabout option, it should also be included as an alternative mitigation measure in the FEIR.

*"Provide a safe, sustainable, integrated and efficient transportation system
to enhance California's economy and livability"*

Ms. Melody N. Haigh
July 7, 2013
Page 2

If you have any questions regarding this matter please call me at (559) 488-4325.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alec Kimmel', with a long horizontal stroke extending to the right.

ALEC KIMMEL, Transportation Planner
Planning South Branch

c: Johnathan L. Doyel, PE/PLS, City of Hanford
State Clearinghouse

EXHIBIT B
LOCATION MAP



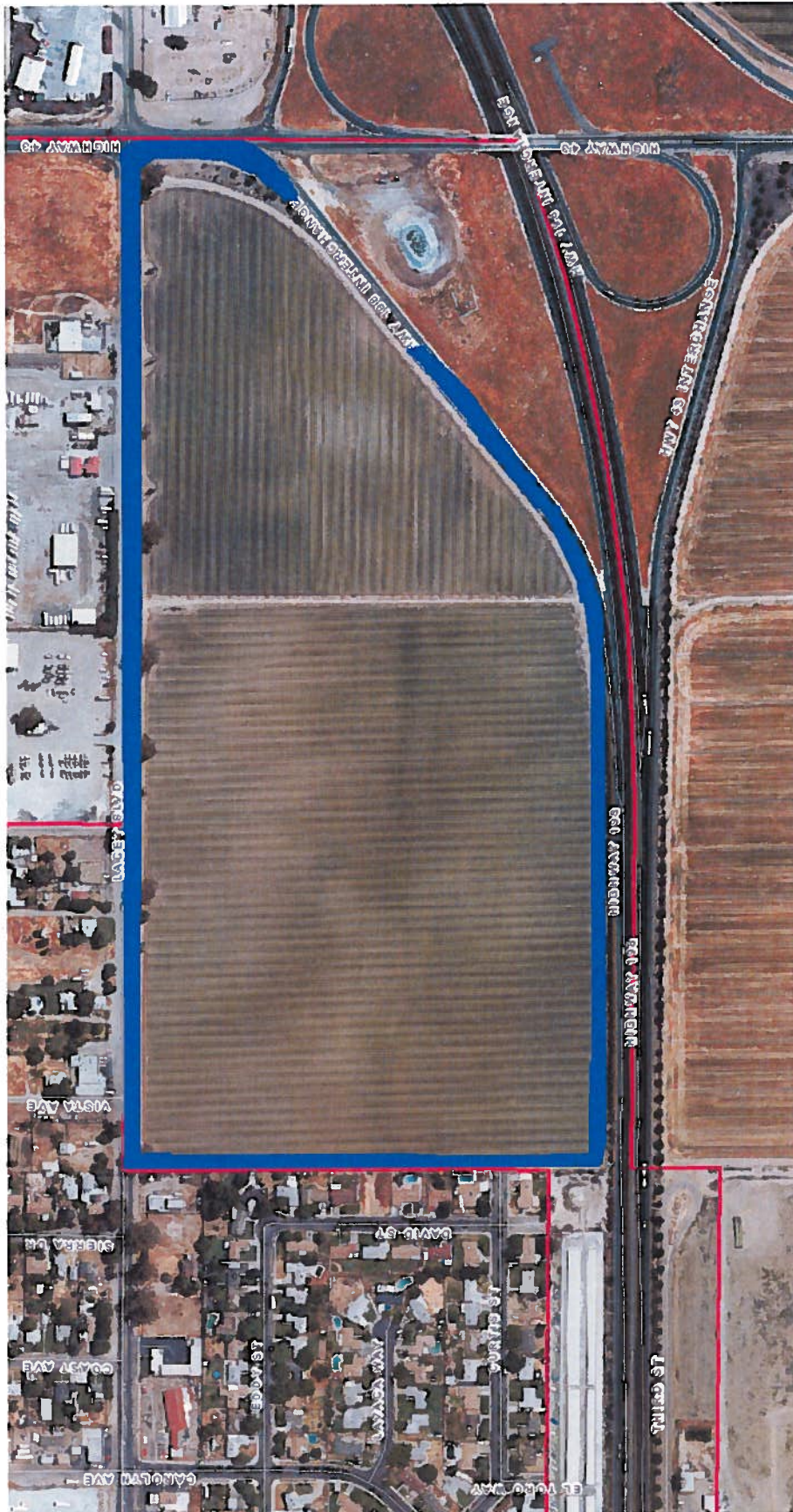
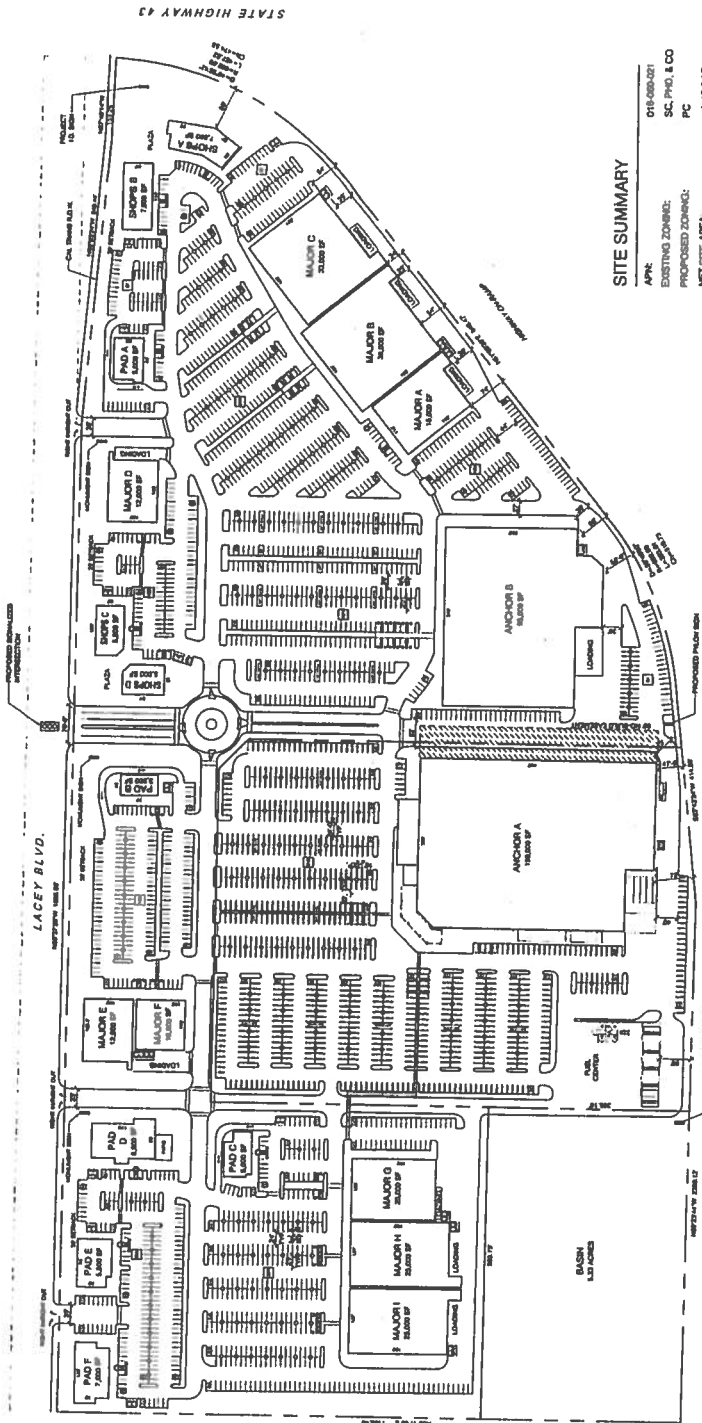


EXHIBIT C

SITE PLAN



SITE SUMMARY

APR:	018-080-021
EXISTING ZONING:	SC PHO, & CO
PROPOSED ZONING:	PC
NET SITE AREA:	+/- 48.5 AC
TOTAL BUILDING AREA:	498,000 SF
BUILDING COVERAGE:	72.5%
PARKING PROVIDED:	2,755 STALLS
PARKING RATIO:	5.7/1000

**HANFORD TOWN CENTER
LACEY BLVD. AND HIGHWAY 43
HANFORD, CALIFORNIA**

198-43 LLC

**SITE PLAN
SCHEME F.2**



DATE:	FEBRUARY 1, 2013
MOD. JOB #:	11.51.01
DATE:	
REVISIONS:	
NO.	DESCRIPTION
1	11.51.01
2	11.51.02
3	11.51.03
4	11.51.04
5	11.51.05
6	11.51.06
7	11.51.07
8	11.51.08
9	11.51.09
10	11.51.10
11	11.51.11
12	11.51.12
13	11.51.13
14	11.51.14
15	11.51.15
16	11.51.16
17	11.51.17
18	11.51.18
19	11.51.19
20	11.51.20
21	11.51.21
22	11.51.22
23	11.51.23
24	11.51.24
25	11.51.25
26	11.51.26
27	11.51.27
28	11.51.28
29	11.51.29
30	11.51.30
31	11.51.31
32	11.51.32
33	11.51.33
34	11.51.34
35	11.51.35
36	11.51.36
37	11.51.37
38	11.51.38
39	11.51.39
40	11.51.40
41	11.51.41
42	11.51.42
43	11.51.43
44	11.51.44
45	11.51.45
46	11.51.46
47	11.51.47
48	11.51.48
49	11.51.49
50	11.51.50
51	11.51.51
52	11.51.52
53	11.51.53
54	11.51.54
55	11.51.55
56	11.51.56
57	11.51.57
58	11.51.58
59	11.51.59
60	11.51.60
61	11.51.61
62	11.51.62
63	11.51.63
64	11.51.64
65	11.51.65
66	11.51.66
67	11.51.67
68	11.51.68
69	11.51.69
70	11.51.70
71	11.51.71
72	11.51.72
73	11.51.73
74	11.51.74
75	11.51.75
76	11.51.76
77	11.51.77
78	11.51.78
79	11.51.79
80	11.51.80
81	11.51.81
82	11.51.82
83	11.51.83
84	11.51.84
85	11.51.85
86	11.51.86
87	11.51.87
88	11.51.88
89	11.51.89
90	11.51.90
91	11.51.91
92	11.51.92
93	11.51.93
94	11.51.94
95	11.51.95
96	11.51.96
97	11.51.97
98	11.51.98
99	11.51.99
100	11.51.100

250 Lacey St, Suite 500
San Francisco, California 94108
T: 415.974.6070 F: 415.974.1555
info@mgstudio.com

EXHIBIT D

DEVELOPMENT PROGRAM



Hanford Marketplace

SIGN CRITERIA VERSION 1.2

Hanford Town Center Sign Criteria
 Prepared by: A-Plus Signs, Inc.
 Prepared for: 198/43, LLC.

Table of Contents

General Criteria	
Purpose	2
Intent	2
Approvals and Permits	2
General Requirements	2
Design Criteria	3
Building Signs	3
Blade Signs	4
Center Identification Sign	4
Freeway Pylon	4
Freestanding Sign	4
Administration	4
Prohibited Signs	4-5
Temporary Signs	5
Traffic Directory	5
Parking	5
Traffic/Parking Examples	6
Signage Dimensions	7
Letter Section	8
Blade Sign	9
Elevations	
Elevation Drawings	10-12
Project Signage	
Center Identification Signage	13
Pylon Signage	14
Freestanding Signage	15
Address Numbers	16
Site Plan	17

Preferred Sign Vendor:



4379 N. Brawley Ave.
 Fresno, CA 93722
 Ph: (559) 275-0700
 Fax: (559) 275-7482
 E-mail: design@a-plus signs.com

Hanford Marketplace

General Criteria

Purpose

The Hanford Marketplace sign program has been established for the purpose of assuring a functional, coordinated graphics program that will provide project and tenant identification and traffic control, while encouraging creativity, compatibility and enhancement of the project in the City of Hanford.

Intent

The guidelines of this program are designed to complement architectural elements of the proposed buildings and coordinate the type, placement, and physical dimensions of signs within the shopping center thereby functioning as an integral part of the center.

Approvals and Permits

- A. For purposes of these sign criteria, John Kashian, 198/43, LLC, is the Landlord as it pertains to the administration of the comprehensive sign program for the tenant signs and project signs shown on the attached site plan.
- B. Each Tenant or Lessee will be provided with a copy of the final sign program and criteria as the first step in obtaining signs within the Hanford Marketplace. Compliance with this signage program will be strictly enforced. Any non-conforming or unapproved sign installed by Tenant must be brought into compliance with this comprehensive sign program at Tenant's expense.
- C. These criteria shall not imply that approval by the Planning Division of the City of Hanford will be automatically granted. Tenant is solely responsible for obtaining any and all required approvals from these agencies; obtain all permits and approvals from the City of Hanford Planning Division, and to fully comply with the review procedures set forth by the comprehensive sign program. All amendments to the comprehensive sign program shall be subject to Landlord review and approval and then review by the Planning Division, City of Hanford, as an application for Sign Design Review. The Sign application shall follow the review procedures defined under Section 17.44 of the Hanford Municipal Code.

General Requirements

- A. Each Tenant is required to submit to Landlord for approval before fabrication, at least four (4) copies of detailed design drawings indicating the location, size, copy layout, colors, materials, finishes, illumination and method of attachment.
- B. All building permits for signs and their installation shall be obtained by Tenant or Tenant's representative, at Tenant's sole expense, from the City of Hanford Planning Division prior to installation.
- C. All building signs shall be designed, constructed, installed and maintained at Tenant's sole expense. All signs shall be designed by professionals (e.g., architects, design firms or sign design/sign construction firms).
- D. All signs shall be designed and constructed consistent with this adopted comprehensive sign program for signs and installed with building permits and inspected and finalized by the Planning Division of the City of Hanford.
- E. Tenant shall be responsible for fulfillment of all governmental regulations and specifications, including those of the City of Hanford and the Uniform Electric Code.
- F. All signs shall be designed and constructed consistent with the adopted sign design criteria. Approval or disapproval of sign submittals based on aesthetics of design shall remain the sole discretionary right of the Landlord or Landlord's representative.

Design Criteria

- A. All signs shall meet or exceed all current applicable codes (i.e., electrical, mechanical, structural, etc).
- B. Signs shall meet all requirements of the State of California and the City of Hanford.
- C. Sign content shall be limited to business identification signs only. Trademarks, products or services shall not be displayed on any permanent signage unless approved by Landlord and the City of Hanford. Tenants may be permitted secondary signage (i.e. "Pharmacy", "Photos" and the like) when it forms part of a recognized corporate logo or slogan. Final review and approval shall be by the Landlord and by the City of Hanford Planning Division.
- D. The choice of copy fonts and colors shall be at the discretion of the Tenant and shall be subject to Landlord approval.
- E. All wire ways, transformers, electrical boxes, wiring, conduit and access doors shall be concealed. All electrical equipment shall be UL approved.
- F. Tenant signs and logos shall be internally illuminated face-lit channel letters flush mounted to the building fascia. Returns and backs to be constructed out of aluminum with a material thickness of .040" or greater. Letter faces to be 3/16" acrylic plastic attached to the letters using 1" trim cap or greater. The color and font to be the Tenants choice, with the Landlord's approval. Any deviation from these requirements is subject to the sole discretion of the Landlord.
- G. All tenant signs attached to building wall or fascia shall be connected by Tenant's sign contractor. All Tenant signs shall be connected to a time clock, with the hours as determined by Landlord for uniform illumination.
- H. All penetrations of the building structure by Tenant's sign contractor required for sign installation shall be neatly sealed and watertight.
- I. All identification labels shall be concealed, except where required by code. An Underwriters Label is required on all electrical signage.
- J. Sign contractor shall repair any damage to buildings and/or common area property caused by their work. Damage to structure that is not repaired by the sign contractor shall become the Tenant's responsibility to correct.
- K. Tenant shall be responsible for the operation of their sign contractor and shall indemnify, defend and hold the Landlord, Landlord's representative, and all parties harmless from damages or liabilities on account thereof.
- L. Sign surfaces that are intended to be flat shall be without oil canning, or other visual deformities.
- N. The general location of wall signs shall be centered vertically and horizontally on the fascias, subject to approval of Landlord. Signs shall not cover or interrupt major architectural features.
- O. All sign illumination shall be LED lighting, unless approved by Landlord.
- P. Sign area shall be calculated using an eight-sided figure that encircles the text and logo area of the sign. Exceptions may be allowed for script, ascenders or descenders.

Building Signs

- A. Number of Signs: In-line tenants may have one sign on main fascia and additional sign on rear fascia. End cap tenants may be permitted a third sign, subject to Landlord's approval.
- B. Size of Signs: The aggregated signage of all attached signs, on an occupancy frontage, shall not exceed 80% of the width of the leased frontage, 80% of the width of the building's architectural feature on which it is installed, and 10% of the leased fascia area, subject to Landlord's approval visually proportional to sign band on which it is installed

Blade Sign

One (1) double sided non-illuminated blade sign flag mounted to building fascia, to be provided by tenant.

Center Identification Sign

One (1) center identification sign, with sign center name, to be provided by the Landlord to provide a positive branding for the center. No tenant names will be permitted on the sign.

Freeway Pylon

Two (2) double sided illuminated multi-tenant freeway pylon signs to be provided by the Landlord. Inclusion on pylon sign is at the discretion of the Landlord and subject to the lease agreement.

Freestanding Sign

Four (4) double sided illuminated multi-tenant freestanding signs to be provided by the Landlord. Inclusion on freestanding sign is at the discretion of the Landlord and subject to the lease agreement.

Administration

The following is a private agreement between Landlord and Tenant.

- A. The amount of hours per day during which the signs will be illuminated shall be determined by Landlord to provide uniformity of lighting.
- B. Landlord reserves the right to hire an independent electrical engineer (at Tenant's sole expense) to inspect the installation of all signs, and reserves the right to require that any discrepancies and/or code violations be corrected at Tenant's expense.
- C. The sign contractor shall carry Workman's Compensation and Public Liability insurance against all damage suffered or performed against any and all persons or property while engaged in the construction or erection of signs in the amount of \$1,000,000 per occurrence prior to commencing installation of signs. Landlord shall be provided with insurance certificate naming 198/43, LLC as additionally insured.
- D. At the expiration or early termination of Tenant's lease term, Tenant shall be required to remove their signs, cap off electrical connection, patch the fascia, and paint the entire fascia area to match the surrounding areas at Tenant's expense.
- E. Sign contractors shall be advised (by Tenant) that no substitutes will be accepted whatsoever unless so indicated in specification and approved by Landlord and Tenant. Any deviation from these specifications may result in the rejection of the sign by Tenant and/or Landlord.
- F. In the event any conflict in the interpretation of these guidelines cannot be satisfactorily resolved, the Landlord's decision shall be final and binding upon the Tenant.
- G. Tenant shall maintain its sign in a clean, professional and functioning manner. Any damage, electrical problems, wear and tear, and other breakage pertaining to Tenant signs shall be repaired by Tenant within ten (10) consecutive days from such event.

Prohibited Signs

- A. No sign shall be installed, relocated, or maintained so as to prevent entry into or exit out any door. No sign shall create a safety hazard by obstructing view of pedestrian and vehicular traffic.
- B. No tenant signs of any type shall be located within the parking, landscaping, or site areas of this development.

- C. No sign shall obstruct access to fire hydrants, fire department connections, or fire department access roads.
- D. Signs on or affixed to trucks, automobiles, trailers or other vehicles which advertise, identify, or provide direction to a use or activity not related to its lawful making of deliveries or sales of merchandise or rendering of services from such vehicles are prohibited when such vehicles are located on the shopping center property.
- E. Signs, which audibly advertise, identify, or provide direction to a use or activity, are prohibited.
- F. It is unlawful for any Tenant to exhibit, post, or display or cause to be exhibited, posted, or displayed upon any sign, any content of an obscene, indecent, or of immoral nature or unlawful activity.
- G. Painted wall signs are prohibited.
- H. Cabinet wall signs are prohibited, except for logos which shall be designed, illuminated, and constructed in compliance with this comprehensive sign program and subject to review and approval by the Landlord and the Planning Division of the City of Hanford.
- I. Permanent advertising devices such as attraction boards, posters, banners, and flags are prohibited.
- J. Window signs except for operating hours subject to review and approval by the Landlord or Landlord's representative.

Temporary Signs

Temporary leasing signs or Grand Opening banners will be allowed if consistent with provisions in the City of Hanford Sign Ordinance and will also be the sole, discretionary right of the Landlord to approve or disapprove prior to installation.

Traffic Directory

- A. Traffic control signs shall not be illuminated as per detail (see page 6).
- B. All traffic control signs shall be of uniform design as per detail (see page 6).

Fire Lanes

Fire lanes will be designated by a six-inch red-painted curb with three-inch letters, painted in white, saying "FIRE LANE" in locations dictated by the Fire Department.

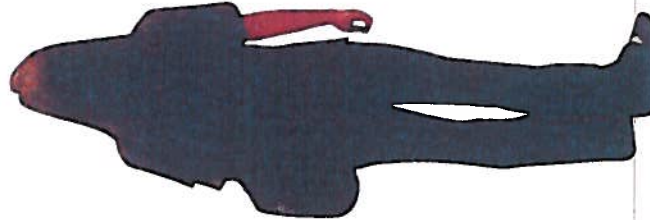
Parking

- A. All handicap parking stalls shall be designated with the white international handicap symbol painted on the pavement (see page 6).
- B. Van accessible parking stalls shall be designated by Van Accessible signs (see page 6).
- C. Signs will be posted at each entrance, with one-inch high letters stating "Unauthorized vehicles parking in designated accessible spaces not displaying distinguishing placards or license plates issued for persons with disabilities, may be towed away at owner's expense. Towed vehicles may be reclaimed at the City of Hanford Police Department, or by telephoning (559) 585-2335. Blank spaces will be completed with appropriate information as a permanent part of the sign (see page 6).

Hanford Marketplace

Traffic/Parking Examples

Reverse side of signs to be painted



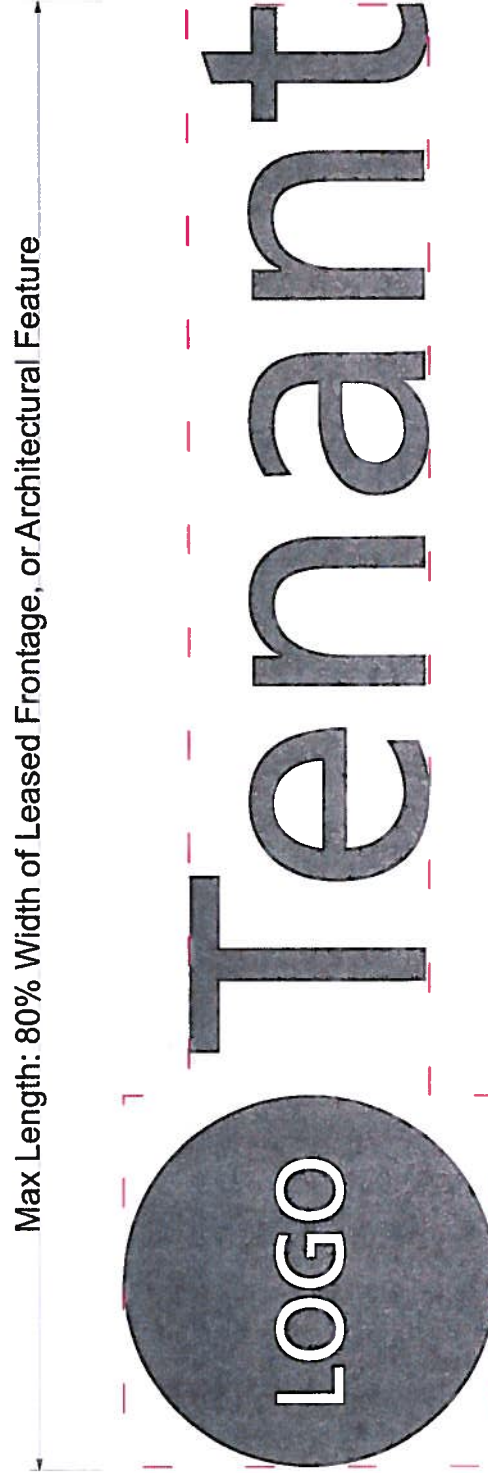
Stop Sign

Accessibility Sign

Accessibility Sign 2

Unauthorized Parking Sign

Typical Street Sign

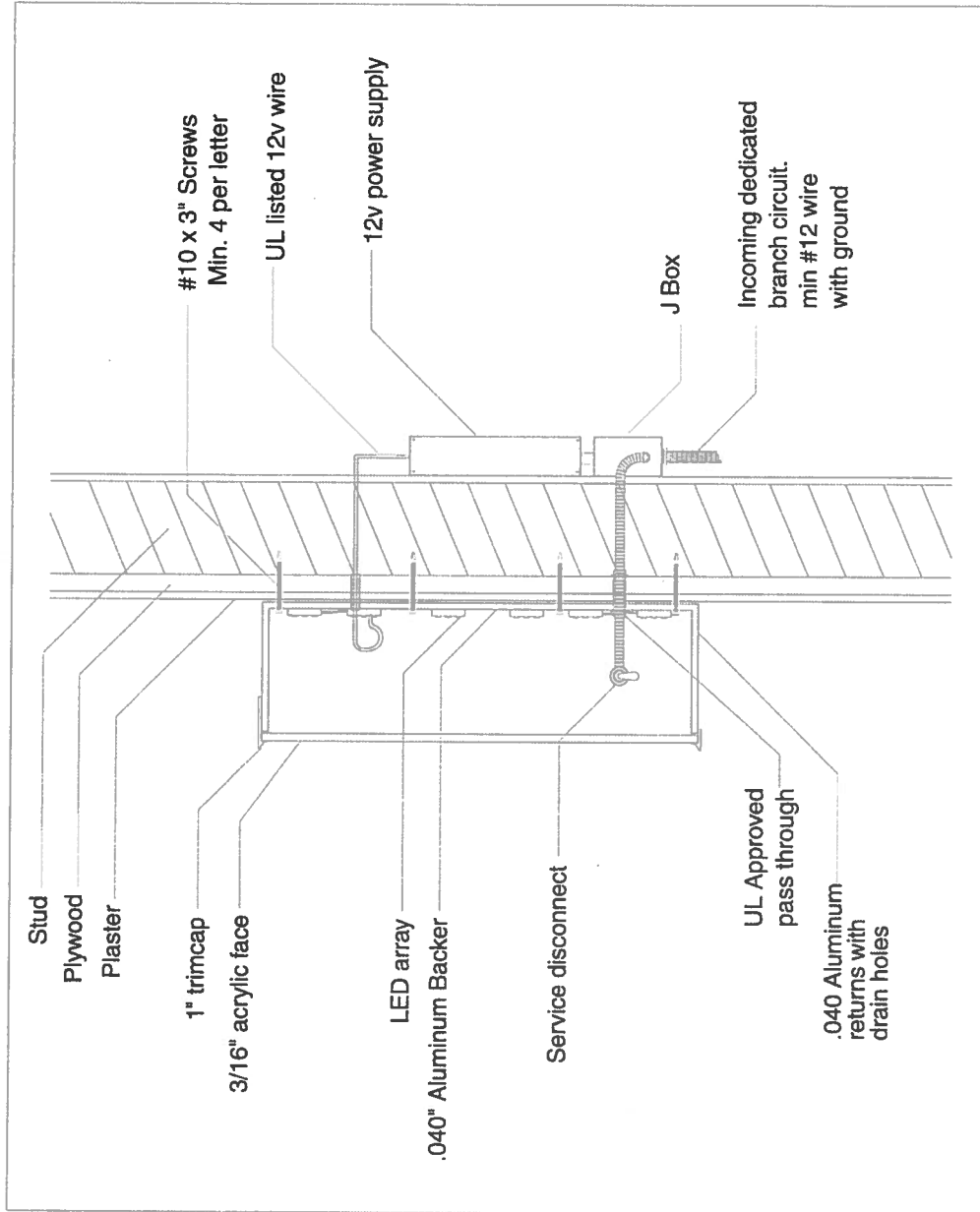


Maximum Size of Signs: The aggregated signage of all attached signs, on an occupancy frontage, shall not exceed 80% of the width of the leased frontage, 80% of the width of the building's architectural feature on which it is installed, and 10% of the leased fascia area, subject to Landlord's approval visually proportional to sign band on which it is installed.

Area is figured using an 8-sided polygon

Letter Section

Standard Detail
Face-Lit Flush Mount LED
Channel letter



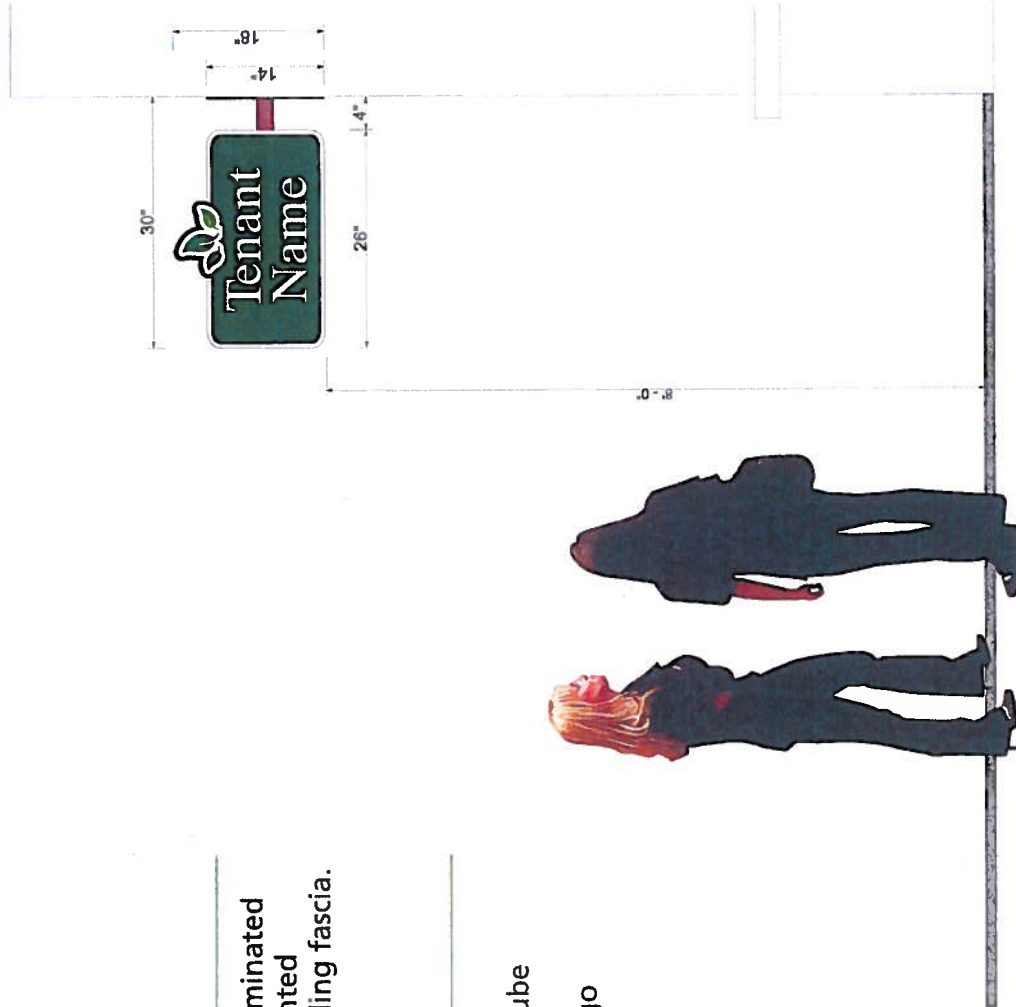
Blade Sign

Description

Double Sided Non-illuminated
Blade Sign - flag mounted
perpendicular to building fascia.

Materials

1/4" aluminum plate
2" aluminum square tube
aluminum skin
white vinyl copy or logo



Hanford Marketplace

Elevation Drawings



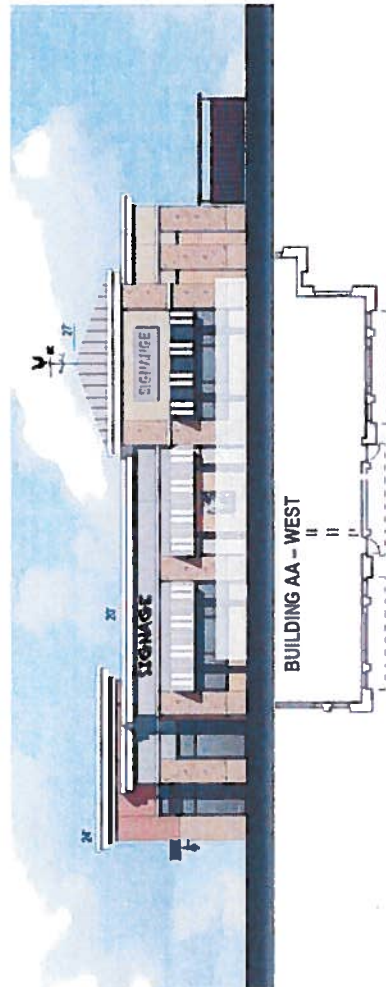
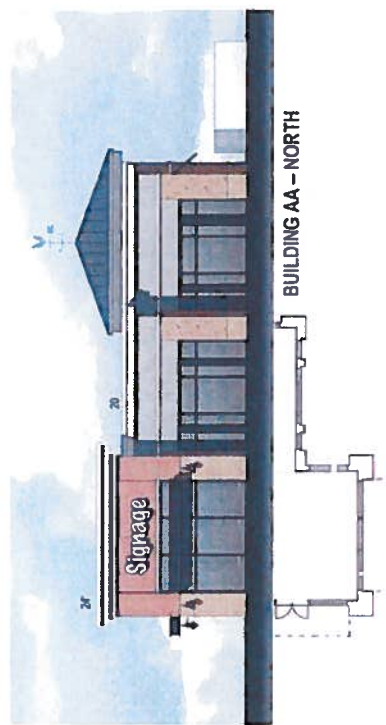
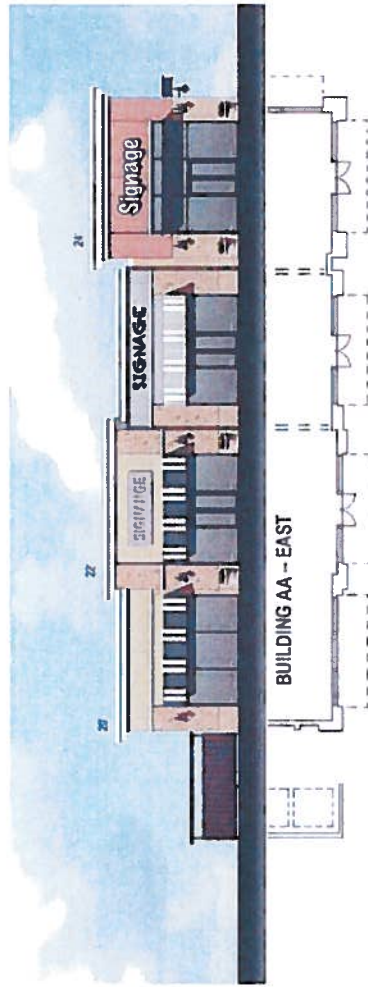
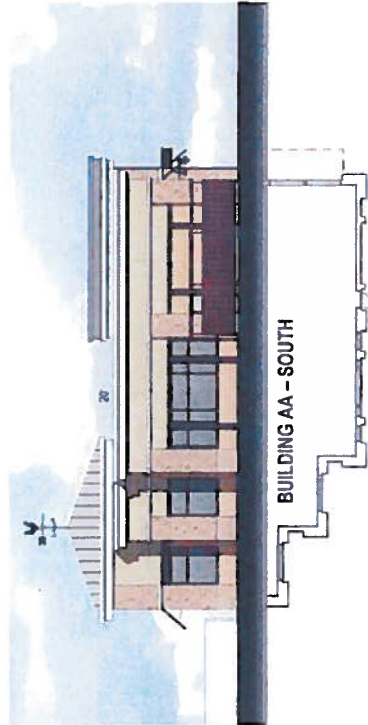
MAJORS A, B, C FRONT ELEVATION



MAJORS A, B, C REAR ELEVATION

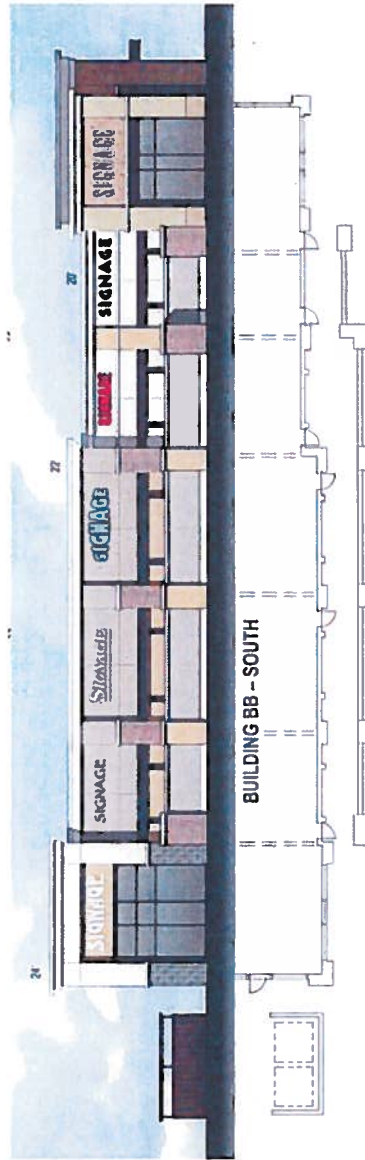
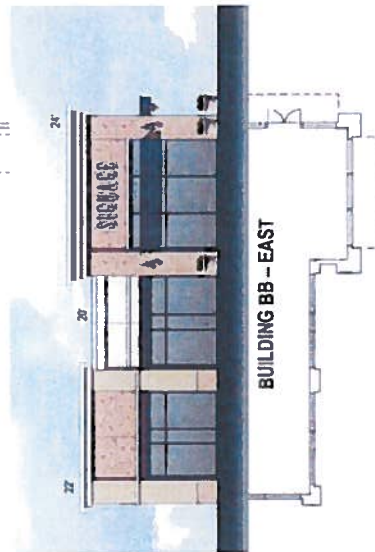
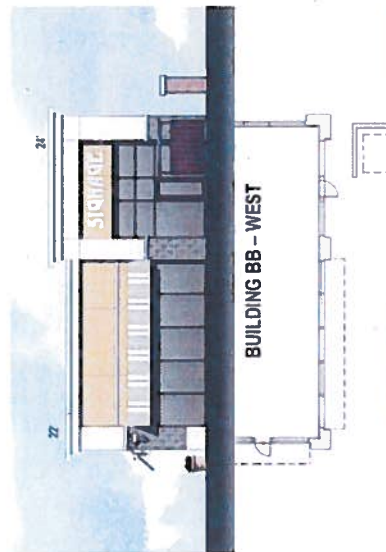
Hanford Marketplace

Elevation Drawings



Hanford Marketplace

Elevation Drawings

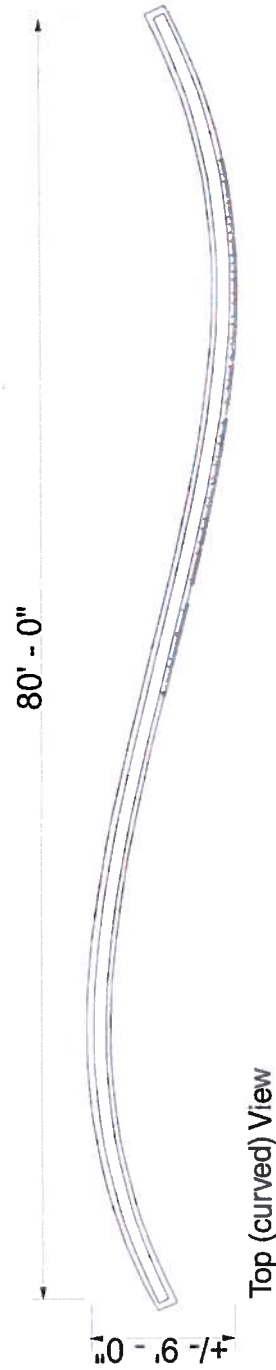


Hanford Marketplace

Center Identification Signage

One (1) 80' foot long, curved, single sided center identification sign with non-illuminated reverse pan copy.

A1



33' - 0"

60" 3"

Hanford Marketplace

17" 24" 36"

Hanford Marketplace

Pylon Signage

Two (2) 40' foot tall double sided multi tenant illuminated freeway pylon signs.



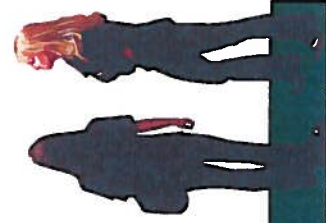
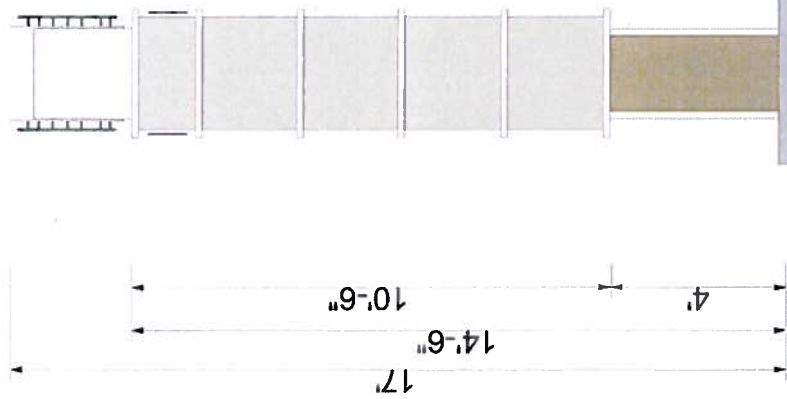
B1

B2

Hanford Marketplace

Freestanding Signage

Four (4) 12' foot tall, double sided multi tenant illuminated freestanding signs.



Hanford Marketplace

Address Numbers

12" tall aluminum address numbers painted to contrast the building elevation they are installed on.

■ satin black
□ satin white

2525

12"

Hanford Marketplace

Site Plan

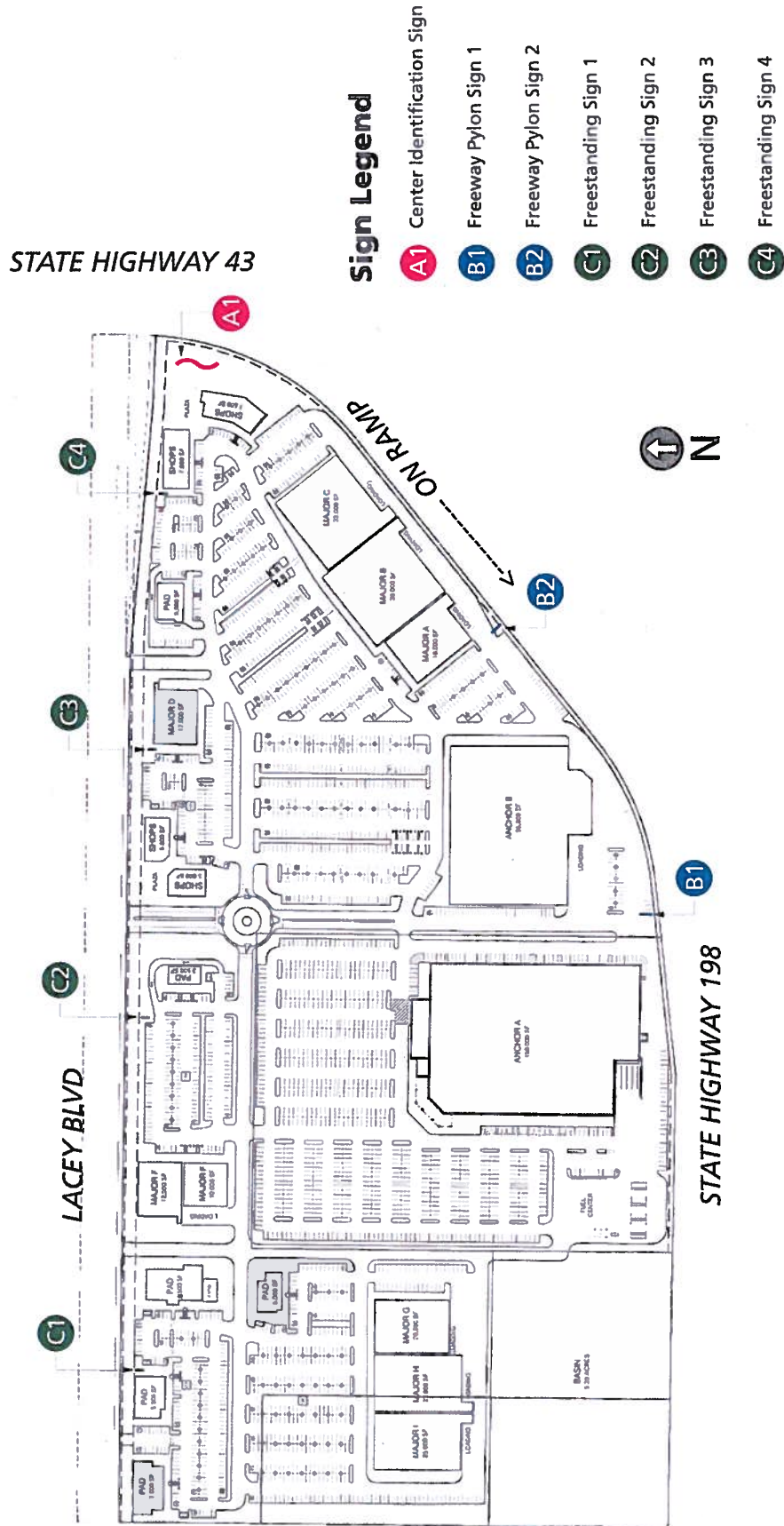


EXHIBIT E

TENTATIVE PARCEL MAP

EXHIBIT F
DEVELOPMENT AGREEMENT

OFFICIAL BUSINESS
DOCUMENT ENTITLED TO FREE
RECORDING
Government Code Section 6103

RECORDING REQUESTED BY:

City Clerk

City of Hanford
317 N. Douty Street
Hanford, CA 93230

WHEN RECORDED RETURN TO:

City of Hanford
317 N. Douty Street
Hanford, CA 93230
Attn: City Clerk

SPACE ABOVE THIS LINE RESERVED FOR RECORDERS USE

DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF HANFORD

AND

198/43, LLC

Table of Contents

Section 1.	Incorporation of Recitals.....	4
Section 2.	Definitions.....	4
Section 3.	Description of the Property.....	5
Section 4.	Ownership of the Property.....	5
Section 5.	Interest of Developer.....	6
Section 6.	Project Description, Objectives, and Location.....	6
Section 7.	Tentative Map.....	6
Section 8.	Relationship of City and Developer.....	6
Section 9.	Costs.....	6
Section 10.	Agreement Runs with the Land.....	6
Section 11.	Effective Date and Termination for Failure of Condition Precedent.....	7
Section 12.	Purpose of this Agreement.....	7
Section 13.	Recordation of Agreement.....	8
Section 14.	Development Commencement Date and Term of Agreement.....	8
Section 15.	Planned Land Use and Zoning.....	9
Section 16.	Application of Subsequently Enacted Standards.....	9
Section 17.	Police Power and Taxing Power.....	10
Section 18.	[Reserved].....	10
Section 19.	Existing Lacey Boulevard and Other Public Improvements.....	10
Section 20.	SR 43/Lacey Boulevard Intersection Relocation and Lacey Boulevard Realignment.....	11
Section 21.	On Site Surface Water Retention.....	14
Section 22.	Fees.....	15
Section 23.	Notice of Completion.....	15
Section 24.	Uniform Codes are Applicable.....	16
Section 25.	Final Inspection.....	16
Section 26.	Developer Obligations.....	17
Section 27.	City Processing and Review.....	17
Section 28.	Approval of Subsequent Development and Land Use Applications.....	18
Section 29.	Application Fees, Taxes, and Assessments.....	18
Section 30.	Amendment and Termination.....	19
Section 31.	Term of Project Approvals.....	20
Section 32.	Annual City Review of this Agreement.....	20
Section 33.	Default.....	21
Section 34.	Estoppel Certificate.....	21

Section 35.	Encumbrances on the Property.....	22
Section 36.	Mortgage Protection and Certain Rights of Cure.....	22
Section 37.	Prevailing Wage Compliance.....	23
Section 38.	Severability.	23
Section 39.	Venue.	23
Section 40.	Attorney Fees and Costs.	24
Section 41.	Transfers and Assignments.	24
Section 42.	Compliance with the State Subdivision Map Act.	25
Section 43.	Required Insurance.	25
Section 44.	Indemnification.	28
Section 45.	California Tort Claims Act.	29
Section 46.	Agreement is Entire Understanding and Conflict with Other Documents.....	29
Section 47.	Execution in Counterparts.....	30
Section 48.	Notarized Signatures.....	30
Section 49.	Notices.	30
Section 50.	Captions.	31
Section 51.	Numbers and Gender.	31
Section 52.	Mandatory and Permissive.....	31
Section 53.	Attorney Preparation.....	31
Section 54.	Authority.....	31
Section 55.	Exhibits and Attachments.	31

DEVELOPMENT AGREEMENT

This Development Agreement, hereinafter referred to as "**Agreement**," is hereby made and entered into on the ____ day of _____, 2014, by and between the City of Hanford, a California municipal corporation, hereinafter referred to as "**City**," and 198/43, LLC, a California limited liability company, hereinafter referred to as "**Developer**," as it pertains to the commercial development of property located at Highways 198 and 43 in the City of Hanford. City and Developer are sometimes collectively referred to herein as "**Parties**" and individually as "**Party**."

RECITALS

A. Pinnacle Pointe, LLC, a California limited liability company, hereinafter referred to as "**Pinnacle Pointe**," is currently the landowner of approximately fifty-eight (58) acres of real property located generally at Highways 198 and 43 in the City of Hanford, hereinafter referred to as the "**Property**," which is more particularly described in Exhibit "A," which is attached hereto and incorporated herein by reference.

B. It is Developer's intent to develop the Project as Planned Commercial Shopping Center containing up to 499,000 square feet of retail and related uses, with approximately 2,783 on-site parking spaces on the Property, which area City and Developer have agreed shall have a maximum square footage as identified in the **Site Plan Review**, of up to 499,000 square feet of improvements, hereinafter referred to as the "**Project**."

C. Developer intends to develop the Property into twenty-eight (28) parcels in four (4) phases, with Costco Wholesale Corporation, a Washington corporation ("**Costco**"), as its major retailer, owning and occupying Parcel A and H of the Tentative Map.

D. On or prior to the Effective Date of this Agreement, Pinnacle Pointe shall record the below referenced Tentative Map, subdividing the Property into 28 parcels (Parcel A-BB). Immediately thereafter, Pinnacle Pointe will transfer Parcels A and H to Costco ("**Costco Parcels**") and the balance of the Parcels to Developer ("**Developer Parcels**"). Pinnacle Pointe has reached agreement with Costco whereby, upon satisfaction of conditions stated in the agreement, Costco will acquire the Costco Parcels from Pinnacle Pointe and develop the Costco Parcels consistent with the Conditions of the Tentative Map.

E. The first phase of the Project ("**Phase One**"), which includes the Costco Parcels, will include up to 275,000 square feet of retail space and related improvements and up to 1,500 on-site parking spaces.

F. Developer will be required to construct certain off-site public improvements, which are conditions of regulatory approval of the Project, including the development approvals described in these Recitals. Such improvements will include sewer and water lines, street improvements and traffic control measures that will provide benefits to City, Developer, and other property owners near the Property who may wish to develop their properties in the future.

G. Developer desires to develop the Property consistent with this Agreement and the following entitlements, permits, approvals and actions that have been enacted or that are contemplated by the City Council, referred to collectively as “**Entitlements.**”

(1) Certification of the Final Environmental Impact Report (“**FEIR**”), Adoption of California Environmental Quality Act Findings, Statement of Overriding Considerations and Mitigation Monitoring and Reporting Programs by City Council Resolution _____ on _____, 2014;

(2) Approval of Developer’s Planned Unit Development Application including all conditions of approval contained therein pursuant to City Council Resolution _____ on _____, 2014, attached hereto as Exhibit “**B**”;

(3) Approval of Developer’s General Plan Amendment and Rezone Application No. GPA 2011-01 and RZ 2011-01 thereby changing the general plan designation from Service Commercial, Planned Highway Development and Open Space to Planned Commercial and zoning the Property, Planned Commercial, consistent with the General Plan Amendment (“**General Plan Amendment**” and “**Zoning**” respectively);

(4) Approval of Tentative Parcel Map No. TPM 2013-05 (“**Tentative Map**”) by Council Resolution _____ on _____, a copy of which the Resolution approving the Tentative Map is attached hereto in Exhibit “**C**”;

(5) Approval of that Sales Tax Incentive Agreement (“**Sales Tax Incentive Agreement**”) in relation to the development of this Project by the City Council on _____, 2014.

H. It is the intent of the Parties to condition the effectiveness of this Agreement on the recordation of a Grant Deed whereby Pinnacle Pointe transfers all right, title and interest in and to Parcels A and H to Costco.

I. The California Legislature, in Section 65864 of the Government Code, has found that the lack of certainty in the approval of development projects can result in a waste of resources, escalate the development, and discourage investment in and commitment to comprehensive planning which would make maximum efficient utilization of resources at the least economic cost to the public.

J. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the California Legislature adopted Government Code Section 65864 et seq., hereinafter referred to as “**Development Agreement Statute,**” which authorizes any city, county, or city and county to enter into a development agreement with an applicant for a development project establishing certain development rights in the property which is the subject of a development project application.

K. The Planning Commission of the City of Hanford, serving as City's planning agency for the purpose of development agreements, reviewed this Agreement pursuant to Government Code Section 65867 and Chapter 16.44 of the Municipal Code and recommended approval of this Agreement to the City Council.

L. In accordance with the Development Agreement Statute, City has adopted Chapter 16.44 of the Municipal Code ("**Enabling Resolution**"), incorporated herein by reference, establishing rules, regulations, procedures, and requirements, including fees, for consideration of development agreements.

M. In adopting the Enabling Resolution, City found that under appropriate circumstances, development agreements will strengthen the public planning process, encourage private participation in comprehensive planning by providing a greater degree of certainty in that process, reduce the economic costs of development, allow for the orderly planning of public improvements and services and the allocation of costs therefor in order to achieve the maximum utilization of public and private resources in the development process, and assure, to the extent feasible, that appropriate measures to enhance and protect the environment of City are achieved.

N. City further found that the public safety, health, convenience, comfort, prosperity, and general welfare will be furthered by the adoption of the Enabling Resolution in order to provide a mechanism and procedure for the enactment of development agreements to accomplish the foregoing purposes and aims and the realization of the benefits to be derived therefrom, and all Entitlements are consistent with the General Plan and Zoning Ordinance.

O. City finds and determines that it will be in the best interest of City and that the public health, safety, and welfare will be served by entering into this Agreement.

P. City finds that a planned commercial shopping center, with Costco as an anchor, will contribute to the economic growth of City.

Q. City further finds that due to the large scope of the Project, estimated length of time for full Project build out, and unforeseen future market conditions, Developer desires this Agreement, which will impact multiple aspects of the Project, in order to ensure the Project is financially viable and marketable now and in the future.

R. In order to ensure certain dedications, commitments, standards, and to facilitate economic growth and the successful completion and full build out of the Project, City is willing to enter into this Agreement. City, by electing to enter into this Agreement, acknowledges that the obligations of City shall survive beyond the term or terms of the present City Council and that such action will serve to bind City and future City Councils to the obligations thereby undertaken. By approving this Agreement, the City Council has elected to exercise certain governmental powers at the time of entering into this Agreement rather than deferring its actions to some undetermined future date. The terms and conditions of this Agreement have undergone

extensive review by both City and the City Council and have been found to be fair, just and reasonable, and City has concluded that the pursuit of the Project will serve the best interests of its citizens, and public health, safety and welfare will be served by entering into this Agreement.

S. All procedures of the California Environmental Quality Act ("CEQA") have been met with respect to the Project and this Agreement by the approval of City Council Resolution No. _____ adopted on _____, 2014, which certifies Environmental Impact Report No. SCH 2012061013.

NOW, THEREFORE, CITY AND DEVELOPER HEREBY AGREE AS FOLLOWS:

Section 1. Incorporation of Recitals.

The foregoing preamble, recitals, exhibits and all defined terms set forth above are hereby incorporated by this reference into this Agreement, as if set forth herein in full.

Section 2. Definitions.

"AB 1600" means the Mitigation Fee Act (Government Code Sections 66000-66025).

"AB 1600 Capital Facilities Fees" or "Capital Facilities Fees" means City's capital facility programs and resulting fee schedule.

"Agreement" means this Development Agreement.

"Approval Date" means the date upon which the City approves the Entitlements.

"City" means the City of Hanford, California, a municipal corporation.

"Commercial Unit" means each separate legal parcel together with all improvements thereon. For example Parcel A, together with all Costco improvements shall constitute a separate Commercial Unit; or, Parcel H, together with all Costco improvements shall constitute a separate Commercial Unit.

"Commercial Unit Owner" means the owner of the fee interest, the lessee of a ground lease interest, or the holder by any other mean that empowers such fee owner, lessee or holder to exercise the right to entitle and construct improvements on the particular Commercial Unit. In this regard the Developer may be a Commercial Unit Owner, but no Commercial Unit Owner shall be the Developer unless the rights and obligations are expressly assigned to and assumed by such successor as a successor Developer in accordance with Section 41 of this Agreement.

"Developer" means 198/43, LLC, a California limited liability company.

“Development Commencement Date” is defined in Section 14 of this Agreement.

“Effective Date” is defined in Section 11 of this Agreement.

“Effective Standards” means the ordinances, resolutions, rules, policies and regulations adopted by the City Council in effect and applicable to the Property on the Approval Date, including the adopting ordinances that govern the permitted uses of land, the density and intensity of use, the timing of development, and the design, improvement, construction standards, the General Plan, the zoning ordinance and all other ordinances, codes, rules, and regulations of City establishing subdivision standards, impact or development fees and building standards (but only to the extent of the Zoning Ordinance), and other such regulations that are not inconsistent with this Agreement or the Entitlements, all as may from time to time be amended in accordance with the terms and conditions of this Agreement. Effective Standards do not include design and/or construction requirements for public improvements or improvements to be acquired by a public entity, and non-land use regulations, including, without limitation, citywide taxes, citywide fees, and citywide assessments, except where such items are explicitly addressed by this Agreement or the Entitlements.

“Entitlements” shall mean those entitlements, permits and approvals listed above in Paragraph G of the Recitals, any and all of which may be amended from time to time in compliance with this Agreement

“Landowner” means, at the time this Agreement is approved by City, Pinnacle Pointe, LLC, a California limited liability company; and, upon the Effective Date, 198/43, LLC.

“Project” is defined in Recital B and further described in Section 6 of this Agreement.

“Property” is defined in Recital A to this Agreement.

“Site Plan Review” means Site Plan Review No. _____ approved by the City on _____, 2014 .

“Tentative Map” is defined in Recital G. (4) to this Agreement.

Section 3. Description of the Property.

The Property, which is the subject of this Agreement, is legally described and illustrated in the Tentative Map, attached hereto as Exhibit “C.”

Section 4. Ownership of the Property.

Developer hereby represents that Pinnacle Pointe is the legal owner of the Property which is the subject of this Agreement at the time City approved the terms and conditions of this Agreement; and, that Developer will become the legal owner of the Developer Parcels upon the

recording of a Grant Deed transferring all right, title and interest in Developer Parcels from Pinnacle Pointe to Developer.

Section 5. Interest of Developer.

Developer represents that by virtue of its agreement to acquire the Developer Parcels from Pinnacle Pointe, it has an equitable interest in the Property sufficient to be bound by this Agreement.

Section 6. Project Description, Objectives, and Location.

The Project is a multi-phase planned commercial shopping center located on approximately fifty-nine (59) acres north of Highway 198, west of Highway 43 and south of East Lacey Boulevard in the City of Hanford. The Developer proposes to produce a planned commercial development with Costco as its anchor on Phase One of the four (4) phase project.

Section 7. Tentative Map.

The Project is subject to conditions of approval of Tentative Map set forth in the Resolution attached hereto as Exhibit "C" ("**Conditions of Approval**").

Section 8. Relationship of City and Developer.

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

Section 9. Costs.

Nothing in this Agreement is intended, nor shall it be construed, as a waiver by City of any fees to which Developer or any end user of land comprising the Project is obligated to pay.

Section 10. Agreement Runs with the Land.

Upon its Effective Date, this Development Agreement shall apply to the land area and parcels as described herein and when recorded with the Kings County Recorder shall run with the land and transfer all rights and obligations herein to future land owners until the expiration or earlier termination date of this Agreement as outlined herein or released pursuant to the terms of this Agreement. Except as otherwise provided herein, including, without limitation, by Section 25 hereof, the burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the parties of this Agreement, in accordance with the provisions of Section 65868.5 of the California Government Code.

Section 11. Effective Date and Termination for Failure of Condition Precedent.

a. The effectiveness of this Agreement, including all of the rights, obligations, covenants and conditions are predicated and conditioned upon the recordation of a Grant Deed transferring all right, title and interest in the Costco Parcels from Pinnacle Pointe to Costco ("Effective Date"). Pinnacle Pointe shall record the Grant Deed no later than the second anniversary of the "Final Approval" (as defined herein) of Entitlements, unless the transfer of Costco Parcels is delayed because of a challenge to any Entitlement, including this Development Agreement; any litigation affecting the Entitlements, including this Development Agreement; a building moratorium affecting the development of the Property consistent with the Entitlements; or, a force majeure or other act of God, which adversely affects the development of the Property in a manner consistent with the Entitlements. For purposes of this Development Agreement, "Final Approval" shall not be deemed to have occurred until the City Council has approved the Entitlements and all periods within which anyone or anything may appeal or otherwise challenge the Entitlements have expired. In the event the Grant Deed is not timely recorded, this Development Agreement shall automatically become null, void and ineffective because the condition precedent to its effectiveness was not timely achieved. In such event, neither party shall have any obligation under this Development Agreement. To be clear, termination of this Development Agreement for failure to satisfy the condition precedent (conveyance of Parcels A and H to Costco) within the time prescribe will not affect any pending applications for Entitlements or building or other permits for the Costco Parcels.

b. The Close of Escrow shall be conditioned upon the following:

(1) Costco shall have obtained approval of all required permits in order to commence construction of the Parcel A and H improvements.

(2) The City has acquired all of the ROW Property, as defined in Section 20 A below; or the Hanford City Council has approved a Resolution of Necessity authorizing the City to exercise its power of eminent domain in order to acquire all ROW Property.

Section 12. Purpose of this Agreement.

A. Developer Objectives. In accordance with the legislative findings set forth in the Development Agreement Statute, and with full recognition of City's policy of judicious restraints on its police powers, Developer wishes to obtain reasonable assurances that the Project may be developed in accordance with the existing land use regulations subject to the terms of this Agreement. In the absence of this Agreement, Developer would have no assurance that it can complete the Project for the uses and the density and intensity of development set forth in this Agreement. This Agreement, therefore, is necessary to assure Developer that the Project will not be (i) reduced in density, intensity or use, or (ii) subjected to new rules, regulations, ordinances or official policies or delays, including, but not limited to building moratoriums, which are not permitted by this Agreement.

B. Mutual Objectives. Development of the Project in accordance with this Agreement will provide for the orderly development of the Project in accordance with the objectives set forth in the General Plan. Moreover, a development agreement for the Project will eliminate uncertainty in planning for and securing orderly development of the Project, facilitate installation of necessary improvements, and otherwise achieve the goals and purposes for which the Development Agreement Statute was enacted. The Parties believe that facilitating the orderly development of the Project will provide public benefits to City, including without limitation: increased tax revenues, installation of off-site public infrastructure improvements, and job creation. Additionally, although development of the Project in accordance with this Agreement will restrain City's land use or other relevant police powers, this Agreement provides City with sufficient reservation of authority during the term hereof to remain responsible and accountable to its residents. In exchange for these and other benefits to City, Developer will receive assurance that the Project may be developed during the term of this Agreement in accordance with the existing land use regulations.

Section 13. Recordation of Agreement.

No later than ten (10) days after the Effective Date, the City Clerk shall cause this Agreement to be recorded in the Official Records of the County of Kings, State of California pursuant to Section 65868.5 of the California Government Code.

Section 14. Development Commencement Date and Term of Agreement.

A. The parties acknowledge that Developer cannot, at this time, predict when or the rate at which phases of the Property will be developed. Such decisions depend upon numerous factors which are not within the control of Developer, such as market orientation and demand, interest rates, absorption, completion and other similar factors. Since the California Supreme Court held, in *Pardee Construction Company v. City of Camarillo* (1984) 37 Cal. 3d 465, 208 Cal.Rptr. 228, 690 P.2d 701, that the failure of the parties to provide for the timing of development resulted in a later adopted initiative restricting the timing of development to prevail over such parties' agreement, it is the Parties' intent to cure that deficiency by acknowledging and providing that Developer and Commercial Unit Owners shall have the right to develop the Property in such order and at such rate and at such times as Developer deems appropriate within the exercise of Developer's objective reasonable business judgment, subject only to any timing or phasing requirements set forth in the Entitlements. Any City ordinance, whether adopted by initiative or otherwise, limiting the rate or timing of development of the Property shall be deemed in conflict with the Entitlements and therefore shall not be applicable to the development of the Property.

B. Notwithstanding the foregoing, Developer shall commence Development within one hundred eighty (180) calendar days of the Effective Date, hereinafter referred to as the "**Development Commencement Date**," provided Developer has obtained approval of all necessary improvement plans, the delay of which shall not be solely the fault of Developer. For

purposes of this Agreement, commencement of Development shall be deemed to have occurred upon Developer's commencement of construction of the public improvements required hereunder.

C. The term (duration) of this Agreement shall commence on the Approval Date and shall expire on the tenth (10th) year anniversary of the Approval Date unless terminated, modified or extended as set forth herein. The term of this Agreement has been established by the Parties as a reasonable estimate of the time required to carry out the Project, develop the Property and obtain the public benefits of the Project. The term of this Agreement shall be tolled for the duration of any litigation or referendum affecting or otherwise challenging the approval of this Agreement, act of God or other natural disaster, affecting or otherwise impacting the ability of Developer to fulfill its obligations under this Agreement.

Section 15. Planned Land Use and Zoning.

The termination of this Agreement, either by failure of the condition precedent to its effectiveness (Section 11), or expiration of its term (Section 14 C), shall have no impact on, and in no way change, modify, terminate or revert, City's _____, 2014, approval of General Plan Amendment and Rezone Application Nos. GPA 2011-01 and RZ 2011-01.

Section 16. Application of Subsequently Enacted Standards.

The City may apply to the Project only such later enacted or modified rules, regulations and policies which are not in conflict with those in effect on the Approval Date and the application of which would not prevent development of the Project, except when such later enacted or modified rules, regulations and policies:

A. Are consistent with the then-current version of the California Building Code as published by the California Building Standards Commission and as modified and adopted by City; or

B. Are subsequent City-wide changes to construction or technical design standards or specifications for public improvements which are reasonably and directly related to durability or longevity of the public improvements; or

C. Are changes in City laws, regulations, plans, or policies, the terms of which are specifically mandated and required by changes in state or federal law or regional application thereof; or

D. Are necessary to avoid placing the individuals working in or frequenting the Project or the surrounding area, or both, in a condition dangerous to their health or safety, or both; or

E. Are otherwise unambiguously and expressly authorized in this Agreement; or

F. Are the subject of City-wide services that are applicable to all commercial properties within City.

With respect to Subsection E above, nothing in this Agreement shall be construed to be in derogation of City's police power to protect public health and safety.

Section 17. Police Power and Taxing Power.

City, through the exercise of either its police power or its taxing power, whether by direct City Council action or initiative, or referendum by City's electorate, shall not, except as otherwise provided herein, establish, enact or impose any additional conditions, dedications, fees, and other exactions, policies, standards, laws or regulations which relate or apply, directly or indirectly, to the Project except as provided in this Agreement. Nothing herein prohibits the Project from being subject to a: (i) City-wide bond issue; (ii) City-wide special or general tax; or (iii) special assessment for the construction and maintenance of a City-wide facility as may be voted on by the electorate or otherwise enacted, provided that such tax, assessment or measure is City-wide in nature, and does not discriminate against the Property, and does not distinguish between developed and undeveloped parcels.

Section 18. [Reserved]

Section 19. Existing Lacey Boulevard and Other Public Improvements

A. Abandonment and Relinquishment of Existing Right of Way. Commensurate with Developer's completion of the Lacey/43 Improvements described in Section 20 below and City's acceptance of such improvements, City will commence proceedings to abandon that portion of existing Lacey Boulevard ("**Existing Lacey ROW**") as shown on the attached Exhibit "**D.**" Said abandonment shall be effective no sooner than the completion of the Lacey Boulevard realignment but no later than one hundred eighty (180) days of the completion of the Lacey Boulevard realignment. If City has obtained control of the small triangular parcel located near the Lacey/43 intersection ("**Caltrans Parcel**") shown on Exhibit "D," which the State of California Department of Transportation ("**Caltrans**") has indicated that it will relinquish to the City, by the time City commences abandonment proceedings for the Existing Lacey ROW, City will also abandon the Caltrans parcel. The Existing Lacey ROW and the Caltrans Parcel are hereinafter collectively referred to as "**Abandoned Property**").

B. Upon the Development Commencement Date, Developer shall, at its initial cost and expense and prior to the issuance of a Certificate of Occupancy for the structure on the Costco Parcels from which Costco will operate its retail establishment, underground all improvements associated with the existing above-ground utility poles identified in Exhibit "E" attached hereto including, without limitation, poles, wires, and appurtenances, that currently exist along the frontage of existing Lacey Boulevard ("**Underground Work**"). Such Underground Work will be done in accordance with all applicable statutes, regulations, and ordinances then in effect.

C. Developer will construct and implement all mitigation measures identified in the FEIR for the Project at the times specified therein; provided however, Developer will not be responsible for the collection of impact and mitigation fees from other developers.

Section 20. SR 43/Lacey Boulevard Intersection Relocation and Lacey Boulevard Realignment.

A. Relocation. Caltrans will require the relocation of the existing intersection of Lacey Boulevard and Highway 43 (“**Lacey/43 Intersection**”) to the north and the corresponding realignment of sections of Lacey Boulevard east and west of Highway 43. The relocation of the Lacey/43 Intersection and the realignment of Lacey Boulevard shall collectively be referred to hereinafter as “**the Lacey/43 Improvements.**” The real property necessary for the completion of the Lacey/43 Improvements shall hereinafter be referred to as the “**ROW Property.**” The Lacey/43 Improvements shall be in addition to any other mitigation measures and conditions that City may establish with respect to the improvement of Lacey Boulevard. A conceptual drawing of the Lacey/43 Improvements and the location thereof are attached hereto as Exhibit “F,” which is incorporated herein by reference.

B. Design. Developer shall, at its initial cost and expense, undertake the design and construction work for the Lacey/43 Improvements. Developer will, at least ninety (90) calendar days prior to the commencement of construction of the Lacey/43 Improvements, present to City the final design, specifications, and itemized list of estimated costs for the Lacey/43 Improvements, which will be subject to City’s review and approval. Developer will not commence construction of the Lacey/43 Improvements without first obtaining City’s approval. Following City’s approval of the design, specifications, and itemized list of estimated costs for the Lacey/43 Improvements, Developer will not authorize any change orders for such work unless Developer first obtains the approval of City’s Public Works Director.

C. Acquisition of Right of Way. The Parties acknowledge that Developer is unable to negotiate the voluntary acquisition of all ROW Property. It shall be the City’s obligation to obtain the ROW Property. City may elect to engage a third party right-of-way consultant to obtain the necessary ROW Property. For purposes of the acquisition of the ROW Property, reference in this Subsection C. to City shall also include the City-retained right-of-way consultant. In furtherance of the assemblage of the ROW Property, Developer has deposited with City amounts necessary to begin pre-condemnation proceedings, including obtaining all necessary appraisals supporting any offer to purchase the ROW Property, as required by the California Code of Civil Procedure governing City’s power of eminent domain. For purposes of this Agreement, the appraised value of the ROW Property shall be the value identified by the appraisal performed by Simon Company for City. In the event that City is unsuccessful in negotiating the voluntary sale of the ROW Property, City agrees to consider presenting a resolution of necessity to the City Council, the adoption of which is the sole and absolute discretion of the Hanford City Council, in order to acquire the ROW Property through its power of eminent domain.

D. Pinnacle Pointe ROW. The Parties further acknowledge that a portion of the ROW Property is owned and controlled by Pinnacle Pointe (“**Pinnacle Pointe ROW**”). Pinnacle Pointe agrees to dedicate the Pinnacle Pointe ROW to the City upon City’s assemblage of the balance of the ROW Property. In consideration of Pinnacle Pointe’s dedication of the above described ROW, City shall grant to Pinnacle Pointe the Abandoned Property (to the extent that City controls the Abandoned Property) as described in Section 19 above, reserving, if necessary, underground utility easements for existing public and private utilities. If it is necessary for City to reserve underground utility easements, such utility easements shall be subject to review and approval by Developer and by any Commercial Unit Owner impacted by the reservation, which shall not be unreasonably withheld. In the event that City is unable to grant to Pinnacle Pointe the City-controlled Abandoned Property within one hundred eight (180) days of the completion of the realigned Lacey Boulevard, City shall compensate Pinnacle Pointe for the Pinnacle Pointe ROW Property dedicated to City, as described above, at the appraised value. In the event that City is unable to obtain control of the Caltrans Parcel or cause Caltrans to transfer ownership thereof to Pinnacle Pointe, neither Developer nor Pinnacle Pointe will be entitled to any compensation.

E. Remnant Parcels. City anticipates that in the acquisition of the ROW Property, City will acquire remnant parcels of real property, both on the north and south side of the ROW Property, excluding remnant parcels east of Highway 43, identified in Exhibit “G” (“**Remnant Parcels**”). In the event that City has acquired such Remnant Parcels, Pinnacle Pointe shall have the first right of refusal to purchase the Remnant Parcels from the City at the appraised value. If Pinnacle Pointe does not wish to purchase the Remnant Parcels, the Remnant Parcels will be declared surplus property and disposed of accordingly.

F. Commencement of Construction. Upon possession of all of the ROW Property and City’s approval of all necessary plans and issuance of all necessary permits from all necessary governmental agencies, Developer shall commence construction thereof, consistent with development plans approved by the City. Developer will complete, at its sole initial cost but subject to the reimbursement provisions contained herein, the Lacey/43 Improvements within twenty-four (24) months after the date on which City issues a Certificate of Occupancy for the structures on Parcel A and H from which Costco will operate its retail establishments.

G. Developer Default/Lien. In the event that Developer fails to timely complete the Lacey/43 Improvements, requiring City to step in to complete such improvements, this Development Agreement shall serve as a lien on the Developer’s Parcels to secure any and all costs incurred by City to cure Developer’s default.

H. Estimated Cost of Completion. For purposes of establishing Developer’s Warranty, pursuant to Subsection I below, of the estimated cost (all labor, materials, and equipment costs associated with such work) of the Lacey/43 Improvements is FIVE MILLION, FOUR HUNDRED THOUSAND DOLLARS (\$5,400,000.00) (“**Estimated Cost of Completion: Lacey/43 Improvements**”). This Estimated Cost of Completion may be adjusted

from time to time based upon the itemized list of costs approved by City pursuant to Subsection B. above **“Final Cost of Completion: Lacey/43 Improvement”**).

I. **Warranty of Improvements.** Developer will warrant the Lacey/43 Improvements for a period of one (1) year from the recording of the Notice of Completion referenced in Section 23 below and shall, at its sole cost and expense, remedy any defect discovered during such period. Upon recording of the Notice of Completion, Developer shall deposit with City Ten percent (10%) of the total Final Cost of Completion: Lacey/43 Improvements which shall be retained as a public improvement warranty for the one (1) year period following the recording of the Notice of Completion. In the alternative, Developer may provide City with warranty security that is equal to ten percent (10%) of the City-approved cost of the Lacey/43 Improvements, which security is reasonably acceptable to City, and will have a term of one (1) year from the date of the recording of the Notice of Completion for the Lacey/43 Improvements.

J. **Reimbursing Developer for Lacey/43 Improvements.**

(1) **Periodic Payment.** Upon Developer’s commencement of the Lacey/43 Improvements, Developer shall invoice the City on a monthly basis for the cost of labor and materials incurred by Developer in the development and construction of the Lacey/43 Improvements (**“Developer’s Monthly Invoice”**). Developer’s Monthly Invoice shall include true and correct copies of the following documents (collectively **“Supporting Material”**) relating to the Lacey/43 Improvement work: (i) invoices issued by all contractors and suppliers associated with such work; and (ii) executed unconditional lien releases from all such contractors and suppliers reflecting amounts received by each contractor and supplier. Within thirty (30) calendar days of receipt of Developer’s Monthly Invoice, City shall reimburse Developer the full amount stated therein. City’s obligation to make such Periodic Payments is conditioned upon the City’s inspection of the improvements for which Developer seeks reimbursement and upon proof, satisfactory to the City, of Developer’s payment to contractors and suppliers.

(2) **Developer’s Final Invoice.** Following completion of the Lacey/43 Improvements and dedication of the same to City and other government agencies having jurisdiction over the ROW Property, Developer will submit a final invoice, requesting payment from City for all unpaid and reimbursable costs and expenses with true and correct copies of the Supporting Material relating to the Lacey/43 Improvement work. (**“Developer’s Final Invoice”**). Within thirty (30) calendar days of City’s receipt thereof, and all required Supporting Material, City will pay to Developer the sum of: (i) Developer’s Final Invoice; (ii) change orders approved by City pursuant to Subsection B above; and (iii) fifteen percent (15%) of the sum of Developer’s Monthly Invoices, Developer’s Final Invoice, and change orders, if any. The fifteen percent (15%) payment component shall reimburse Developer for its engineering fees, permit fees, construction surveying, geotechnical fees, project management fees, and all other non-construction costs associated with the Lacey/43 Improvements. City will also reimburse Developer for twenty-five percent (25%) of Developer’s cost to install the traffic signal at the Project’s primary entrance (**“Lacey/Entry Traffic Signal”**); Developer will invoice City separately for such work, which will be accompanied by Supporting Material. Developer will

not be entitled to any mark-up of the costs associated with the Lacey/Entry Traffic Signal. Reimbursement hereunder will be limited to the cost of the following improvements: curb and gutter, pavement, striping, signal work required at Lacey Boulevard, earthwork for roadway construction, and median curb for a standard 84 foot wide ROW at the west end, a 100 foot ROW transition from the 84 foot ROW to the west side of the signal at the Project's main entrance, a 110 foot ROW from just west of said signal to Highway 43, and streets lights, to the extent required, on the north side of the realigned Lacey Boulevard. Reimbursement work will also include the pavement and grading on the east side of Highway 43 to connect Lacey Boulevard back to the existing alignment. No reimbursement will be made hereunder for utility relocations, drive approaches on the south side of the realigned Lacey Boulevard, sidewalk on the south side of Lacey Boulevard, paving outside of above noted ROW design standards, landscape and hardscape in median islands, including conduits, and any other work not collected for in City's impact fee program.

Section 21. On Site Surface Water Retention.

A. Developer shall, at its sole cost and expense, develop an onsite surface water retention facility to accommodate all of the surface water draining from the Property and the adjacent street, excluding the north side of Lacey Boulevard from the middle of the Project's signalized intersection east to SR 43 ("**Surface Water Retention Facility**").

B. The Surface Water Retention Facility is designed and sized to accommodate only surface water from the Project site, Lacey Boulevard frontage (excluding the north side of Lacey Boulevard from the middle of the Project's signalized intersection east to SR 43), and the Pinnacle Pointe property north of existing Lacey Boulevard. Surface water draining from existing Lacey Boulevard and the relocated Lacey Boulevard (for purposes of this Section 21, collectively referred to as "**Lacey Boulevard**") may inadvertently include surface water from properties not owned or controlled by Developer or Pinnacle Pointe. City acknowledges that current City standards require such parcels to retain all surface water on site and be graded such that all surface water drains away from public streets. City further acknowledges that the realignment of Lacey Boulevard, pursuant to this Agreement, will create a swale on the north side of the realigned Lacey Boulevard that will collect surface water from the middle of the Project's signalized intersection east to SR 43, acting as a temporary basin, until such time as properties on the north side of the realigned Lacey Boulevard are developed.

C. City agrees that, when a property fronting the north side of Lacey Boulevard from the Project's western boundary east to SR 43 ("**Northern Property**") is developed in the future, City will require that such property to be developed in accordance with City's then-existing policies and standards (including the City of Hanford Storm Drainage Master Plan, as may be amended). City shall not require a Northern Property owner to modify, improve, create, or construct onsite drainage improvements until such property is developed. When a developer/owner of a Northern Property applies to City for City's approval of any land use entitlement, City will, if required by law, provide notice of the proposed project to Developer and Commercial Unit Owners. Likewise, if Developer or a Commercial Unit Owner submits a

request for notice relating to projects proposed for a Northern Property, City will provide notice to Developer or such Commercial Unit Owner if required by law. City's obligations set forth in this Section 21 shall survive the termination and/or expiration of this Agreement.

D. Through this Section 21, the parties neither increase nor reduce the City's immunity from liability that it enjoys as a government agency.

Section 22. Fees.

A. AB 1600 Capital Facilities Fees.

(1) The Capital Facilities Fees reflected in the attached Exhibit "H," which is incorporated herein by reference, will be payable for development occurring within the Project during the term of this Agreement.

(2) The City's then-current Capital Facilities Fees shall apply to all development within the Project for which Capital Facilities Fees have not been paid prior to the expiration or termination of this Agreement. Prepayment of Capital Facilities may occur only if allowed under the City's then-current practices.

B. Fee Deferral Program. Notwithstanding anything to the contrary in this Agreement, Developer and City may agree to defer the payment of any development fees pursuant to any then-existing City program that permits fee deferral.

C. Revision of Ministerial Fees. This Agreement shall not be construed to limit the authority of City to charge processing fees for land use approvals, building permits as they relate to plumbing, mechanical, electric or fire code permits, or other similar permits and entitlements which are in force and effect on a City-wide basis at the time those permits are applied for.

D. Limitations. The provisions contained in this Section 22 shall be applicable to Developer only and not subsequent Commercial Unit Owners unless said benefits are assigned and assumed, in writing, by such subsequent Commercial Unit Owners.

Section 23. Notice of Completion.

Developer shall execute, acknowledge and record in the manner provided by law, a Notice of Completion for the public infrastructure improvements and/or other public improvements required as conditions to this Agreement and the Entitlements within ten (10) calendar days after City's Department of Public Works provides written notice to the Developer that the public infrastructure improvements and/or other public improvements required as a condition to this Agreement and/or the Entitlements have passed final inspection. Upon completion of the public infrastructure improvements or other public improvements, Developer's Engineer shall supply to City one Mylar set of "as built drawings" and an electronic version of same in a format satisfactory to the City Engineer. These drawings shall be certified on each

page by a Registered Civil Engineer as being "as built drawings," pursuant to Business and Professions Code Section 6735.6 as may be amended from time-to-time.

Section 24. Uniform Codes are Applicable.

The Project, and all structures located therein, shall be constructed in full compliance with the Uniform Building, Mechanical, Electrical, Fire, and Plumbing Codes as adopted by City and the State of California in Title 24 of the California Code of Regulations. These Regulations and Uniform Codes are amended from time to time, and the Project shall at all times comply fully with the most-recent version of the Uniform Codes and Regulations adopted by City; Developer acknowledges that City may adopt one or more updated versions of the Uniform Codes and Regulations during the term of this Agreement and that the Project will be subject to such modified versions, as adopted by City. Developer acknowledges that, as of the Effective Date, those codes identified in City Ordinance 13-08, which is incorporated herein by reference, shall govern.

Section 25. Final Inspection.

After completion of each Commercial Unit in the Project, City shall provide the Commercial Unit Owner with a final inspection for that Commercial Unit (a "**Final Inspection**"). The Final Inspection is conclusive determination that the obligations of the Developer and the Commercial Unit Owner under this Agreement have been met for that Commercial Unit.

Promptly after Final Inspection of any Commercial Unit, City shall furnish the Commercial Unit Owner with a Certificate of Completion for that Commercial Unit upon written request therefor by that Commercial Unit Owner. Such Certificate of Completion shall be in such form as to permit it to be recorded in the Office of the County Recorder of Kings County.

A Certificate of Completion shall be, and shall so state, conclusive determination the obligations under this Agreement have been satisfied with respect to that Commercial Unit in full compliance with the terms hereof. After issuance of such Certificate of Completion, any party then owning or thereafter purchasing, leasing or otherwise acquiring any interest in the Commercial Unit covered by said Certificate of Completion shall not (because of such ownership, purchase, lease or acquisition) incur any obligation or liability under this Agreement. Except as otherwise provided herein, after the issuance of a Certificate of Completion for the Commercial Unit, neither City nor any other person shall have any rights, remedies or controls with respect to the Commercial Unit that it would otherwise have or be entitled to exercise under this Agreement as a result of a default in or breach of any provision of this Agreement.

City shall not unreasonably withhold any Certificate of Completion. If City refuses or fails to furnish a Certificate of Completion for the Commercial Unit after written request from the Commercial Unit Owner, City shall, within ten (10) days after receipt of such written request, provide the Commercial Unit Owner with a written statement of the reasons City refused or failed to furnish a Certificate of Completion. The statement shall also contain City's opinion of the action the Commercial Unit Owner must take to obtain a Certificate of Completion. If City

shall have failed to provide such written statement within said ten (10) day period after such written request for the Certificate of Completion, the Commercial Unit Owner shall be deemed entitled to the Certificate of Completion.

Section 26. Developer Obligations.

In consideration of City entering into this Agreement, Developer agrees and acknowledges as follows:

A. That an express condition to City's issuance of any permits to or for the benefit of the Project shall be the financing and construction of those public infrastructure improvements, which are required through this Agreement or any of the Entitlements, on such terms and at such times as City, in its sole discretion, deems reasonably necessary and appropriate in order to provide public infrastructure service to the Project;

B. That City's execution of this Agreement is a material consideration for Developer's acceptance of, and agreement to comply with, the foregoing. Developer shall only make those dedications, and otherwise be subject to those conditions and exactions that are expressly set forth in this Agreement, the Entitlements and the Effective Standards; and

C. That the Developer's agreement to perform, and Developer's performance of, the obligations of Developer under this Agreement are a material consideration for City's acceptance of, and agreement to comply with, the terms of this Agreement.

Section 27. City Processing and Review.

A. City shall allow the uses that are permitted by this Agreement and the vested components. City shall be obligated to accept for processing and review all applications for Entitlements, and other discretionary and/or ministerial approvals relevant to this Project, upon payment by the Developer or Commercial Unit Owner (as the case may), as provided in Sections B and C below. . Such applications will be processed in compliance with statutory and Hanford Municipal Code provisions.

B. Obtaining required permits specific to a Commercial Unit is the sole and absolute obligation of the particular Commercial Unit Owner.

C. Obtaining permits required for the Project generally, as opposed to a Commercial Unit, is the sole and absolute obligation of the Developer.

D. Notwithstanding any other provisions contained herein to the contrary and provided that City is operating in good faith hereunder, the City's failure to meet any of the time lines set forth in this Agreement shall not be deemed to be a breach of this Agreement by City; and, although the City's failure to meet such time lines shall not relieve Developer of any obligations under this Agreement, the time to complete such Developer obligation shall be extended by an amount of time equal to the delay caused by City's failure to meet such timelines.

Notwithstanding the foregoing, nothing in this Section 27 or this Development Agreement is intended to relieve the Developer from completing any mitigation measures within the period required by the Project's Environmental Impact Report.

Section 28. Approval of Subsequent Development and Land Use Applications.

Nothing in this Agreement shall prevent City from denying or conditionally approving any subsequent discretionary land use permit or authorization for any property or properties located within the boundaries of the Project on the basis of such new or modified ordinances, resolutions, rules, regulations, or official policies, except that such subsequent discretionary actions shall be subject to any conditions, terms, restrictions, procedures, and requirements as expressly set forth herein.

The Parties acknowledge that refinement and further development of the Project may require subsequent development approvals and may demonstrate that changes are appropriate and mutually desirable in the Entitlements. In the event the Developer finds that a change in the Entitlements is necessary or appropriate, the Developer shall, in accordance with then-existing City policy, apply for a Subsequent Development Approval to effectuate such change. If approved, any such change in the Entitlements shall be incorporated herein as an addendum to this Agreement and may be further changed from time to time as provided in this Section.

Unless otherwise required by law, as determined in City's reasonable discretion, a change to the Entitlements shall be deemed "minor" and not require an amendment to this Agreement. Notwithstanding the foregoing, the Site Plan Review may be modified from time to time as necessary to accommodate development. Such Site Plan Review modification shall occur in accordance with the then-applicable provisions of City's Municipal Code.

Section 29. Application Fees, Taxes, and Assessments.

Except as otherwise provided in this Agreement, City and Developer agree that the planning, building permit, AB 1600 Capital Facilities Fees, and other applicable miscellaneous fees associated with development occurring within the Project, shall be paid in accordance with the City's then-existing policies.

Any subsequently enacted City-wide taxes, which become effective after the Effective Date of this Agreement, shall apply to the Project, provided that the application of such taxes to property within the Project is prospective. By so agreeing, Developer does not waive its rights to challenge the legality of any such taxes in court.

Nothing in this Agreement shall be construed to relieve any property within the Project from assessments levied against the Property by City pursuant to any statutory authority for the assessment of property to pay for public infrastructure and/or landscaping maintenance or services which benefits properties located within the Project.

Section 30. Amendment and Termination.

The amendment or termination provisions for this Agreement are outlined below as follows:

A. Amendment due to conflict with State or Federal laws. In the event that State or Federal laws or regulations enacted after the Effective Date of this Agreement prevent or preclude compliance with one or more provisions of this Agreement, or require changes in plans, maps, or permits approved by City, City and Developer shall meet and confer in good faith in a reasonable attempt to amend this Agreement to comply with such new Federal or State law or regulation; any term or provision contained herein that is inconsistent with any new Federal or State law shall have no effect. Any such proposed amendment of this Agreement shall be subject to the review and approval by the City Council.

B. Amendment by Mutual Consent. This Agreement may be amended in writing from time to time by mutual consent of Developer and City in accordance with the provisions of State Law and City ordinances. City may, without limitation, reasonably withhold its approval of an amendment in instances in which an amendment would be inconsistent with City's General Plan or an ordinance, or in which a proposed amendment is not in City's best interest. Amendments to this Agreement shall not affect any rights or obligations of any Commercial Unit for which a Final Inspection has been issued or any rights or obligations of the Commercial Unit Owner thereof.

C. Amendments Shall Comply with Government Code. Amendments to this Agreement shall comply with the requirements of Government Code Section 65868, as may be amended.

D. Recording of Amendments. Any amendment to this Agreement shall be recorded with the Kings County Recorder.

E. Termination by Mutual Consent. Except as otherwise permitted herein, this Agreement may be terminated in whole or in part by the written mutual consent of the Parties or their successors-in-interest, in accordance with the requirements of applicable City ordinances and State Law. If not terminated prior to the expiration of the term hereof, this Agreement shall automatically terminate upon the expiration of the ten (10) year term or any approved extension thereof. Such termination shall not affect any rights previously confirmed to any Commercial Unit or Commercial Unit Owner thereof, by the issuance Final Inspection relating to such Commercial Unit.

F. Termination for Non-Compliance and Non-Performance. The City Council may terminate this Agreement on its own motion by giving thirty (30) calendar days written notice if Developer, or any successors-in-interest as Developer, fails to reasonably comply with any of the provisions, terms, and requirements of this Agreement. Developer, or any such successors-in-

interest, shall have the right to cure any non-compliance or non-performance items during the thirty (30) calendar day grace period, or any mutually agreed to extension thereof, as outlined below in Section 33 of this Agreement, and shall provide satisfactory evidence to the City Manager that such non-compliance or non-performance items have been cured. Such termination shall not affect any rights previously confirmed to any Commercial Unit or Commercial Unit Owner thereof, by the issuance Final Inspection relating to such Commercial Unit.

Section 31. Term of Project Approvals.

City and Developer agree that the term of the Tentative Map, and any conditional use permits, variances, and any other Project approval shall automatically be extended for the full term of this Agreement.

Section 32. Annual City Review of this Agreement.

A. Except as provided in Subsection F below, City shall conduct an annual compliance review to ensure Developer is complying with all the terms and provisions of this Agreement. The annual compliance review shall be conducted on or about July 1 of each year this Agreement is in effect.

B. Developer, on or before June 1 of each year during the term of this Agreement, shall meet with the head of City's Community Development Department and provide the information requested by such person to demonstrate Developer's compliance with the terms of this Agreement. The head of City's Community Development Department shall review the information submitted by Developer and shall prepare a staff report to the City Council for its consideration, in accordance with the requirements of City's Municipal Code. The City Council, after a public hearing, shall determine on the basis of substantial evidence whether the Developer has, for the period under review, demonstrated good faith compliance with the terms and conditions of this Agreement. The failure of any review or annual review of the Agreement to occur shall not terminate, void, make voidable, or otherwise adversely affect this Agreement.

C. City shall deposit in the mail, email, or fax to the Developer a copy of all staff reports and related exhibits concerning contract performance at least seven (7) calendar days prior to the public hearing on such periodic review. Developer shall be permitted an opportunity to be heard orally or in writing regarding its performance under this Agreement before the City Council and, if the matter is referred to the Planning Commission, before said Planning Commission.

D. If City determines after the hearing on the basis of substantial evidence that Developer has not complied in good faith with the terms and conditions of this Agreement, City shall provide written notice thereof to Developer in accordance with Section 33 below.

E. Costs reasonably incurred by City in connection with the annual review of this Agreement shall be paid by Developer according to City's Schedule of Fees in effect at the time

of the annual Agreement review. If no City Schedule of Fees is in effect at the time of the annual review of this Agreement, reimbursement of costs to City by Developer shall be on a time and materials basis.

F. This Section 32 does not apply to any Commercial Unit for which a Final Inspection has been completed confirming that all obligations under this Agreement have been met with respect to that particular Commercial Unit.

Section 33. Default.

A. In addition to any other rights or remedies, either Party may institute legal proceedings for mandamus, specific performance or other injunctive or declaratory relief to enforce this Agreement. In no event shall City be liable for damages for any breach or violation of this Agreement.

B. In addition, upon the occurrence of an event of default by either City or Developer, the non-defaulting Party shall serve written notice of such default upon the defaulting Party. Said notice shall specify the nature of the alleged failure. If the default is not cured by the defaulting Party within thirty (30) calendar days after service of such notice of default, or longer period if reasonably necessary, the non-defaulting Party may then commence any legal or equitable action to enforce its rights under this Agreement; provided, however, that if City and Developer meet in good faith and agree in writing that the default cannot be cured within such thirty (30) day period, the non-defaulting Party shall refrain from any such legal or equitable action so long as the defaulting Party begins to cure such default within such thirty (30) day period, and diligently pursues such cure to satisfactory completion. Failure to give notice shall not constitute a waiver of any default.

C. Any Default under this Agreement shall not constitute a default with respect to a Commercial Unit that has received a Final Inspection.

Section 34. Estoppel Certificate.

A. Either City or Developer may, at any time, and from time to time, give written notice to the other Party, and any Commercial Unit Owner may give such notice to either or both City and Developer, requesting such notified Party certify in writing as follows: (i) that this Agreement is in full force and effect and is a binding obligation of the Parties; (ii) that this Agreement has not been amended or modified either orally or in writing, or if so amended or modified, identifying the amendments or modifications, and (iii) to the knowledge of the certifying Party the requesting Party is not in default in its performance of its obligations under this Agreement, or if in default, to describe therein the nature and extent of any such defaults. The Party receiving a request hereunder shall execute and return such certificate within thirty (30) calendar days following the receipt thereof, or such longer period as may reasonably be agreed to by the Parties. The City Manager shall be authorized to execute any certificate requested by Developer or any successors-in-interest, including, without limitation, any

Commercial Unit Owner. If the certifying Party fails to execute and deliver such statement to the requesting party within such time, the requesting party shall submit a second request in which the City or Developer, as applicable, and the certifying Party shall have ten (10) business days to execute and deliver to the requesting party a statement certifying the above listed information.

B. For any estoppel certificates requested by Developer, City may charge a fee directly related to the actual cost to review the request, investigate the facts and performance of Developer, and prepare the certificate. Said fee shall be paid by Developer to City before City releases the executed certificate.

Section 35. Encumbrances on the Property.

The Parties hereto agree that this Agreement shall not prevent or limit the Developer or any Commercial Unit Owner, in any manner, at the Developer's or such Owner's sole and absolute discretion, from encumbering the Property or any portion thereof or any improvements thereon with any mortgage or deed of trust securing financing with respect to the construction, development, use or operation of the Project or the particular Commercial Unit. City acknowledges that a mortgagee may request certain modifications to this Agreement, and City agrees, upon request, from time to time, to meet with Developer and/or any representatives of such mortgagee to negotiate in good faith any such requested modification to this Agreement, provided the proposed modification is consistent with the overall intent of the Project and Entitlements and with any agreements between City and the Developer and Developer will pay to City a fee equal to all costs incurred by City in connection with such request for modification. Notwithstanding anything contained in this Section to the contrary, the decision on whether to accept and approve any requested modification of this Agreement rests within the reasonable judgment and discretion of City. Any mortgagee and its successors and assigns shall be entitled to the rights and privileges set forth in this Section.

Section 36. Mortgage Protection and Certain Rights of Cure.

A. This Agreement shall be superior and senior to any lien placed upon the Property, excluding tax liens recorded by the Federal Government, State of California, or Kings County, or any portion thereof after the date of recording of this Agreement, including the lien for any deed of trust or mortgage, regardless of whether such deed of trust or mortgage was recorded prior to or subsequent to the recording of this Agreement. City shall have no obligation to agree to subordinate this Agreement to any deed of trust or mortgage. Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish, or impair the lien of any mortgage made in good faith and for value, but all applicable terms and conditions contained in this Agreement shall be binding upon and effective against any person or entity, including any deed of trust beneficiary or mortgagee who acquires title to the Property, or any portion thereof, by foreclosure, trustee sale, deed in lieu of foreclosure, or otherwise.

B. If City receives notice from a mortgagee, or a Commercial Unit Owner, requesting a copy of any notice of default given Developer hereunder, and specifying the address for service thereof, then City shall deliver to such mortgagee, concurrently with service thereon to Developer, any notice given to Developer with respect to any claim made by City that Developer has committed an event of default. Each mortgagee shall have the right, during the same period available to Developer, to cure or remedy, or to commence to cure or remedy, the event of default claimed as set forth in the notice to Developer from City. City, through action of the City Manager, may, but shall not be required to, extend the thirty (30) calendar day cure period outlined in Section 33 of this Agreement for not more than an additional sixty (60) calendar days upon written request of Developer or any mortgagee.

Section 37. Prevailing Wage Compliance.

A. In regard to public improvements that Developer is required to construct or install under this Agreement as a condition of approval of the overall Project, Developer shall comply with all state and federal labor laws, including without limitation, those requiring the payment of prevailing wage, if applicable. In accordance with California Labor Code Section 1720(c)(2), or any successor statute, such compliance shall require Developer to pay prevailing wages in connection with the construction of and installation of all public improvements for which Developer is receiving payment or other consideration hereunder.

B. Developer agrees that the public funds and other consideration that Developer is receiving with respect to the overall Project from City, the State of California, or any other political subdivision of the State (including money, the equivalent of money or other payment out of public funds or other value or consideration within the scope of California Labor Code Section 1720(b) (“**Public Funding**”)) will not exceed the cost of the public works, as defined in California Labor Code Section 1720, that are required as Conditions of Approval for the Project. City shall maintain no proprietary interest in the overall Project.

C. City makes no representations or warranties as to the applicability of prevailing wage requirements with respect to the Project or any portion thereof.

Section 38. Severability.

The unenforceability or invalidity, as determined by a court of competent jurisdiction, of any sections, provisions, covenants, conditions, or terms of this Agreement shall not render the remaining provisions, sections, covenants, terms or conditions of this Agreement unenforceable or invalid, and the remaining sections and provisions of this Agreement shall continue to be in full force and effect.

Section 39. Venue.

This Agreement shall be interpreted and enforced under the applicable laws of the State of California, and the applicable ordinances of the City of Hanford. Any lawsuit filed by either

City or Developer relative to this Agreement shall be filed with the California Superior Court for the County of Kings, if in state court, or the United States District Court for the Eastern District of California (Fresno), if in federal court.

Section 40. Attorney Fees and Costs.

If either City or Developer initiates any lawsuit to enforce or interpret the terms and conditions of this Agreement, the prevailing Party shall be entitled to recover reasonable attorney fees and costs, in addition to any other relief, as determined by the court, to which it may be entitled, which shall be determined by the court in such proceedings, or in a separate action brought for that purpose.

Section 41. Transfers and Assignments.

A. Developer shall have the right under this Agreement to assign its rights, interests, and obligations hereunder, and they may be transferred, sold, or assigned in conjunction with the transfer, sale, or assignment of all or a portion of the Property at any time during the term of this Agreement. However, no transfer, sale, or assignment of all or any portion of the rights, interests or obligations hereunder shall occur without the prior written notice to City and approval by the City Council, which approval shall not be unreasonably withheld or delayed. The City Council shall consider and decide the matter after written notice is provided to the City Manager by Developer, and receipt by the City Council of all necessary documents, certifications, and any other information reasonably required by the City Council to decide the matter. Approval by the City Council shall be for the purposes of: (i) providing written notice to City; (ii) assuring that all obligations of Developer are allocated as between Developer and the proposed purchaser, transferee, or assignee if any obligations are being retained by Developer; (iii) assuring City that the proposed purchaser, transferee, or assignee is capable of satisfactorily performing the obligations of Developer or of a Commercial Unit Owner hereunder, as applicable; and (iv) assuring City that if only a portion of the rights, interests, and obligations hereunder are being transferred, sold, or assigned, said transfer, sale, or assignment will not interfere with the orderly development of the Project as established herein.

B. If Developer seeks to transfer, sell, or assign all or a portion of the rights, interests, and obligations of Developer hereunder, Developer's assignee shall execute a document, in a form similar to that attached hereto as Exhibit "I", ("**Assignment and Assumption Agreement**") through which Developer and assignee acknowledge which of Developer's responsibilities are being assumed by assignee and which retained by Developer. Upon the City Council's approval of an assignment, Developer shall, except as otherwise provided herein and/or except for obligations expressly retained by Developer, be released from its obligations under this Agreement with respect to the portion of the Property being transferred, sold, or assigned. Developer will remain responsible under this Agreement to the extent that Developer's responsibilities are not assigned to and assumed by an assignee or successor-in-interest of Developer.

C. The conditions and covenants set forth in this Agreement and incorporated herein shall run with the land, and the benefits and burdens shall, except as otherwise provided herein, bind and inure to the benefit of all successors-in-interest to the Parties in accordance with the provisions of Section 65868.5 of the California Government Code. Each and every purchaser, assignee, or transferee of an interest in the Property, or any portion thereof, shall be obligated and bound by the terms and conditions of this Agreement, and shall be the beneficiary hereof and a Party hereto, but only with respect to the Property, or such portion thereof, sold, assigned, or transferred to it. Any such purchaser, assignee, or transferee shall observe and fully perform all duties and obligations of Developer contained in this Agreement, as such duties and obligations pertain to the portion of the Property sold, assigned, or transferred to it.

D. Developer shall have the right to retain specified rights, interests, and obligations under this Agreement. Therefore, Developer may withhold from a sale, transfer, or assignment specified rights, interests, and obligations. The purchaser, transferee, or assignee shall have no interests, rights, or obligations with respect to the subject retained rights, interests, and obligations of Developer, and this Agreement shall remain applicable to Developer with respect to such retained rights, interests, and/or obligations.

E. The Property will be developed in phases. Within each Phase there are any number of Commercial Units which may be separately owned. Upon approval by the City of any above described Assignment and Assumption Agreement, the assignee shall be responsible only for the obligations specifically assumed by the Commercial Unit Owner as applicable to the particular Commercial Unit or obligations expressly made applicable by this Agreement to a Commercial Unit or to a Commercial Unit Owner with respect to that owner's particular Commercial Unit, and the assignee shall not be liable for the obligations to the extent retained by Developer, assumed by any other assignees or subsequent owners, or applicable to other Commercial Units. Furthermore, any Default under this Agreement shall not constitute a default with respect to a Commercial Unit that has received a Final Inspection.

Section 42. Compliance with the State Subdivision Map Act.

Developer, and any approved successors-in-interest, transferees, purchasers, or assignees shall fully comply with all the provisions of the current State Subdivision Map Act (Section 66410, et seq. of the Government Code) as it pertains to the subdivision of property within the boundaries of the Project site or within the portion of the Project site owned by the particular successor-in-interest.

Section 43. Required Insurance.

City and Developer acknowledge that Developer is not a general contractor; does not have any employees; and will not be completing any of the works of improvement described in this Agreement. Developer shall engage a licensed General Contractor who shall be responsible for all development and construction of the Project and hiring and managing of subcontractors and material suppliers (hereinafter referred to as "**General Contractor**"). Developer shall

ensure that the General Contractor maintains all insurance requirements set forth below and it shall be Developer's responsibility to supply to City all appropriate evidence of City required insurance:

A. Minimum Scope and Limits of Insurance. At all times that the General Contractor is designing, engineering, or constructing any improvements that will become public improvements, General Contractor shall take out and maintain, or shall have maintained, insurance policies with coverage at least as broad as follows:

- (1) Commercial General Liability (CGL): Insurance Services Office (ISO) Form CG 0001 1207 covering CGL on an "occurrence" basis, including products-completed operations, personal and advertising injury, with limits no less than \$2,000,000 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 \$4,000,000.
- (2) Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Developer has no owned autos, hired (Code 8), and non-owned autos (Code 9), with a limit no less than \$1,000,000 per accident for bodily injury and property damage.
- (3) Workers' Compensation: as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with a limit of no less than \$1,000,000 per accident for bodily injury or disease. General Contractor's insurance policies shall be "occurrence" policies and not "claims-made" coverage.

General Contractor may maintain an Umbrella policy in conjunction with the insurance policies referenced above. In such case, General Contractor shall be deemed to have satisfied the insurance requirements of this contract as long as: (i) the coverage limits of the Umbrella policy and of the underlying liability policy(ies), when combined, satisfy each of the per occurrence and aggregate requirements identified in this Subsection A.; and (ii) coverage under the Umbrella policy is as broad as and includes all incidents and events covered by the underlying insurance that it supplements.

B. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by City. City may require the General Contractor 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. Alternatively, City may require the General Contractor to provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigations, claim administration, and defense expenses within the retention.

C. Other Insurance Provisions. The policies are to contain, or be endorsed to contain, the following provisions:

(1) General Liability and Automobile Liability Coverages.

- (a) City and its officers, officials, employees, and volunteers 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 Developer including materials, parts, or equipment furnished in connection with such work or operations; products used by the Developer; or automobiles owned, leased, hired or borrowed by the Developer. General liability coverage can be provided in the form of an endorsement to the Developer'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 coverage shall contain no special limitations on the scope of protection afforded to City, its officers, officials, employees or volunteers.
- (b) For any claims related to this Agreement, the General Contractor's insurance coverage shall be primary insurance and non-contributory with respect to City and its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by City and/or its officers, officials, employees, or volunteers shall be in excess of the General Contractor
- (c) Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to City, its officers, officials, employees or volunteers.
- (d) The General Contractor'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.

D. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

E. Verification of Coverage. Developer shall furnish City with original certificates and amendatory endorsements or copies of General Contractor's policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Developer's obligation to provide them. City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

F. Waiver of Subrogation. Developer shall ensure that General Contractor grants to City and its officers, officials, employees, and volunteers a waiver of any right to subrogation which any insurer of said General Contractor may acquire against City and/or its officers, officials, employees, and volunteers by virtue of the payment of any loss under such insurance. Developer shall ensure that General Contractor agrees to obtain endorsements necessary to effect this waiver of subrogation, and agrees that this provision applies regardless of whether or not City has received a waiver of subrogation endorsement from the insurer.

G. Special Risks or Circumstances. City reserves the right to modify the insurance requirements contained in this Agreement, including, without limitation, coverage limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances, including the length of this Agreement's term.

Section 44. Indemnification.

A. Indemnity.

(1) Except to the extent caused by the intentional misconduct or negligent acts, errors or omissions of City or one or more of City's officials, employees, agents, attorneys, and contractors (collectively, the "**City Affiliated Parties**") Developer agrees to indemnify, defend and hold harmless City and its elected or appointed officials, officers, employees, agents, representatives, independent contractors and volunteers (collectively the "**Indemnified Parties**") from and against all claims, demands, actions, injuries, liabilities, losses, costs or damages, direct or indirect, and any and all attorneys' fees and other expenses which the Indemnified Parties, or any of them, may sustain or incur as a consequence of or in any way related to Developer's negligence, recklessness, or willful misconduct or its failure to perform or comply with any of its obligations or responsibilities contained in this Agreement, including, without limitation, the design and construction of infrastructure improvements required pursuant to this Agreement or the Entitlements.

(2) Developer's obligation to indemnify Indemnified Parties for claims arising from Developer's simple negligence shall not survive the expiration or termination of this Agreement. Developer's obligation to indemnify Indemnified Parties for claims arising from Developer's gross negligence or willful misconduct shall, however, survive expiration or termination of this Agreement.

(3) Nothing in this Section 44 shall be construed to mean that Developer shall defend, indemnify, release or hold harmless the Indemnified Parties from any claims of personal injury, death or property damage arising from, or alleged to arise from: (i) maintenance or repair by Indemnified Parties of the infrastructure improvements for which City is responsible; or (ii) the Indemnified Parties' negligence or willful misconduct.

(4) Following the execution of an Assignment and Assumption Agreement in connection with a transfer concerning less than the entire Property, successor Developers of the resulting portions of the Property shall be severally, but not jointly, liable for "Developer's"

obligations under this Section 44 only to the extent that such obligations relate to their respective portions of the Property and are assumed in the respective Assignment and Assumption Agreement.

B. Attack of Proceedings. To the fullest extent permitted by law, Developer shall defend, indemnify, and hold harmless the Indemnified Parties, and each of them, from any claim, action, or proceeding against the Indemnified Parties, or any of them, to attack, set aside, void, or annul an approval of City of this Agreement, the FEIR, Entitlements, Tentative Map or any other approval required for development of the Project.

C. Effect of Insurance. Developer's obligation to defend, indemnify and hold the Indemnified Parties, and each of them, harmless under the provisions of this Section is not limited to or restricted by any requirement in this Agreement for Developer to procure and maintain a policy of insurance.

D. Defense of Claim. If any such claim, action, or proceeding is brought against the Indemnified Parties, or any of them, Developer shall, at City's election, defend City at Developer's sole expense by counsel satisfactory to City or, upon demand, pay any and all of City's legal fees should City elect to utilize its own legal counsel.

E. Notice of Claim. City shall promptly notify Developer of any claim, action, or proceeding against the Indemnified Parties, or any of them, relating to the performance, or omission to perform, any term or condition of this Agreement. The Indemnified Parties shall cooperate fully in the defense of such claim, action, or proceeding.

Section 45. California Tort Claims Act.

Notwithstanding any term or condition of this Agreement, the provisions of the California Tort Claims Act (Division 3.6 (commencing at section 810) of Title 1 of the Government Code) are not waived by City and shall apply to any claim against City arising out of any acts or conduct by any Party under the terms and conditions of this Agreement.

Section 46. Agreement is Entire Understanding and Conflict with Other Documents.

A. This Agreement, and the exhibits and attachments hereto, shall constitute the entire understanding and agreement of both Developer and City with respect to the subject matters contained herein; provided however, it is not the Parties' intent to amend or otherwise modify through this Agreement any other document or agreement by and between Developer and City. Likewise, this Agreement does not amend or otherwise modify any Entitlement set forth in another document.

B. In the event of a conflict between this Agreement and any other document setting forth the Entitlements, the terms and requirements of that other document will apply. To the maximum extent possible, the terms of this Agreement and of other documents relating to the Project will be interpreted in a complementary manner.

Section 47. Execution in Counterparts.

This Agreement may be executed in counterparts. Each such counterpart shall be deemed an original, but all such executed counterparts together shall constitute one and the same instrument.

Section 48. Notarized Signatures.

All signatures of representatives of City and Developer approving this Agreement shall be duly acknowledged by a Notary Public commissioned in the State of California.

Section 49. Notices.

Except as otherwise provided herein, all notices under this Agreement will be in writing and will be given by personal delivery; or by registered or certified U.S. mail, postage prepaid, return receipt requested; or by facsimile if transmitted by a machine that produces a transmission report verifying the date and time of transmission and the telephone number to which transmitted, and a confirming hard copy is mailed to the recipient; or by overnight delivery service that issues a receipt and addressed to the appropriate party as the address set forth below. Notice given (a) by personal delivery will be effective upon delivery, (b) by mail will be effective upon receipt or three (3) calendar days after the postmark date, whichever is earlier; (c) by facsimile will be effective on the date shown on the transmission receipt; and (d) by overnight service will be effective on the date of receipt:

For City:

City of Hanford
Attn: City Manager
319 N. Douty Street
Hanford, CA 93230
Telephone: (559) 585-2516
Email:
dpyle@ci.hanford.ca.us

For Developer:

198/43, LLC
Attn: John Kashian
265 E River Park Circle
Suite 465
Fresno, CA 93720
Telephone: (559)437-4812
Email:
jkashian@caddispropertiesllc.com

For Pinnacle Pointe:

Pinnacle Pointe, LLC
Attn: Rick Telegan
5 River Park Place East,
Suite 102
Fresno, CA 93720
Telephone: (559) 434-0334
Email:
Fresno3rdM@aol.com

Any notice to be delivered to Developer and Pinnacle Pointe, notifying Developer and Pinnacle Pointe of the date, time and place of a hearing wherein the City will consider a discretionary development application, as referenced in Section 21, shall be delivered to Developer and Pinnacle Pointe by email, not less than forty-eight (48) hours prior to the date and time set for such consideration.

Section 50. Captions.

Headings or captions to the provisions of this Agreement are solely for the convenience of the Parties, are not part of this Agreement, and shall not be used to interpret or determine the validity of this Agreement. Any ambiguity in this Agreement shall not be construed against the drafter, but rather the terms and provisions hereof shall be given a reasonable interpretation as if both Parties had in fact drafted this Agreement.

Section 51. Numbers and Gender.

In this Agreement, the neuter gender includes the feminine and masculine, and the singular includes the plural, the word "person" includes corporations, partnerships, firms or associations, wherever the context so requires.

Section 52. Mandatory and Permissive.

"Shall," "will," and "agrees" are mandatory. "May" is permissive.

Section 53. Attorney Preparation.

Each party hereto represents and warrants that each of them has read, knows, and understands the contents of this Agreement and has executed this document knowingly, willingly, and voluntarily, and has been represented by counsel throughout the negotiations resulting in this Agreement. The Parties intend and agree that the provisions of this Agreement shall be interpreted fairly and evenly by the courts, and shall not be interpreted strictly for or against any Party hereto.

Section 54. Authority.

All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, estates or firms represented or purported to be represented by such entity(s), person(s), estate(s) or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Each Party to this Agreement further represents that by entering into this Agreement, such Party is not, and shall not be, in breach of the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

Section 55. Exhibits and Attachments.

The following documents are referred to in this Agreement and are attached hereto and incorporated herein:

1. Exhibit "A" – Legal Description
2. Exhibit "B" - Council Resolution Approving PUD
3. Exhibit "C" –Council Resolution Approving Tentative Map
4. Exhibit "D" – Partial Lacey Abandonment
5. Exhibit "E" – Illustration Utility Poles on Existing Lacey to be Undergrounded
6. Exhibit "F" – Lacey/43 Improvements
7. Exhibit "G" – Remnant Parcels
8. Exhibit "H" – Capital Facilities Fees
9. Exhibit "I" – Assignment and Assumption Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

[Signatures Contained on Following Page]

CITY OF HANFORD

By: _____
GARY PANNETT
Mayor

Date _____

Attest:

By: _____
JENNIFER GOMEZ
City Clerk

Date _____

Approved as to Form:

GRISWOLD, LaSALLE, COBB,
DOWD & GIN, L.L.P., City Attorney

By: _____
TY N. MIZOTE

Date _____

198/43, LLC
a California limited liability company

By: Its Managing Partner,

CADDIS PROPERTIES, LLC,
a California limited liability company

JOHN KASHIAN, President and CEO

Date: _____

Approved as to Form:

POWELL AND POOL, LLP, Attorneys for Developer

By: _____
MICHAEL SLATER

Date: _____

LANDOWNER CONSENT:

Pinnacle Pointe, LLC, the current landowner of the Property and member of 198/43 LLC, the Developer, has reviewed and hereby approves, and otherwise consents to the terms and conditions of this Agreement.

PINNACLE POINTE, LLC,
a California limited liability company

By: _____ Date: _____
RICK TELEGAN, Manager

By: _____ Date: _____
LEE J. KOLLIGIAN, Manager

Exhibit "A"

The land referred to is situated in the City of Hanford, County of Kings, State of California, and is described as follows:

THE NORTHEAST QUARTER OF SECTION 32, TOWNSHIP 18 SOUTH, RANGE 22 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE CITY OF HANFORD, COUNTY OF KINGS, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT TOWNSHIP PLAT APPROVED MARCH 31, 1855; EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE STATE OF CALIFORNIA FOR HIGHWAY PURPOSES BY DEED RECORDED JANUARY 26, 1962, IN BOOK 799 AT PAGE 889, OF OFFICIAL RECORDS.

EXCEPTING THEREFROM ANY PORTION OF THE ABOVE DESCRIBED PROPERTY LYING WITH THE LAND CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED IN BOOK 570 PAGE 505 OF OFFICIAL RECORDS OF KINGS COUNTY, CALIFORNIA.

ALSO EXCEPTING THEREFROM ANY OF THE ABOVE DESCRIBED LAND LYING SOUTHERLY OF THE NORTHERLY LINE OF THAT PORTION OF SAID LAND CONVEYED TO THE STATE OF CALIFORNIA FOR HIGHWAY PURPOSES BY DEED RECORDED JANUARY 26, 1962, IN BOOK 799, AT PAGE 889, OF OFFICIAL RECORDS.

TOGETHER WITH THAT PORTION OF THE NORTHEAST QUARTER OF SAID SECTION 32, TOWNSHIP 18 SOUTH, RANGE 22 EAST, MOUNT DIABLO BASE AND MERIDIAN AS DESCRIBED IN THAT CERTAIN DEED FROM THE STATE OF CALIFORNIA TO MARY P. SILVA, A WIDOW AND OLIMPIA B. FAGUNDES, AN UNMARRIED WOMAN, AS JOINT TENANTS, RECORDED MAY 18, 1962 IN BOOK 808 AT PAGE 571 OF OFFICIAL RECORDS OF KINGS COUNTY, CALIFORNIA DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 32 WITH THE SOUTHLINE OF THE NORTH 50 FEET OF SAID SECTION 32; THENCE (1), ALONG SAID SOUTH LINE, SOUTH 89°37'22" EAST, A DISTANCE OF 1886.66 FEET; THENCE (2), SOUTH 85°03'33" EAST, A DISTANCE OF 540.44 FEET; THENCE (3) SOUTH 87°49'25" EAST, A DISTANCE OF 159.26 FEET; THENCE (4), SOUTH 4°44'49" WEST, A DISTANCE OF 20.24 FEET; THENCE (5), SOUTHERLY ALONG A TANGENT CURVE CONCAVE WESTERLY WITH A RADIUS OF 602 FEET, THROUGH AN ANGLE OF 6°47'58", AN ARC DISTANCE OF 71.44 FEET TO THE SOUTHERLY BOUNDARY OF THE LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED DECEMBER 3, 1953 IN BOOK 570 AT PAGE 505 OF OFFICIAL RECORDS OF KINGS COUNTY, CALIFORNIA; THENCE ALONG SIDE SOUTHERLY BOUNDARY, THE FOLLOWING COURSES: (6) FROM A TANGENT WHICH BEARS NORTH 40°44'06" WEST, NORTHWESTERLY ALONG A CURVE CONCAVE SOUTHWESTERLY WITH A RADIUS OF 175 FEET, THROUGH AN ANGLE OF 39°48'41", AN ARC DISTANCE OF 121.60 FEET; (7) NORTH 80°32'47" WEST, A DISTANCE OF 235.69 FEET; (8) NORTH 89°37'22" WEST, A DISTANCE OF 2167.34 FEET; (9) SOUTH 30°23'23" WEST, A DISTANCE OF 87.75 FEET TO THE WEST LINE OF SAID SECTION 32; THENCE (10), ALONG SAID WEST LINE, NORTH 0°18'36" EAST, A DISTANCE OF 128.64 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION.

ALSO TOGETHER WITH THE RIGHT TO USE THE WELL, PUMP, AND ANY CONNECTING PIPELINE TO IRRIGATE SAID LAND FROM THE LAND OWNED BY ELSIE LAVARIO, A SINGLE WOMAN NOT BEING CONVEYED TO HEREIN.

APN: 016-060-021-000

EXHIBIT “B”

Council Resolution Approving PUD

EXHIBIT “C”

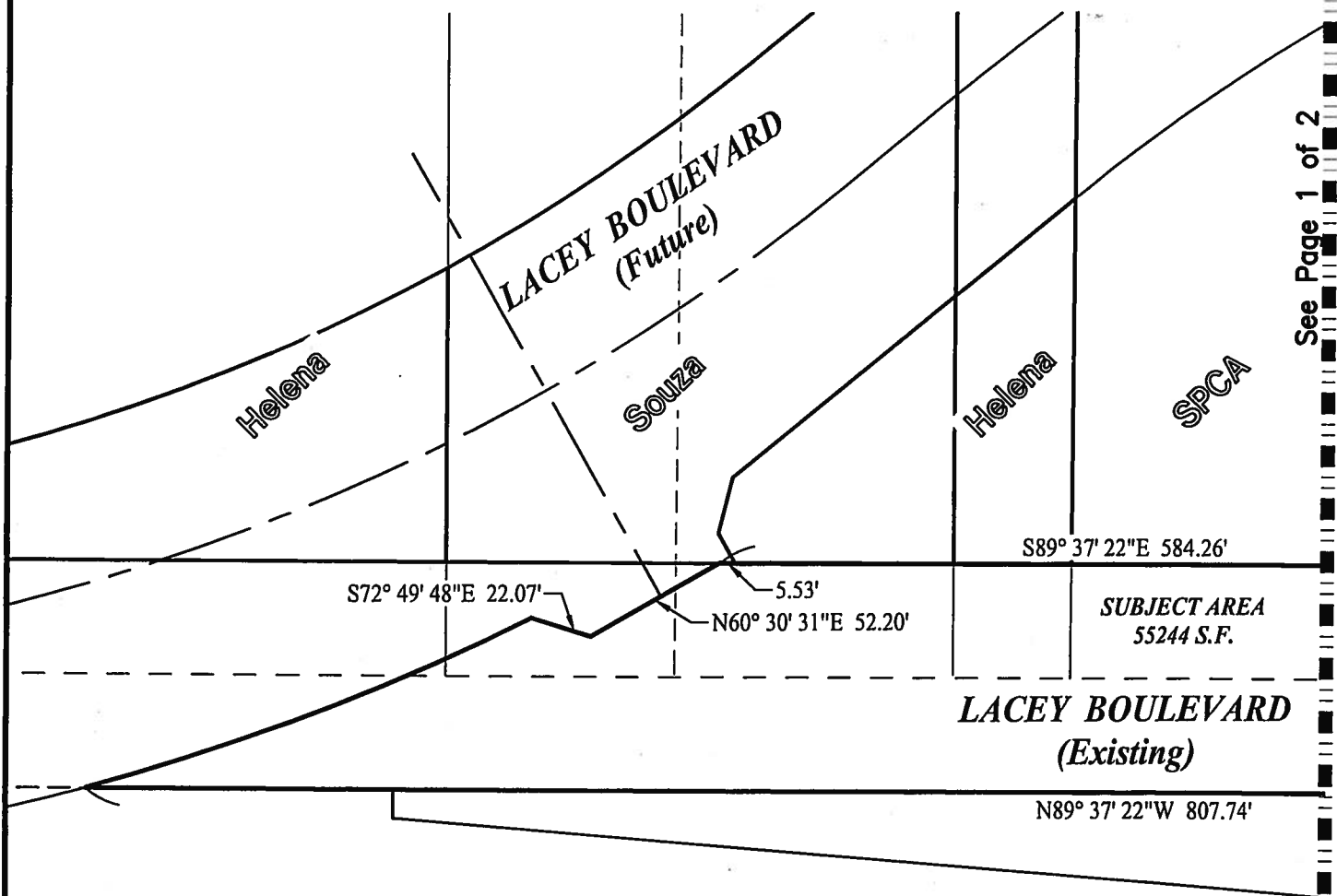
Council Resolution Approving Tentative Map



SCALE 1" = 60'

EXHIBIT D-1

BOUNDARY PER PRELIMINARY TITLE REPORT
BY CHICAGO TITLE COMPANY #042315075
DATED NOVEMBER 26, 2013.



See Page 1 of 2

CML ENGINEERS

**ZUMWALT
HANSEN &**

LAND SURVEYORS

609 N. Irwin St.
Hanford, CA 93232
Office: (559) 582-1056
Fax: (559) 584-4143

Partial Lacey Boulevard Abandonment & Relinquishment Exhibit

Job No. 0632322
Drawn By: JTB
Checked By: JZ
Indexed By:
Date: 06/19/2014

Sheet No.

1 of 3



EXHIBIT D-2

BOUNDARY PER PRELIMINARY TITLE REPORT
BY CHICAGO TITLE COMPANY #042315075
DATED NOVEMBER 26, 2013.

SCALE 1" = 60'

See Page 2 of 2

Pinnacle
Pt.

S89° 37' 22"E 584.26'

SUBJECT AREA
55244 S.F.

LACEY BOULEVARD
(Existing)

N89° 37' 22"W 807.74'

80.00'
S0° 22' 38"W

Highway 43

CIVIL ENGINEERS

ZUMWALT
HANSEN &

LAND SURVEYORS

609 N. Irwin St.
Hanford, CA 93232
Office: (559) 582-1056
Fax: (559) 584-4143

Partial Lacey Boulevard
Abandonment & Relinquishment
Exhibit

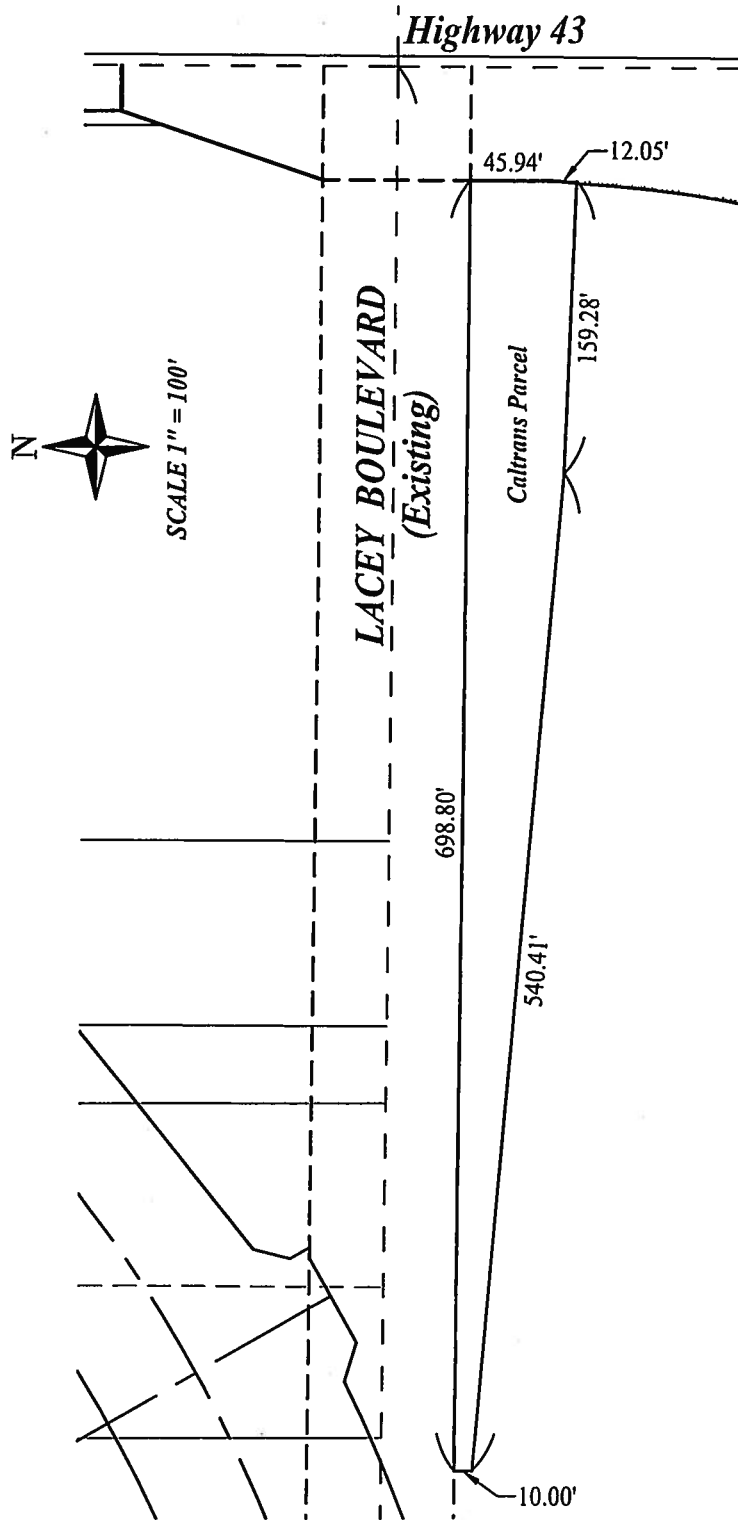
Job No. 0632322
Drawn By: JTB
Checked By: JZ
Indexed By:
Date: 06/19/2014

Sheet No.

2 of 3

EXHIBIT D-3

BOUNDARY PER PRELIMINARY TITLE REPORT
BY CHICAGO TITLE COMPANY #042315075
DATED NOVEMBER 26, 2013.



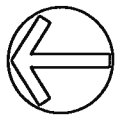
CIVIL ENGINEERS
ZUMWALT
HANSEN &
LAND SURVEYORS

609 N. Irwin St.
Hanford, CA 93232
Office: (559) 582-1056
Fax: (559) 584-4143

**Partial Lacey Boulevard
Abandonment & Relinquishment
Exhibit**

Job No. 0632322
Drawn By: JTB
Checked By: JZ
Indexed By:
Date: 06/19/2014

Sheet No.
3 of 3



SCALE 1" = 200'

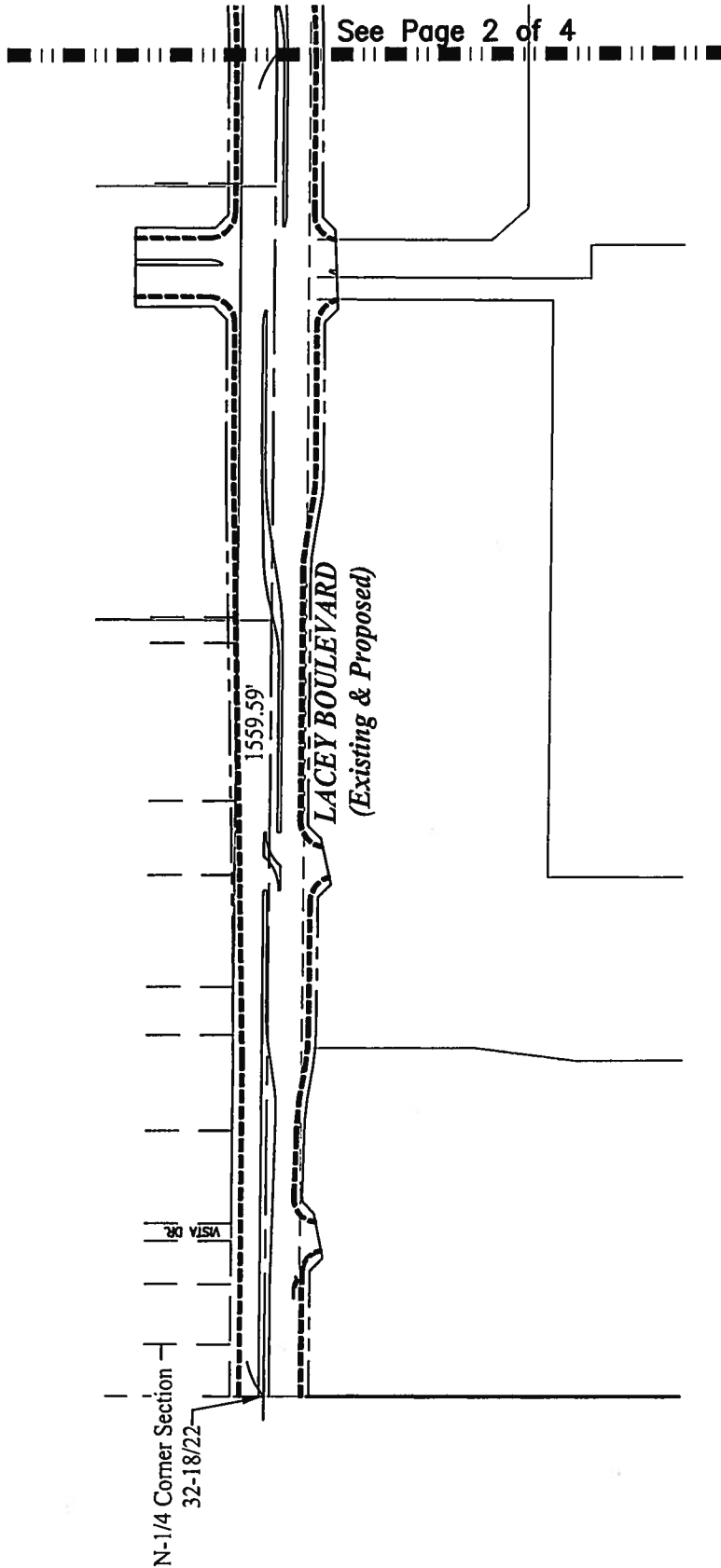


EXHIBIT F-1

Sheet No.

1 of 4

Job No. 0632322

Drawn By: JTB

Checked By: JZ

Indexed By:

Date: 06/19/14

Lacey Boulevard / Highway 43 Improvements Exhibit

609 N. Irwin St.
Hanford, CA 93232
Office: (559) 582-1056
Fax: (559) 584-4143

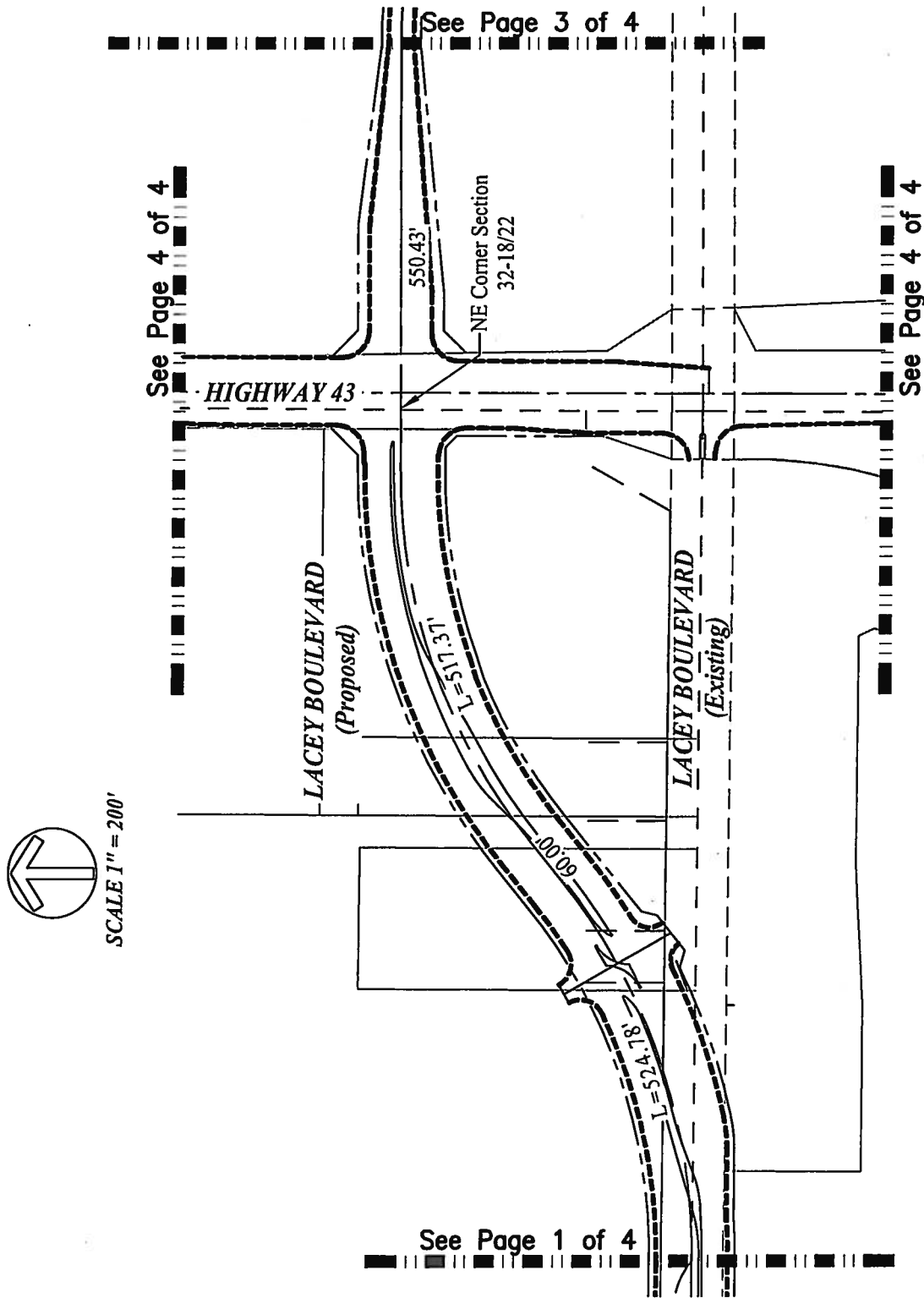
CIVIL ENGINEERS

ZUMWALT

HANSEN &

LAND SURVEYORS

EXHIBIT F-2



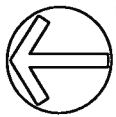
Job No. 0632322
 Drawn By: JTB
 Checked By: JZ
 Indexed By: _____
 Date: 06/19/14

Sheet No.
 2 of 4

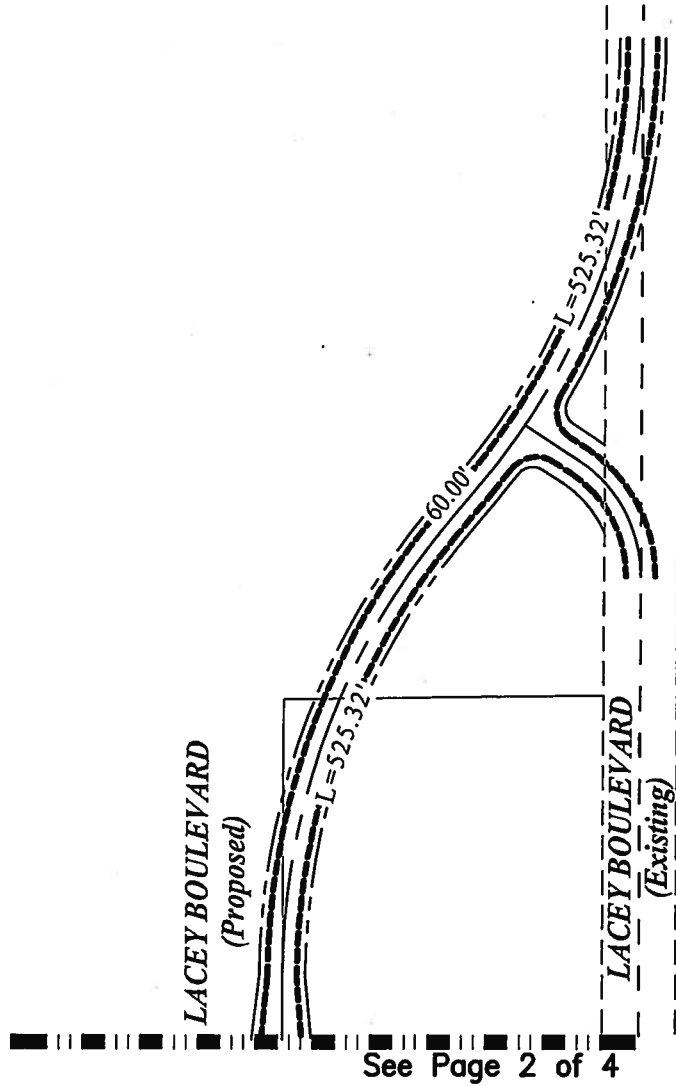
Lacey Boulevard / Highway 43 Improvements Exhibit

CIVIL ENGINEERS
ZUMWALT
HANSEN &
LAND SURVEYORS
 609 N. Irwin St.
 Hanford, CA 93232
 Office: (559) 582-1056
 Fax: (559) 584-4143

EXHIBIT F-3



SCALE 1" = 200'



Sheet No.

3 of 4

Job No. 0632322

Drawn By: JTB

Checked By: JZ

Indexed By:

Date: 06/19/14

Lacey Boulevard / Highway 43
Improvements Exhibit

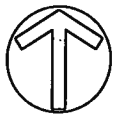
609 N. Irwin St.
Hanford, CA 93232
Office: (559) 582-1056
Fax: (559) 584-4143

CIVIL ENGINEERS

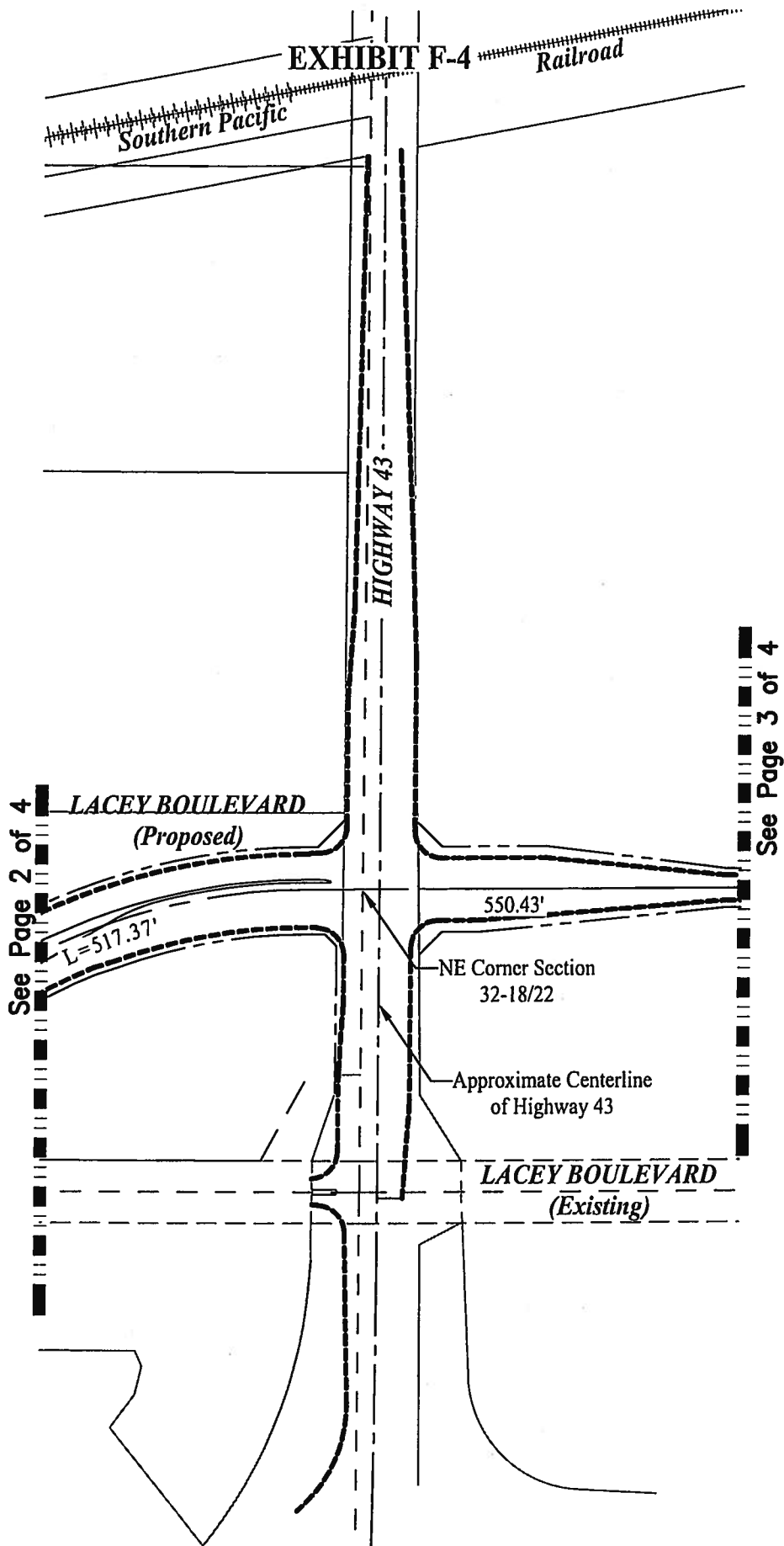
ZUMWALT

HANSEN &

LAND SURVEYORS



SCALE 1" = 200'



Job No. 0632322
Drawn By: JTB
Checked By: JZ
Indexed By:
Date: 06/19/14

Sheet No.
4 of 4

Lacey Boulevard / Highway 43
Improvements Exhibit

609 N. Irwin St.
Hanford, CA 93232
Office: (559) 582-1056
Fax: (559) 584-4143

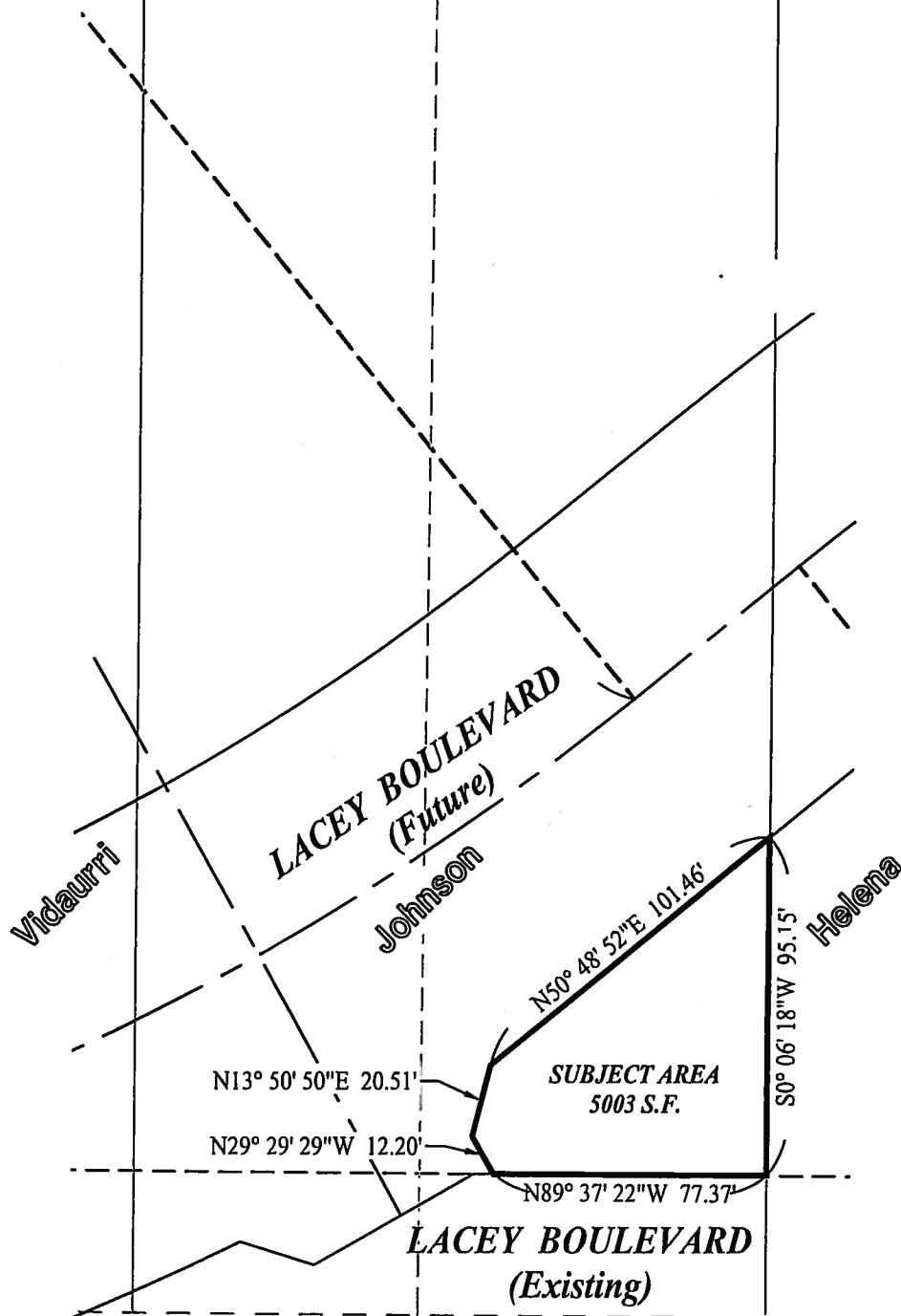
CIVIL ENGINEERS
**ZUMWALT
HANSEN &**
LAND SURVEYORS



SCALE 1" = 50'

EXHIBIT G-1

BOUNDARY PER PRELIMINARY TITLE REPORT
BY CHICAGO TITLE COMPANY #042315075
DATED NOVEMBER 26, 2013.



A.P.N. 014-251-051

CIVIL ENGINEERS
ZUMWALT
HANSEN & ASSOCIATES
LAND SURVEYORS

609 N. Irwin St.
Hanford, CA 93232
Office: (559) 582-1056
Fax: (559) 584-4143

Remnant Parcels
Exhibit

Job No. 0632322
Drawn By: JTB
Checked By: JZ
Indexed By:
Date: 06/19/2014

Sheet No.

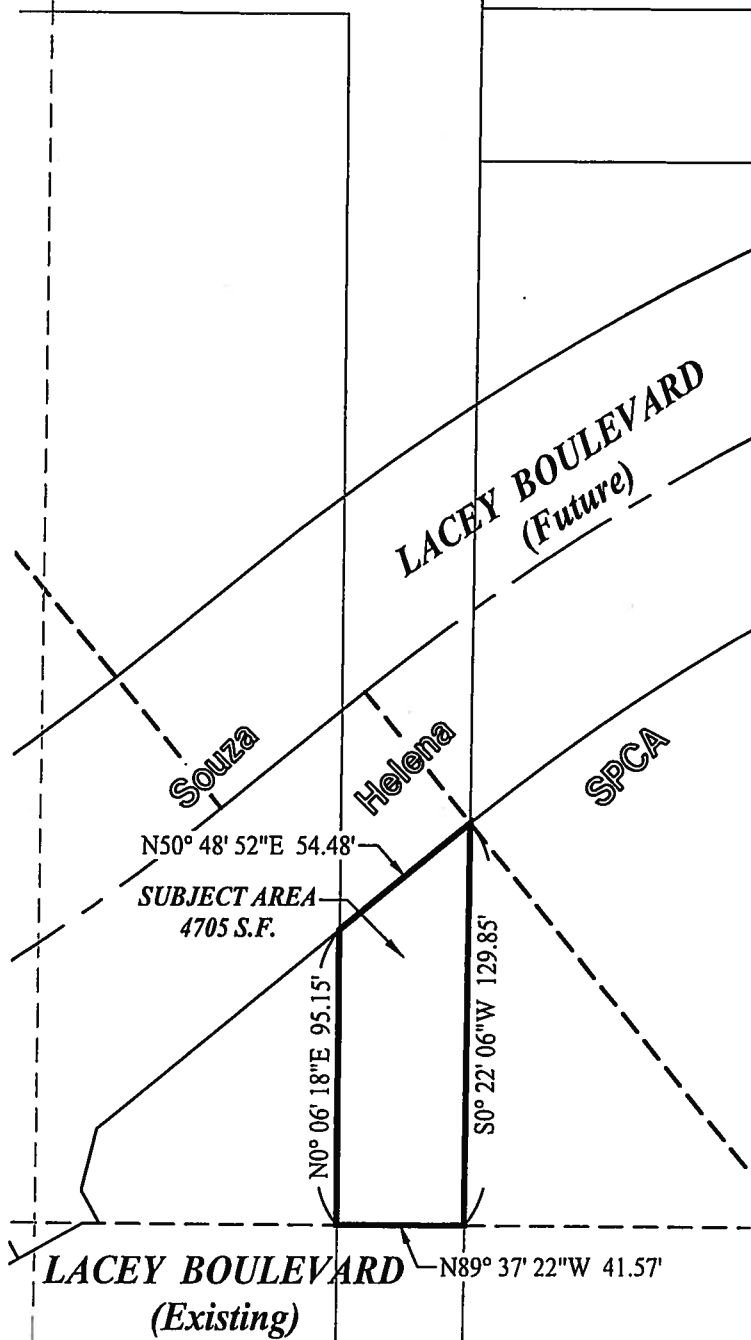
1 of 3



SCALE 1" = 60'

EXHIBIT G-2

BOUNDARY PER PRELIMINARY TITLE REPORT
BY CHICAGO TITLE COMPANY #042315073
DATED NOVEMBER 26, 2013.



A.P.N. 014-251-049

CML ENGINEERS

**ZUMWALT
HANSEN &**

LAND SURVEYORS

609 N. Irwin St.
Hanford, CA 93232
Office: (559) 582-1056
Fax: (559) 584-4143

**Remnant Parcels
Exhibit**

Job No. 0632322

Drawn By: JTB

Checked By: JZ

Indexed By:

Date: 06/19/2014

Sheet No.

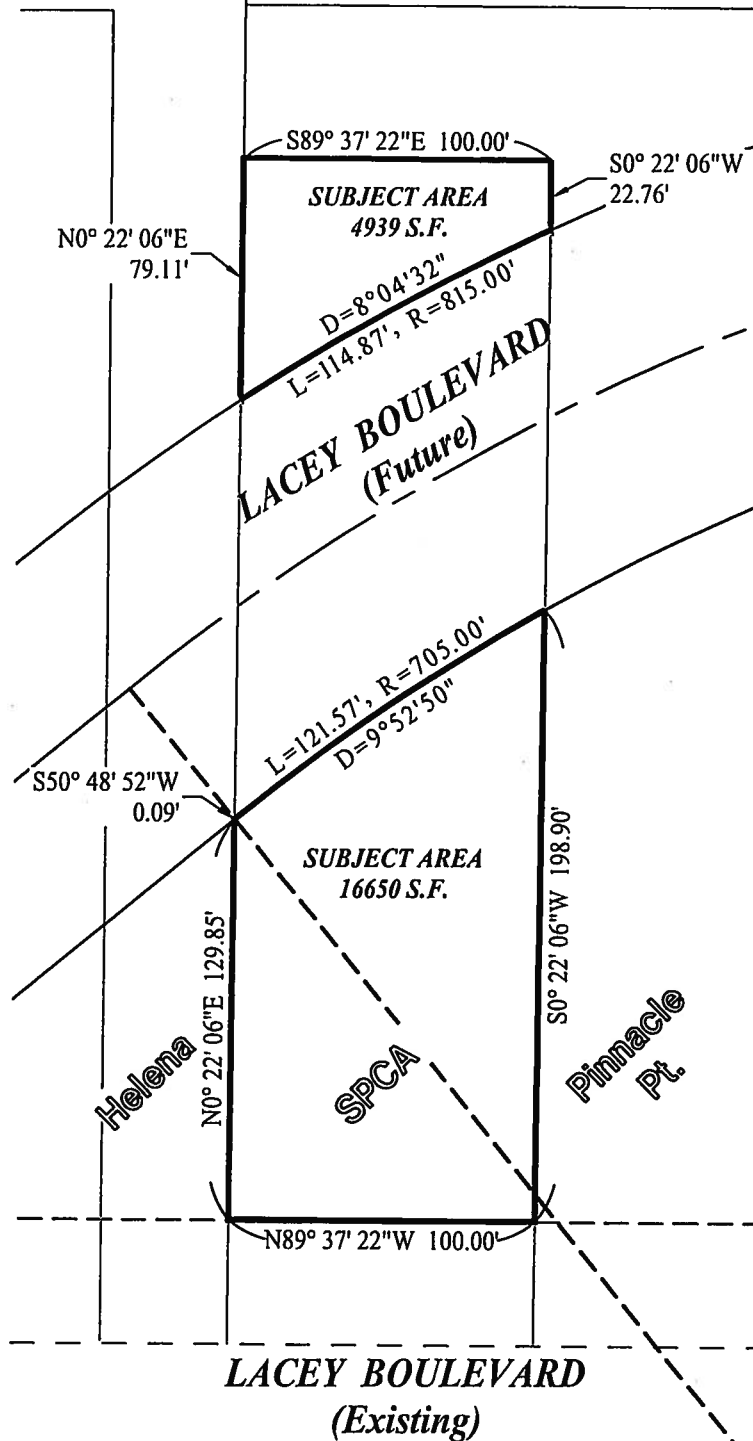
2 of 3



SCALE 1" = 60'

EXHIBIT G-3

BOUNDARY PER PRELIMINARY TITLE REPORT
BY CHICAGO TITLE COMPANY #042315065
DATED NOVEMBER 26, 2013.



A.P.N. 014-251-023

CIVIL ENGINEERS
ZUMWALT
HANSEN &
LAND SURVEYORS

609 N. Irwin St.
Hanford, CA 93232
Office: (559) 582-1056
Fax: (559) 584-4143

Remnant Parcels
Exhibit

Job No. 0632322
Drawn By: JTB
Checked By: JZ
Indexed By:
Date: 06/19/2014

Sheet No.

3 of 3

Exhibit “H” – Capital Facilities Fees

Costco Parcels:

Fire Impact Fee:	\$0.1923 / SF	
Police Impact Fee:	\$0.3671 / SF	
Water Impact Fee:	\$0.8542 / SF	
Wastewater Impact Fee:	\$0.9365 / SF	
9 th Avenue Benefit District Fee:	\$1,337.60 / AC	
Traffic Impact Fee:	\$7,816.37 / 1,000 SF	
Refuse and Recycling Impact Fee:	Rear-load refuse truck	\$73.02/cu.yd./week
	Rear-load dumpster cost:	1cu.yd. = \$341.66
		2cu.yd. = \$409.48;
		3cu.yd. = \$502.75

Total Refuse and Recycling Development Impact Fee is contingent on projected service needs.

Developer Parcels:

Fire Impact Fee:	\$0.5688 / SF	
Police Impact Fee:	\$0.3671 / SF	
Water Impact Fee:	\$1.0372 / SF	
Wastewater Impact Fee:	\$1.1372 / SF	
9 th Avenue Benefit District Fee:	\$1,337.60 / AC	
Traffic Impact Fee:	\$11,018.41 / 1,000 SF	
Refuse and Recycling Impact Fee:	Rear-load refuse truck	\$73.02/cu.yd./week
	Rear-load dumpster cost:	1cu.yd. = \$341.66
		2cu.yd. = \$409.48;
		3cu.yd. = \$502.75

Total Refuse and Recycling Development Impact Fee is contingent on projected service needs.

ENVIRONMENTAL DOCUMENT

**DISTRIBUTED SEPARATELY
INCORPORATED BY REFERENCE**

James H. Eric Freedner
11157 Leadwell Street
Sun Valley, CA 91352

(818) 982-2174 or (310) 553-8533
Freedner@sbcglobal.net

June 30, 2014

Received

JUL - 2 2014

City of Hanford
Community Development Department
Ms. Melody N. Haigh, Senior Planner
317 N. Douty Street
Hanford, CA 93230

City of Hanford
Community Development

Re: Highway 43 – 198 Commercial Center Project
APN: 016-060-021

Dear Ms. Haigh:

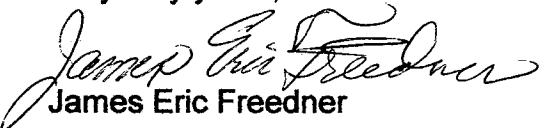
As your office may already be aware, the undersigned is the owner of three lots in close proximity to the proposed shopping center and apartments on East Lacey Boulevard, specifically a house at 9971 Vista Avenue (Lot 11), the adjoining vacant lot (Lot 29) and water well lot (Lot 31). These are along Vista Avenue to the immediate north of the proposed project.

Despite the issuance of a final environmental impact report, I continue to have concerns about this project. The first is whether use of the open space as a high-density residential and commercial development would adversely affect the underground water table on which I, and others living north of Lacey Boulevard, depend for our primary water source. This includes possible contamination from sales of gasoline within the planned development. We are not within the City of Hanford and get no benefits from city water or other services.

The scope of the project appears to be too large for the general area which historically has been agricultural with small commercial uses along Lacey Boulevard. It should be "scaled down" to reasonably fit within the current mix of commercial, residential and agricultural lands in the close proximity. Specifically, I remain concerned about vehicular traffic, lighting, and the influx of pedestrians very near or upon our lands. The proposed uses of the commercial center project (including, supposedly, a Costco big-box store) will forever change the character of our properties from rural-like (despite a commercial zoning) to urban.

For these reasons I still oppose the project and certification of the final EIR, general plan amendment, rezoning, planned unit development, vesting tentative parcel map and development agreement as currently proposed. Kindly enter this letter with the comments on the final EIR on July 8 or at any adjournment or continuation thereof.

Very truly yours,


James Eric Freedner

RESOLUTION NO. 14-37-R

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD
CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT PREPARED
FOR THE HIGHWAY 43/198 COMMERCIAL CENTER LOCATED AT THE
SOUTHWEST CORNER OF LACEY BOULEVARD AND STATE HWY 43.**

STATE CLEARINGHOUSE #2012061013

WHEREAS, pursuant to the requirements of the California Environmental Quality Act (CEQA), the City of Hanford prepared an initial study for the Highway 43/198 Commercial Center, which consists of a commercial development with approximately 500,000 square feet and required the following entitlements: General Plan Amendment, Re-Zone, Planned Unit Development, Tentative Parcel Map and Development Agreement; and,

WHEREAS, concurrently with the preparation of the Initial Study, and pursuant to the requirements of CEQA, the City of Hanford prepared a Notice of Preparation (NOP), which was sent to the State Clearinghouse to solicit statewide agency participation in determining the scope of the Draft Environmental Impact Report (Draft EIR); and,

WHEREAS, the NOP was released for a 30 day period, during which the NOP was also posted at the Kings County Clerk and the State Clearinghouse; and

WHEREAS, the Draft Environmental Impact Report (Draft EIR) was released on October 1, 2013, for circulation for a 45-day public comment period; and,

WHEREAS, the City of Hanford prepared written responses to all comments received on the Draft EIR and compiled those comments into a Final EIR, which was completed in accordance with CEQA and was distributed to the commenting agencies and individuals on June 27, 2014; and,

WHEREAS, the Final Environmental Impact Report consisted of the Draft EIR and the revisions of or additions to, the Draft EIR, the written comments, responses to comments by the City of Hanford to significant environmental points raised in the review and consultation process, errata to the foregoing and other information added by the City of Hanford as specified in the EIR; and,

WHEREAS, the Planning Commission held a public hearing on the proposed project and the Final EIR on July 8, 2014, took public comment and recommended that the City Council certify the Final EIR by adopting Resolution 2014-09; and,

WHEREAS, no additional public comment has been received since the public hearing by the Planning Commission and prior to the proceeding to consider this Resolution; and,

WHEREAS, the City Council of the City of Hanford has reviewed and considered the Final EIR prepared for the Highway 43/198 Commercial Center in its entirety, and has determined that it reflects the independent judgment of the City of Hanford; and,

WHEREAS, the City Council of the City of Hanford is required under CEQA to adopt all feasible mitigation measures or feasible project alternatives that can substantially lessen or avoid any significant project related effects; and,

WHEREAS, some of the Project's significant environmental effects remain significant and unavoidable despite the adoption of the mitigation measures; and,

WHEREAS, because the adoption of all feasible mitigation measures cannot substantially lessen or avoid all significant effects on the environment that will result from the project, the City Council must consider the alternatives as set forth in the Final EIR that will have less impact on the environment than the proposed project; and,

WHEREAS, the City Council of the City of Hanford has determined that for the reasons set forth in the Final EIR, the project is the preferred alternative and that the other alternatives considered are not feasible, do not lessen the impacts or they fail to meet the objectives of the project; and,

WHEREAS, the City Council of the City of Hanford is required by Public Resources Code Section 21081.6(a) to adopt a Mitigation Monitoring and Reporting Program prepared in accordance with the CEQA Guidelines Section 15097 to ensure mitigation measures are carried out; and,

WHEREAS, because the adopted mitigation measure have not fully mitigated all identified significant environmental effects that may result from the proposed project, CEQA requires that the City Council adopt a Statement of Overriding Considerations for those unavoidable effects; and,

WHEREAS, the City Council of the City of Hanford determines that it is appropriate to certify the Final EIR and to adopt the Findings of Fact and Statement of Overriding Consideration pursuant to the requirements of CEQA; and,

WHEREAS, as required by CEQA, the City Council will adopt Finding of Fact and Statement of Overriding Consideration due to the Final EIR's identification of significant and unavoidable effects to Greenhouse Gases, Noise and Traffic and cumulative impacts to Air Quality and Conversion of Farmland; and,

NOW, THEREFORE, BE IT RESOLVED, that the City Council finds that the Highway 43/198 Commercial Center, Final Environmental Impact Report, SCH 2012061013 was prepared in compliance with the California Environmental Quality Act.

BE IT FURTHER RESOLVED, that the City Council certifies Final Environmental Impact Report, SCH 2012061013, prepared for the Highway 43/198 Commercial Center based

on the Findings of Fact contained in Attachment 1 hereto, the following specific findings and the evidence in the record:

1. That full and fair public hearings have been held on the Final Environmental Impact Report and the City Council having considered all comments received thereon, said Final Environmental Impact Report is hereby determined to be adequate and complete; and said Environmental Impact Report, SCH#2012061013 is hereby incorporated herein by reference.
2. That the City Council hereby determines that the Final Environmental Impact Report, SCH #2012061013 has been prepared in compliance with the California Environmental Quality Act (CEQA) and the state and local environmental guidelines and regulations, that is has independently reviewed and analyzed the information contained therein, including the written comments received during the EIR review period and the oral comments received at the public hearing; and that the Final EIR represents the independent judgment of the City of Hanford, as the Lead Agency for the project.
3. That the City Council does hereby find and recognize that the Final Environmental Impact Report, SCH #20 12061013, contains additions, clarifications, modifications and other information in its responses to comments on the Draft EIR and also incorporates text changes to the Draft EIR based on information obtained by the City since the Draft EIR was issued. The City Council does hereby find and determine that such changes and additional information are not significant new information as that term is defined under the provisions of the California Environmental Quality Act because such changes and additional information do not indicate that any new or increased significant environmental impacts, not already evaluated, would result from the project; no feasible mitigation measures considerably different from those previously analyzed in the Draft EIR have been proposed that would lessen significant environmental impact of the project, and no feasible alternatives considerably different from those analyzed in the Draft EIR have been proposed that would lessen the significant impacts of the project.
4. That the City Council does hereby make the following findings of fact attached to this resolution as Attachment 1, which includes a Statement of Overriding Considerations with respect to the unavoidable significant effect on the environmental resulting from the project, as identified in the Final Environmental Impact Report, SCH #2012061013 with the stipulation that all the information in these findings is intended as a summary of the full administrative record supporting the Final Environmental Impact Report.
5. MITIGATION MONITORING PROGRAM- Attached to this resolution as Attachment 2, and incorporated and adopted as part of this resolution herein is the Mitigation and Monitoring Program for the Project. The program identifies the impacts of the project and corresponding mitigation measures and designates responsibility for monitoring the implementation of the identified mitigation measures to ensure they are carried out as intended.

BE IT FURTHER RESOLVED that the City Council of the City of Hanford adopts the Statement of Overriding Considerations for the project contained in Attachment 1. In adopting

the Statement of Overriding Consideration, the City Council hereby finds that the Project has eliminated, or substantially lessened all significant effects on the environmental where feasible, and finds that the remaining significant unavoidable impacts resulting from the project are acceptable in light of the environmental, economic, social or other considerations set forth herein because the benefits of the project outweigh the significant and adverse effects to Greenhouse Gases, Noise and Traffic and cumulative impacts to Air Quality and Conversion of Farmland identified in the Final Environmental Impact Report and in Attachment 1.

BE IT FURTHER RESOLVED that the City Council of the City of Hanford hereby determines that the EIR prepared for the Highway 43/198 Commercial Center is adequate and complete pursuant to the requirements of the California Environmental Quality Act and so certifies it.

Passed and adopted at a special meeting of the City Council of the City of Hanford, held on the 24th day of July 2014, by the following votes:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

APPROVED: _____
Gary Pannett, Mayor

ATTEST: _____
Jennifer Gomez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss
CITY OF HANFORD)

I, Jennifer Gomez, City Clerk of the City of Hanford, do hereby certify the foregoing Resolution was duly passed and adopted at a special meeting of the City Council of the City of Hanford held on the 24th day of July 2014.

Dated: _____
Jennifer Gomez, City Clerk

ATTACHMENT 1
FINDING OF FACT
AND
STATEMENT OF OVERRIDING CONSIDERATIONS

CITY OF HANFORD
COMMUNITY DEVELOPMENT DEPARTMENT

Highway 43/198
Commercial Center Project

FINDINGS OF FACT AND
STATEMENT OF OVERRIDING CONSIDERATIONS
(PUBLIC HEARING DRAFT)

JULY 16,2014

CITY OF HANFORD
COMMUNITY DEVELOPMENT DEPARTMENT

Highway 43/198
Commercial Center Project

FINDINGS OF FACT AND
STATEMENT OF OVERRIDING CONSIDERATIONS
(PUBLIC HEARING DRAFT)

JULY 16,2014

PREPARED FOR:
CITY OF HANFORD
COMMUNITY DEVELOPMENT DEPARTMENT
317 NORTH DOUTY STREET
HANFORD, CA 93230
PH: 559.585.2580

BY:
VALLEY PLANNING CONSULTANTS, INC.
1625 HOWARD ROAD, #387
MADERA, CA 93637
PH: 559.675.8724

TABLE OF CONTENTS

1	Introduction	
1.1	Project Description	1-2
1.2	CEQA Process	1-3
1.2.1	Notice of Preparation.....	1-3
1.2.2	DraftEIR.....	1-3
1.2.3	Final EIR.....	1-3
1.2.4	Public Hearing and Final EIR Certification.....	1-4
1.3	Document Organization	1-4
2	Project Impacts Findings	
2.1	Findings Regarding Independent Review and Judgment.....	2-1
2.2	Findings Regarding the Project.....	2-1
2.3	Findings Regarding Significant Effects Mitigated to Less Than Significant Levels	2-2
2.3.1	Air Quality	2-2
2.3.2	Biological Resources.....	2-3
2.3.4	Hazards and Hazardous Materials.....	2-10
2.3.6	Noise.....	2-12
2.3.8	Transportation / Traffic.....	2-14
2.3.3	Cultural Resources.....	2-10
2.3.5	Hydrology and Water Quality.....	2-12
2.3.7	Public Facilities and Services.....	2-13
2.4	Findings Regarding Significant and Unavoidable Effects	

2-17

2.4.2	Noise	2-22
2.4.4	Agricultural /Farmland Resources.....	2-33
3.1	No Project Alternative.....	3-1
		3.2
		3.3

Smaller Planned Commercial Project Alternative Slightly Larger All
Planned Commercial Project. Grangeville at Highway 43 Planned
Commercial Center would be Eventually Developed Alternative

3-2

3-3

3.4	Slightly Larger All Planned Commercial Project. Grangeville Does Not Develop as Planned Commercial, but as Service Commercial, Community Commercial and Neighborhood Commercial Alternative	3-4
3	Statement of Overriding Considerations	
4.1	Significant Unavoidable Impacts.....	4-1
4.1.1	AirQuality.....	4-1
4.1.2	Noise.....	4-1
4.1.3	Transportation / Traffic.....	4-1
4.1.4	Agricultural / Farmland Resources.....	4-3
4.2	Overriding Considerations	4-3
2.4.1	Air Quality	2-17
2.4.3	Transportation / Traffic.....	2-22
4	Project Alternative Findings	

1 INTRODUCTION

The California Environmental Quality Act (CEQA) Guidelines, California Public Resources Code Section 21000 et seq., require the decision-makers of a project to make certain determinations before it can approve or carry out a project if the project environmental impact report (EIR) reveals that the project will result in one or more significant environmental impacts. Upon approving a project for which a certified Final EIR has identified significant environmental effects, the decision-makers must make one or more specific written "findings" identified in Section 15091(a) of the *CEQA Guidelines* for each of the identified significant impacts. If there remains significant environmental effects even with the adoption of feasible mitigation measures or alternatives, the decision-makers of the project must adopt a "statement of overriding considerations" before it can proceed with the project. These overriding considerations may be based on economic, legal, social, technological, or other benefits of the project.

This document presents the "Findings of Fact and Statement of Overriding Considerations" that must be made by the City of Hanford pursuant to the requirements of Section 15091 and 15093, respectively of the *CEQA Guidelines* prior to the approval of the Highway 431/98 Commercial Center Project, herein referenced as the "Project".

Pursuant to *CEQA Guidelines* Section 15093(a), if the benefits of a proposed project outweigh the unavoidable adverse effects, the adverse environmental effects may be considered "acceptable". *CEQA Guidelines* Section 15093(b) requires that where the decision of the public agency allows the occurrence of significant effects which are identified in the EIR, but are not at least substantially mitigated, the agency shall state in writing the specific reasons to support its action based on the Project EIR and / or information in the record.

D **The Project EIR** is comprised of the October 3, 2013 *Highway 431/98 Commercial Center Project Draft EIR* and the June __, 2014 *Highway 431/98 Commercial Center Project Final EIR*.

D **The Project Record** consists of the following information incorporated by reference and made part of the Project "Record" supporting the Project "Findings":

- The Project application and all studies submitted on the Project.
- *Highway 431/98 Commercial Center Project Notice of Preparation of an Environmental Impact Report;*
- *Highway 431/98 Commercial Center Project Draft Environmental Impact Report;*
- *Highway 431/98 Commercial Center Project Final Environmental Impact Report;*
- *Highway 431/98 Commercial Center Project Mitigation Monitoring and Reporting Program*

- These Findings adopted in connection with the Project and Project EIR.
- All testimony, documentary evidence and all correspondence submitted to or delivered to the City of Hanford in connection with the Project and / or Project EIR.
- All staff reports, memoranda, maps, letters, minutes of public meetings and other documents relied upon or prepared by City of Hanford staff or consultants relating to the Project and / or Project EIR.
- All matters of common knowledge to the City of Hanford staff, Planning Commission and / or City Council including, but not limited to, the City of Hanford General Plan, policies, ordinances and standards.

1.1 PROJECT DESCRIPTION

The Project is located on 58 acres (Kings County Assessor Parcel Number 016-060-021) of land within the City of Hanford on the southwest corner of East Lacey Blvd. and SR 43 (annexed October 7, 1987). State Route 198 borders the southern side of the Project site and East Lacey Blvd. forms the northern Project boundary. East of the site are a service station with mini-mart and an agricultural equipment sales yard. To the north are industrial land uses, commercial and residential land uses. West of the site are single-family residential uses in an older residential subdivision. The City considers this site an infill parcel as it is surrounded by land developed to an urban scale on three sides with the fourth side being SR 198 – an urban four-lane freeway.

City sewer and water facilities located in East Lacey Blvd. can serve the Project site to meet domestic demand. Additional supply will be required to meet fire flow requirements of the Project. Storm drainage is currently contained on-site. East Lacey Blvd. will serve the Project site to the north. East Lacey Blvd. is an arterial street in the City of Hanford General Plan, which will ultimately be constructed as four lanes plus turn lanes and/or medians to serve adjoining land uses. Site access will be provided via three driveways on East Lacey Boulevard. No access will be allowed to SR 43 or SR 198. The Project will include landscape along SR 43 and SR 198 to replace the OC zoning requirements as part of the Project Planned Development Master Plan.

The Project includes map and text amendments to the City of Hanford General Plan, a rezone, planned development, tentative parcel map, and the construction of infrastructure improvements to support the development of the Project. In addition to the approvals of the City of Hanford for development, other permits from local, regional, state and federal agencies may be required including, but not limited to, encroachment permits from California Department of Transportation, NPDES permit, wastewater discharge permit, grading permit, building permits and other development-specific permits will be sought by the Project applicant, developer and/ or successors-in-interest at the time of development.

The Project will provide commercial building area totaling approximately 499,000 (498,624) square feet to be constructed in four phases based on market demand. The buildings will consist of two anchors, several majors and number of other pads (some of which are expected to be fast-food, fast-casual, and sit-down restaurants). The Project site will be subdivided into 27 parcels and will include a 5± acre drainage basin.

A detailed Project description is provided in Section 3, Project Description of the Project EIR.

1.2 CEQA PROCESS

The City of Hanford analyzed the Project on the basis of the CEQA statutes and the *CEQA Guidelines*. The City of Hanford determined that the Project could have potentially significant effects on the environment, including significant effects that cannot be avoided. The Project EIR is comprised of the October 3, 2013 Draft EIR and the June __, 2014 Final EIR.

1.2.1 Notice of Preparation

A Notice of intent to prepare an Environmental Impact Report (NOP) identifying the Project and the scope of environmental issues to be included in the EIR was distributed to state, regional and local agencies on June 5, 2012 for a 30-day review and comment period. The 30-day public comment period ended on July 5, 2012. The NOP was distributed in particular to governmental agencies, organizations, the State Clearinghouse, and persons interested in the proposed Project requesting their input on the scope and content of the environmental information that should be addressed in the EIR. A Notice of Availability of the Project NOP was sent to property owners within 500 feet of the Project and the Notice of Availability and was published in the Hanford Sentinel.

The Hanford Community Development Department held a Scoping Meeting on July 18, 2012 to take comments regarding the scope of the EIR in response to the NOP.

1.2.2 Draft EIR

The October 1, 2013 Draft EIR assessed the potential environmental impacts of implementing the proposed Project. The Draft EIR was distributed to the general public, responsible and trustee agencies, and other interested organizations and agencies for review and comment on the adequacy of the environmental analysis. Additionally, the Draft EIR was made available for public review at several locations including the local public library, City offices and on the City's website. The Draft EIR was circulated for 45 days beginning October 1, 2014 and ending on November 14, 2014.

1.2.3 Final EIR

The Final EIR, prepared in accordance with the *CEQA Guidelines* and applicable California Public Resources Codes, is an informational document that must be provided by the lead agency before considering the proposed Project. The City of Hanford reviewed the comments and recommendations received on the Draft EIR for the proposed Project and prepared written responses to the comments and recommendations received. Where warranted, the City has revised the Draft EIRs pursuant to the comments and recommendations received.

In accordance to Section 15132(a) of the *CEQA Guidelines*, the Draft EIR (including its appendices) has been incorporated by reference into the Final EIR. The Final EIR together with the Draft EIR (including its appendices) constitutes the Final EIR for the Project.

The Final EIR was made available to commenting agencies, organizations and general public a minimum of 10 days prior to a hearing by the City of Hanford Planning Commission to consider the adequacy of the Project EIR in accordance with the CEQA and City guidelines. As required under *CEQA Guidelines* Sections 15087 and 15088.5(d), the City sent a Notice of Availability (NOA) identifying the availability of the Final EIR to all public agencies, organizations and members of the

public who were on the City's distribution list for the Project's Draft EIR. Any person, organization or public agency that requested copies of the EIR for the Project were also provided with a copy of the Final EIR.

1.2.4 Pubic Hearing and Final EIR Certification

Upon review of the Project and the Final EIR, the City of Hanford Planning Commission, at a public hearing on July 8, 2014 recommended to the City of Hanford City Council to certify the Final EIR and to approve the Project. The City of Hanford City Council reviewed the Project, Final EIR, and the City of Hanford's Planning Commission recommendations at a public hearing on July 8, 2014 with public testimony to decide whether to certify the Final EIR and whether to approve or deny the proposed Project. On _____, 2014 the City of Hanford City Council certified the Final EIR for the Project.

1.3 DOCUMENT ORGANIZATION

This Findings of Fact and Statement of Overriding Considerations document is comprised of four sections as follows:

Section 1, Introduction provides a brief Project description, the CEQA process and overview of the contents of this document.

Section 2, Project Impact Findings summarizes the potentially significant and significant environmental effects of the Project and evaluates them in relationship to the findings set forth in Section 15091(a) of the *CEQA Guidelines*.

Section 3, Project Alternative Findings presents alternatives to the Project and evaluates them in relation to the findings set forth in Section 15091(a) of the *CEQA Guidelines*.

Section 4, Statement of Overriding Considerations presents a statement of overriding considerations that is required in accordance with Section 15093 of the *CEQA Guidelines* for significant impacts of the Project that cannot be mitigated to a less than significant level.

2 PROJECT IMPACT FINDINGS

The CEQA requires the lead agency to make written findings of project impacts whenever it decides to approve a project for which an EIR has been certified. Pursuant to CEQA Guidelines, Section 15091, the lead agency must consider and make findings when a project would involve environmental effects identified in the Project EIR as significant. Section 15091 of the CEQA Guidelines requires that one or more findings be made for each of the identified significant impacts. These findings, in part, pursuant to CEQA Guidelines Section 15091(a) include and are limited to the following:

1. "Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR.
2. "Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
3. "Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the final EIR."

The "changes or alterations" referred to in the CEQA Guidelines may be mitigation measures, alternatives to the project, or changes to the project by the project proponent.

The Final EIR identifies mitigation measures that will reduce significant effects of the Project or avoid or minimize environmental effects, as required by CEQA Guidelines Section 15021. These mitigation measures will be incorporated into the design of the Project. A Mitigation Monitoring and Reporting Program for the Project has been adopted to ensure that the mitigation measures identified in the Final EIR will be implemented.

2.1 FINDINGS REGARDING INDEPENDENT REVIEW AND JUDGMENT

Each member of the City of Hanford City Council was provided a complete copy of the Final EIR for the Project. The City of Hanford City Council hereby finds that the Final EIR reflects its independent judgment. The City of Hanford City Council also finds that the Council has independently reviewed and analyzed the Final EIR prior to taking final action with respect to the Project.

2.2 FINDINGS REGARDING THE PROJECT

Having reviewed and considered the information contained in the Final EIR, the Findings, Facts in Support of the Findings, Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program, the City of Hanford City Council finds that the Project, as described in the Final EIR, is an appropriate use and development of the Project site.

2.3 FINDINGS REGARDING SIGNIFICANT EFFECTS MITIGATED TO LESS THAN SIGNIFICANT LEVELS

The *City* of Hanford *City* Council hereby determines that, for the following effects, mitigation measures included in the Final EIR will mitigate the effects of the Project to a less than significant level.

2.3.1 Air Quality

Project construction activities will generate emissions that could temporarily adversely affect sensitive receptors in the Project area. (Impact 4.2.2.a)

Fugitive dust emissions will occur during each phase of the Project construction activities. Fugitive dust will occur during the mass and fine grading and pad preparation as well as the excavation of the drainage basin. All piping installation methods will involve some earth disturbance thereby generating fugitive dust emissions. The final construction process in each phase of the Project will include application of architectural coatings and asphalt paving, both of which will generate reactive organic gas (ROG) emissions. This impact is considered potentially significant.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(1) that changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Facts in Support of Findings:

- Pursuant to Mitigation Measure 4.2.2.a (1), the Project developer will prepare a Dust Control Plan for submission to San Joaquin Valley Air Pollution Control District (SJVAPCD). Prior to initiation of any phase of the Project where grading, excavation, demolition or construction is undertaken, a Dust Control Plan *will* be approved by SJVAPCD. The Dust Control Plan will be provided to all contractors working on the construction of the Project or on off-site infrastructure improvements (City of Hanford will include in any Plans and Specifications for off-site improvements) which includes, but not limited to, the following SJVAPCD Regulation VIII standard requirements:
 - a) All disturbed areas, including storage piles, which are not being actively utilized for construction purposes, shall be effectively stabilized to reduce dust emissions using water, chemical stabilizer / suppressant, or vegetative ground cover.
 - b) All on-site unpaved roads and off-site unpaved access routes shall be effectively stabilized to reduce dust emissions using water or chemical stabilizer / suppressant.
 - c) All land clearing, grubbing, scraping, excavation, land leveling, grading, cut and fill, and demolition activities shall be effectively controlled to reduce fugitive dust emissions utilizing applications of water or presoaking.
 - d) When materials are transported off-site, all material shall be covered, effectively wetted to limit visible dust emissions, or at least six (6) inches of freeboard space from the top of the container shall be maintained.
 - e) All operations shall be limited or expeditiously remove the accumulation of mud or dirt from adjacent public roads at least once every 24 hours when operations are

occurring- the use of dry rotary brushes is expressly prohibited except where preceded or accompanied by sufficient wetting to limit visible dust emissions and the use of blower devices is expressly forbidden.

- f) Following the addition of materials to, or the removal of materials from, the surface of outdoor storage piles, said piles shall be effectively stabilized for fugitive dust emissions utilizing sufficient water or chemical stabilizer / suppressant.
 - g) The requirements of SJVAPCD Rule 8041 – Carryout and Trackout shall be strictly adhered to by all contractors working on the Project site or in the public right-of-way.
 - h) The speed of construction vehicles on unpaved vehicle and equipment traffic areas shall be limited to a maximum of 15 miles per hour or less.
 - i) Erosion control measures shall be installed to prevent silt runoff to public roads.
 - j) All construction equipment used in the construction of the Project shall use only Tier 3 Off-Road Diesel Engine Emissions Standards or cleaner construction equipment.
- Pursuant to Mitigation Measure 4.2.2.a (2), the Project developer will designate a person or persons to direct and monitor the Dust Control Plan measures. Their duties will include weekends and holidays when work may not be in progress. The name and telephone number(s) of such person(s) will be provided to the San Joaquin Valley Air Pollution Control District, City of Hanford, and posted at the Project site, clearly visible to the public prior to the commencement of any Project grading, excavation, demolition or construction activity.
 - Pursuant to Mitigation Measure 4.2.2.a (3), the Project developer or successors in interest, or Project contractor will be responsible for payment of applicable fees pursuant to San Joaquin Valley Air Pollution Control District (SJVAPCD) Rule 3135 (Dust Control Plan Fee) to cover the cost for reviewing plans and conducting construction activity compliance inspections by SJVAPCD.
 - Project compliance with Mitigation Measures 4.2.2.a (1) through and including 4.2.2.a (3) will reduce the impact to a less than significant level.

2.3.2 Biological Resources

Project implementation and / or construction activities could affect federally or state listed, candidate or special status animal species. (Impact 4.3.2.b)

San Joaquin kit fox has been reported in the vicinity of the Project site and it is conceivable that individual kit foxes may pass through and possibly forage on the Project site from time to time during regular dispersal movements. Should a kit fox be present on the Project site at the time of construction, construction -related activities could cause kit fox mortality. This impact is considered potentially significant.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(1) that changes or alterations have been required in, or incorporated into, the

Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Facts in Support of Findings:

- Pursuant to Mitigation Measure 4.3.2.b (1), the Project developer will retain a qualified biologist to conduct preconstruction / preactivity surveys for San Joaquin kit fox not less than **14** days and no more than 30 days prior to the on-set of Project ground disturbance and / or construction activities or any Project activity likely to affect the San Joaquin kit fox (i.e., re-alignment or widening of Lacey Boulevard). These surveys will be conducted in accordance to the methods described in United States Fish and Wildlife Service's (USF\VS) Standardized Recommendations for Protection of the San Joaquin Kit Fox. The primary objective of the survey will be to identify kit fox habitat features (e.g., potential dens and refugia) on the Project site and evaluate their use by kit foxes.

If an active kit fox den is detected within or within 200 feet of the construction area, the USF\VS will be contacted immediately to determine the best course of action.

Should a kit fox be found using the Project site during preconstruction surveys, the Project developer will avoid the habitat occupied by the kit fox and the Sacramento Field Office of the USF\VS and the Fresno Office of the California Department of Fish and Wildlife will be notified in writing.

Prior to the start of construction, the Project developer will retain a qualified biologist to conduct a tailgate meeting to train all construction staff on the San Joaquin kit fox. The training will include: a description of the kit fox and its habitat needs; a report of the occurrence of kit fox in the Project area; an explanation of the status of the species and its protection under the endangered species act; and a list of the measures being taken to reduce impacts to the species during Project construction and implementation.

The Project developer will notify the Sacramento Field Office of the United States Fish and Wildlife Service and the Fresno Field Office of the California Department of Fish and Wildlife in writing within three (3) working days in case of the accidental death of or injury to a San Joaquin kit fox during Project related activities. Notification will include the date, time, location of the incident or of the finding of a dead or injured animal, and any other pertinent information.

- Pursuant to Mitigation Measure 4.3.2.b (2), permanent and temporary construction activities and other types of Project-related activities shall be carried out in a manner that minimizes disturbance to San Joaquin kit foxes. Minimization measures include, but not limited to: restriction of Project-related vehicle traffic to established roads, construction areas, and other designated areas; inspection and covering of structures (e.g., pipes), as well as installation of escape structures, to prevent the inadvertent entrapment of kit foxes; and proper disposal of food items and trash.

Prior to the start of construction, the Project developer will retain a qualified biologist to conduct a tailgate meeting to train all construction staff on the San Joaquin kit fox. The training will include: a description of the kit fox and its habitat needs; a report of the

occurrence of kit fox in the Project area; an explanation of the status of the species and its protection under the endangered species act; and a list of the measures being taken to reduce impacts to the species during Project construction and implementation.

The Project developer will notify the Sacramento Field Office of the United States Fish and Wildlife Service and the Fresno Field Office of the California Department of Fish and Wildlife in writing within three (3) working days in case of the accidental death of or injury to a San Joaquin kit fox during Project related activities. Notification will include the date, time, location of the incident or of the finding of a dead or injured animal, and any other pertinent information.

- Project compliance with Mitigation Measures 4.3.2.b (1) and 4.3.2.b (2) will reduce the impact to a less than significant level.

Project implementation will conflict with an adopted City policy to preserve existing mature trees. (Impact 4.3.2.f)

Removal of mature red gum eucalyptus trees along East Lacey Boulevard conflicts with the City of Hanford General Plan Policy OCR 7.6, which states the City will "[p]romote the preservation of existing mature trees..." This impact is considered potentially significant.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(1) that changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Facts in Support of Findings:

- Pursuant to Mitigation Measure 4.3.2.f (1), the Project landscape plan will compensate for the loss of mature red gum eucalyptus tree by providing red gum eucalyptus tree replacement plantings (replacement trees that within the City right-of-way or have a root system that may encroach into the City right-of-way must be from the City's approved Street Tree List) at a 4:1 ratio for each existing mature eucalyptus tree removed. Replacement trees will be planted according to the landscaping plan for each phase of development as approved by the City for each phase of development a mature red gum eucalyptus tree is lost. The replacement tree will be a minimum 24-inch box size and will all be planted on-site in a similar straightway or grove-like configuration. The replacement trees will not be planted within 100 feet of existing or planned residential uses or under or within 100 feet of overhead utilities. The replacement plantings will not count towards meeting the minimum tree planting requirements for the Project as specified by City Ordinance. All replacement trees will be monitored for at least five (5) years after planting with each phase of development to ensure the success of the new tree planting. If a tree dies during this period, the tree will be replaced and the replacement tree will be monitored for an additional five (5) years.
- (a) Maintenance of the replacement trees will be secured by a security bond by the developer to warranty tree survival and replacement should a tree(s) fail prior to the expiration of the 5 year warranty period. The required security for trees within a phase

will be provided to the City as a condition of issuance of a Certificate of Occupancy for the first business within that phase. For example, the security for all trees to be planted in association with Phase 1 will be provided to the City as a condition of the City's issuance of a Certificate of Occupancy for the first business opening with Phase 1

- Project compliance with Mitigation Measure 4.3.2.f (1) will reduce the impact to a less than significant level.

Project construction could result in the loss of possible breeding habitat and the mortality of burrowing owls. (Impact 4.3.2.g)

Ground squirrel borrows observed along the fringes of the Project site provide suitable den habitat and surrounding agricultural lands provide suitable foraging habitat for burrowing owls. Grading activity on the Project site could potentially result in the mortality of individual owls, nest destruction, and / or abandonment. This impact is considered to be potentially significant.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(1) that changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Facts in Support of Findings:

- Pursuant to Mitigation Measure 4.3.2.g (1), the Project developer will retain a qualified biologist to conduct a pre-construction survey for burrowing owls within 30 days of the onset of each phase of construction. This survey will be conducted according to methods described in the California Department of Fish and Wildlife (CDFW) Staff Report on Burrowing Owl Mitigation. All suitable habitats of the study area will be covered during this survey.

If a pre-construction survey is undertaken during the breeding season (February 1 through August 31) and active nest burrows are located within or within 220 meters (656 feet) of a construction zones the Project developer will install a construction- free buffer in accordance with the California Department of Fish and Game (CDFG) Staff Report on Burrowing Owl Mitigation around all active nests. The buffer areas will be enclosed with temporary fencing, and construction equipment and workers will not enter the enclosed setback areas. Buffers will remain in place for the duration of the breeding season. After the breeding season (i.e., once all young have left the nest), the Project developer is required to passively relocate of any remaining owls may take place in accordance with the California Department of Fish and Game (CDFG) Staff Report on Burrowing Owl Mitigation.

During the non-breeding season (September 1 through January 31), the Project developer will relocate resident owls occupying burrows in areas proposed for development in accordance with the California Department of Fish and Game (CDFG) Staff Report on Burrowing Owl Mitigation to an alternative habitat. The relocation of resident owls will be according to a relocation plan prepared by a qualified biologist. Passive relocation will be the preferred method of relocation. The relocation plan will

provide for the owl's relocation to nearby lands possessing available nesting and foraging habitat.

- Project compliance with Mitigation Measure 4.3.2.g **(1)** will reduce the impact to a less than significant level.

Project construction could result in the loss of possible breeding and foraging habitat and the mortality of raptors and other migratory birds. (Impact 4.3.2.h)

Trees located on and adjacent to the Project site provide potential nesting habitat for Swainson's hawks. Project-related activities occurring in or near potential nest trees could result in the abandonment of active Swainson's hawk nests or direct mortality to these birds, should they be nesting in them at the start of Project construction. This impact is considered to be potentially significant.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(1) that changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Facts in Support of Findings:

- Pursuant to Mitigation Measure 4.3.2.h (1), the Project developer will conduct a preconstruction survey for all nesting birds by a qualified biologist no more than **10** days prior to the start of the of the Project and that the surveys be conducted in a sufficient area around the work site to identify any nests that are present and to determine their status. Start of the Project means the onset of any Project land clearing, grubbing, scraping, excavation, land leveling, grading, cut and fill, tree removal or demolition activities should such activities commence during the breeding season (February 1 through September 15). A sufficient area means any nest within an area that could potentially be affected by the Project. In addition to direct impacts, such as nest destruction, nests might be affected by noise, vibration, odors, and movement of workers or equipment. Identified nests will be continuously surveyed for the first 24 hours prior to any construction related activities to establish a behavioral baseline. Once work commences, all nests will be continuously monitored to detect any behavioral changes as a result of the Project. If behavioral changes are observed, the work causing that change will cease and the Department consulted for additional avoidance and minimization measures.

If continuous monitoring of identified nests by a qualified wildlife biologist is not feasible, the Department also recommends a minimum no-disturbance buffer of 250 feet around active nests of non-listed bird species and a 500-foot no-disturbance buffer around the nests of unlisted raptors until the breeding season has ended, or until a qualified biologist has determined that the birds have fledged and are no longer reliant upon the nest or parental care for survival. Variance from these no disturbance buffers may be implemented when there is compelling biological or ecological reason to do so, such as when the Project area would be concealed from a nest site by topography. Any variance from these buffers is advised to be supported by a qualified wildlife biologist

and it is recommended the California Department of Fish and Wildlife be notified in advance of implementation of a no disturbance buffer variance.

The survey will be conducted in all areas within 250 feet of construction disturbance that provide potential habitat for any nesting bird to the greatest extent feasible and practical following the Swainson's Hawk Technical Advisory Committee survey methods.

Should any bird be determined to be nesting in these areas, the biologist will consult with California Department of Fish and Wildlife (CDFW) to identify a suitable construction-free buffer around the nest. The buffer will be identified on the ground with flagging or fencing and will be maintained until the end of the breeding season, or until a qualified biologist determines that all young have fledged and are no longer reliant upon the nest or parental care for survival.

If no active nests are found during the nesting season, the biologist will provide the applicant / developer with a report identifying the survey protocol and summarizing results. This report will be retained by the applicant / developer as well as on the Project site by the Project contractor so that if CDFW inquires about possible impacts to nesting raptors and / or song birds, the report would be available for CDFW review.

- Project compliance with Mitigation Measure 4.3.2.h (1) will reduce the impact to a less than significant level.

Project construction could result in the disturbance of maternal roosting bats and mortality bats and morality of juvenile bats. (Impact 4.3.2.i)

The eucalyptus trees on the Project site provide potential roosting habitat for bats, including special status bats such as the pallid bat and hoary bat. Project development will require the removal of these trees. The removal of the trees could result in disturbance to maternal roosting bats. Impacts to maternal roosts have the potential to result in the mortality of juvenile bats. This impact is considered to be potentially significant.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(1) that changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Facts in Support of Findings:

- Pursuant to Mitigation Measure 4.3.2.i (1), within 30 days prior to Project construction activities that may disturb the eucalyptus trees, the Project developer will retain a qualified biologist shall survey the trees for the presence of bats. The biologist will look for individuals, guano, staining, and vocalization by direct observation and, if needed, waiting for nighttime emergence. The survey will be conducted during the time of year when bats are active, between April 1 and September 15. If construction is planned outside of this timeframe (September 16 through March 31), the survey will be conducted in September prior to demolition. If no bats are observed to be roosting or breeding, then no further action will be required, and construction can proceed.

If a non-breeding bat colony is found in a disturbance area, the individuals will be humanely evicted by the Project developer via the partial dismantlement of the trees prior to demolition under the direction of a qualified biologist to ensure that no harm or "take" will occur to any bats as a result of construction activities. If a maternity colony is detected, the Project developer will install a construction-free buffer around the colony and remain in place until the biologist has been deemed that the nursery is no longer active. The construction free buffer will range from 50 to 100 feet as determined by the qualified biologist.

- Project compliance with Mitigation Measure 4.3.2.i (1) will reduce the impact to a less than significant level.

Project construction could result in the degradation of water quality in seasonal creeks and downstream waters. (Impact 4.3.2.k)

Extensive grading often leaves the soils of construction zones barren of vegetation and, therefore, vulnerable to erosion. Eroded soil can be carried as sediment in seasonal creeks to be deposited in creek beds and wetlands. This impact is considered to be potentially significant.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(1) that changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Facts in Support of Findings:

- Pursuant to Mitigation Measure 4.3.2.k (1), the Project developer will prepare a Stormwater Pollution Prevention Plan (SWPPP) in compliance with State Water Resource Control Board General Permit for Discharge of Stormwater Runoff Associated with Construction Activity (General Construction Permit) and comply with the requirements of the General Construction Permit. To comply with the General Construction Permit, the Project developer will file a Notice of Intent and SWPPP with the Central Valley Regional Water Quality Control Board prior to Project construction activity involving any earth disturbing activity. The SWPPP will be current at all times during Project construction and a copy of the SWPPP will remain on the Project site during Project construction.

The Project developer will file a Notice of Intent (NOI) to comply with State Water Resources Control Board's General Waste Discharge Requirements for Discharge to Land with a Low Threat to Water Quality and Discharge Monitoring Plan (DMP) with the Central Valley Regional Water Quality Control Board prior to Project construction activity involving any excavation activity. The Permit will be current at all times during Project construction and a copy of the DMP will remain on the Project site during Project construction.

- Project compliance with Mitigation Measure 4.3.2.k (1) will reduce the impact to a less than significant level.

2.3.3 Cultural Resources

Project construction activities could result in the disturbance of previously unknown subsurface cultural resources. (Impact 4.4.2.a)

Grading and excavation activities on the Project site could unearth, damage or destroy as of yet undiscovered prehistoric or historic cultural resources. Grading and excavation activities on the Project site could also unearth buried human remains. This impact is considered potentially significant.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(1) that changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Facts in Support of Findings:

- Pursuant to Mitigation Measure 4.4.2.a (1), in the event a previously unknown archaeological or paleontological resource is discovered during any land alteration activities, all grading and construction activity will immediately cease within 500 feet of the discovery and the City of Hanford will be notified.

The owner / successor in interest will retain a qualified cultural resource specialist to perform necessary investigations to determine the significance of the find. The City of Hanford will implement prescribed measures deemed appropriate by cultural resources specialist for recordation and / or protection of the cultural resources.

- Pursuant to Mitigation Measure 4.4.2.a (2), should any human remains be discovered at any time, all work is to stop and the County Coroner must also be immediately notified pursuant to the State Health and Safety Code, Section 7050.5 and the State Public Resources Code, Section 5097.98.

If the remains are determined to be Native American, guidelines of the Native American Heritage Commission will be adhered to in the treatment and disposition of the remains. State guidelines will be enforced for any subsurface discoveries that may occur during construction.

- Project compliance with Mitigation Measures 4.4.2.a (1) and 4.4.2.a (2) will reduce the impact to a less than significant level.

2.3.4 Hazards and Hazardous Materials

Accidental upset of hazardous materials used during Project construction or operation may increase the risk of exposure to the environment, workers and the public. (Impact 4.5.2.a)

During construction activities, a hazardous material could accidentally be spilled or otherwise released into the environment exposing construction workers, the public and / or the environment to potentially hazardous conditions. The most likely release of a hazardous material during construction would be small quantity fuel spills during construction equipment refueling operations. This impact is considered potentially significant.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(1) that changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Facts in Support of Findings:

- Pursuant to Mitigation Measure 4.5.2.a (1), construction contractor(s) will be required to implement best management practices (BMPs) for handling hazardous materials during Project construction. The use of construction BMPs will minimize negative effects on groundwater and soils, workers, and the public, and include, without limitation, the following:
 - (a) Follow manufacturers' recommendations and regulatory requirements for storage, handling, use and disposal of chemical products and hazardous materials used in construction.
 - (b) Avoid overtopping construction equipment fuel tanks.
 - (c) During routine maintenance of construction equipment, properly contain and remove grease and oils.
 - (d) Properly dispose of discarded containers of fuels and other chemicals.
- Pursuant to Mitigation Measure 4.5.2.a (2), construction contractor(s) will implement safety measures in accordance with General Industry Safety Orders for Spills and Overflow Control (CCR Title 8, Sections 5163- 5167) to protect the Project area from contamination due to accidental release of hazardous materials. The safety measures will include, but not be limited to, the following:
 - (a) Spills and overflows of hazardous materials will be neutralized and disposed of promptly.
 - (b) Hazardous materials will be stored in containers that are chemically inert to and appropriate for the type and quantity of the hazardous substance.
 - (c) Containers will not be stored where they are exposed to heat sufficient enough to rupture the container(s) or cause leakage.
 - (d) Specific information will be provided regarding safe procedures and other precautions before cleaning or subsequent use or disposal of hazardous materials containers.

Disposal of hazardous materials will be in compliance with applicable California hazardous waste disposal laws. The construction contractor(s) will contact the City of Hanford Fire Department and the County oOCings Department of Public Health for any site- specific requirements regarding hazardous materials or hazardous waste containment or handling.
- Pursuant to Mitigation Measure 4.5.2.a (3), in the event of an accidental release of hazardous materials during construction, containment and clean-up will occur in accordance with applicable regulatory requirements.

- Pursuant to Mitigation Measure 4.5.2.a (4), oil and solvents used during the maintenance of construction equipment will be recycled or disposed of in accordance with applicable regulatory requirements. All hazardous materials will be transported, handled and disposed of in accordance with applicable regulatory requirements.
- Pursuant to Mitigation Measure 4.5.2.a (5), the construction contractor(s) will prepare a Site Safety Plan in accordance with applicable regulatory requirements.
- Pursuant to Mitigation Measure 4.5.2.a (6), the construction contractor(s) will prepare and implement a Safety Program to ensure the health and safety of construction workers and the public during Project construction. The Safety Program will include an injury and illness prevention program, a site-specific safety plan and information on the appropriate personal protective equipment to be used during construction.
- Project compliance with Mitigation Measures 4.5.2.a (1) through and including 4.5.2.a (6) will reduce the impact to a less than significant level.

2.3.5 Hydrology and Water Quality

The Project will exceed the capacity of the 9 % Avenue / East Lacey Boulevard lift station (Impact 4.6.2.b)

The Project, at build-out, will contribute an average daily flow of 40 gallons per minute (gpm) and a peak flow of 88 gpm, and will exceed the current peak flow operational capacity of the existing 9 ¼ Avenue / East Lacey Blvd. lift station pump operations. This impact is considered potentially significant.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(1) that changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Facts in Support of Findings:

- Pursuant to Mitigation Measure 4.6.2.b (1), the Project will be responsible for upgrading the lift station to City specifications prior to opening day of Phase 2 of the Project. The Project will be responsible for its fair share of the cost (30.2 percent) to upgrade 9 ¼ Avenue / East Lacy Blvd. lift station upgrade prior to opening day of Phase 2. The Project will be reimbursed for the additional cost of upgrading the lift station above its fair share by the City.
- Project compliance with Mitigation Measure 4.6.2.b (1) will reduce the impact to less than significant level.

2.3.6 Noise

The Project will expose noise sensitive land uses to ongoing noise from on-site parking lot activities, truck unloading and mechanical equipment. (Impact 4.8.2.c)

During nighttime heavy truck deliveries and parking lot sweeping activities, noise generated by a single-even truck arrivals and departures, truck unloading activities, and parking lot sweeping could exceed the City's 45 dB Leq exterior noise standard at the nearest existing residences to the north

and west of the Project site and could increase the potential for off-site sleep disturbance. This impact is considered to be potentially significant.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(1) that changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Facts in Support of Findings:

- Pursuant to Mitigation Measure 4.8.1.c (1), a solid noise barrier will be constructed along the portion of the western site boundary located adjacent to the parking and loading areas of Major E and F at the time either Major E or F is constructed and the noise barrier will be included in the construction plans for the first building constructed. In order to ensure that the barrier intercepts line of sight to the nearest residences to the west, a barrier height of no less than 8 feet is required at the western site boundary loading docks beginning approximately 110 feet north of the southerly property line for 1,000 feet northerly.
- Project compliance with Mitigation Measure 4.8.1.c (1) will reduce the impact to less than significant level.

2.3.7 Public Facilities and Services

Project will increase demands for Fire Department services without the construction of a New Eastside Fire Station. (Impact 4.9.2.a)

The Project is outside the City of Hanford's standard five-minute response time for fire emergency calls. The approximate response time to the Project site is 8 to 10 minutes from either of the City's existing fire stations. This impact is considered to be potentially significant.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(1) that changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Facts in Support of Findings:

- Pursuant to Mitigation Measure 4.9.2.a (1), the City will, prior to issuance of a Certificate of Occupancy for the first business that opens within Phase 1 of the Project, enter into an auto-aid agreement with the Kings County Fire Department to provide fire and emergency medical services from the Kings County Fire Station located at 7622 Houston Avenue so that emergency personnel and equipment can respond to the Project site within the City's five (5) minute response time contour.
- Pursuant to Mitigation Measure 4.9.2.a (2), the City will amend the Fire Impact Fee Program at the time the City Council considers the approval of the Project to collect funds needed to design, construct and equip a New Eastside Fire Station in a manner that will allow the City to execute its five minute response time standard with respect to the Project and other eastside properties.

- Pursuant to Mitigation Measure 4.9.2.a (3), the Project will pay the City's modified Development Impact Fees so that the Project pays its fair share of the cost to construct and equip the New Eastside Fire Station.
- Pursuant to Mitigation Measure 4.9.2.a (4), the Project owner and / or operator will twice per month operate the Fire Flow well system for a period of 60 minutes at the rate of 2,750 gallons per minute. Test water will be discharged to the on-site storm drainage basin and as practical reused for on-site irrigation of landscaping. Written reports of tests including date, hours of testing, measured flow from wells, operation of valves (or tests of valves), person testing, notation of any malfunctioning operation of the system or diminishment of water production and steps to be taken to correct the malfunction, and the time line for correction of deficiencies. Report will be filed with the Fire Chief at a minimum of every three months or oftener if required by the Fire Chief
- Project compliance with Mitigation Measures 4.9.2.a (1) through and including 4.9.2.a (4) will reduce the impact to a less than significant level.

2.3.8 Transportation / Traffic

Project construction activities will temporarily increase traffic on roads leading to the Project site. (Impact 4.10.2.a)

Project related construction activities will temporarily increase traffic flows on adjacent roads over the estimated 12 to 18 months likely required to construct each phase of the Project. Off-site construction traffic will include short-term and intermittent reduction of roadway capacities associated with the movement of oversized construction equipment and material. The transport of oversized equipment or material could impede traffic flow on affected roadways if scheduled during peak-hour traffic periods. The transport of oversized equipment and material could also interfere with emergency response vehicles and create a delay in emergency response time due to land blockage. This impact is considered to be potentially significant.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(1) that changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Facts in Support of Findings:

- Pursuant to Mitigation Measure 4.10.2.a (1), the Project contractor will prepare and implement a Traffic Management Plan subject to approval by the appropriate agencies (i.e., Kings County, California Department of Transportation, Kit Carson School District) prior to Project grading or construction. The Plan will include the following provisions:
 - a) Identification of permitted hours for construction related deliveries and removal of heavy equipment and material;
 - b) Identification of haul routes for delivery or removal of heavy equipment and / or oversized equipment or material loads. \Where feasible, delivery or removal of

oversized equipment or material loads will be conducted during off-peak traffic periods;

- c) Maintain access to residence and business driveways in the immediate vicinity of the Project site at all times; and
 - d) Contractor(s) will notify the Kit Carson School District regarding timing, location and duration of the movement of oversized equipment or material loads scheduled for delivery or removal Monday through Friday between the hours of 6:00 a.m. and 6:00 p.m. The contractor will notify the affected District a minimum of two business days in advance of the scheduled movement of the oversized equipment or load that may affect the District's bus route schedule.
- Project compliance with Mitigation Measure 4.10.2.a (1) will reduce the impact to a less than significant level.

The Project build-out, under Existing Condition, will increase traffic volumes on East Lacey Boulevard road segment west of State Route 43. (Impact 4.10.2.e)

The Project build-out, under "Existing Condition", will result in East Lacey Blvd. between SR 43 and Project Site Access 1 to operate at LOS E / F during p.m. peak hour conditions. This impact is considered to be potentially significant.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(1) that changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Facts in Support of Findings:

- Pursuant to Mitigation Measure 4.10.2.e (1), East Lacey Boulevard between the westernmost site access driveway (Site Access 1) and SR 43 intersection will be widened to provide two lanes in each direction.

The mitigation will be completed prior to opening day of Project build-out requiring the Project to be 100 percent responsible for initially paying the cost of the improvements. The Project is entitled to reimbursement for the necessary oversizing of the street segment per the updated City of Hanford Traffic Fee Program. The Project will be responsible for payment of the updated City of Hanford Traffic Impact Fee at the time of construction of each building in the full build-out of the Project.

- Project compliance with Mitigation Measure 4.10.2.e (1) will reduce the impact to a less than significant level.

The Project, under Cumulative plus Project Condition, will increase traffic volumes on roadway segments (Impact 4.10.2.g)

The Project, under "Cumulative plus Project" condition, would increase traffic volumes that exceed the City of Hanford LOS "D" standard and contribute to the need for roadway improvements on the following roadway segments: SR 43 between East Lacey Boulevard and Fargo Avenue; SR 43

between 10th Avenue and Flint Avenue; and East Lacey Boulevard between 10th Avenue and SR 43. This impact is considered to be significant.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(1) that changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Facts in Support of Findings:

- Pursuant to Mitigation Measure 4.10.2.g (1), State Route 43 between East Lacey Boulevard and Fargo Avenue will be widened to four lanes (two lanes in each direction) by the year 2035.

Caltrans has indicated that a fair share payment will not be requested for this segment. Funding for mainline widening will be obtained in the future through other sources.

- Pursuant to Mitigation Measure 4.10.2.g (2), East Lacey Boulevard between 10th Avenue and State Route 43 will be widened to 4 lanes (two lanes in each direction) by the year 2035.

The Project will be responsible for payment of the updated City Traffic Impact Fee at the time of construction of each building in the full build-out of the Project.

- Project compliance with Mitigation Measures 4.10.2.g (1) and 4.10.2.g (2) will reduce the impact to a less than significant level.

The Project will increase demand for public transit services (Impact 4.10.2.h)

No public transit (bus) services are presently available adjacent to or the vicinity of the Project site. Implementation of the Project could potentially increase the demand for transit service in the vicinity of the Project site. This impact is considered to be potentially significant.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(1) that changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Facts in Support of Findings:

- Pursuant to Mitigation Measure 4.10.2.h (1), the Project applicant / developer, KCAPTA and the City of Hanford will coordinate, identify and design the public transit stop location to serve the Project site on the Final Site Plan and in the plans and specifications are prepared for the improvement of East Lacey Blvd. along the frontage of the Project. The designated public transit stop will provide at minimum, a shelter with solar lighting and advertising display, bench, trash can, bus stop sign and schedule holder. Adequate right-of-way will be provided for bus turn-out and re-entry into traffic. Public Transit improvements will be identified on all applicable Project improvement plans. The Project applicant / developer is responsible for 100% of the cost of

construction and for constructing the public transit improvements by opening day of Phase 1.

- Project compliance with Mitigation Measure 4.10.2.h (1) will reduce the impact to a less than significant level.

2.4 FINDINGS REGARDING SIGNIFICANT AND UNAVOIDABLE EFFECTS

The City of Hanford City Council hereby determines that, for the following significant effects, mitigation measures included in the Final EIR would lessen the effects but would not completely reduce the effects to a less than significant level. The findings reflect the City of Hanford City Council decision to adopt the Project.

2.4.1 Air Quality

Project operation would generate significant emissions of criteria air pollutants that could contribute to existing nonattainment conditions and degrade air quality. (Impact 4.2.2.b)

Project operational emissions will exceed San Joaquin Air Pollution Control District thresholds of significance for reactive organic gases (ROG), oxides of nitrogen (NOx), and carbon monoxide (CO). This impact is considered significant and unavoidable.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(3) that specific economic, social, and other environmental considerations make this impact infeasible to mitigate.

Facts in Support of Findings:

- The Project developer or successors in interest will incorporate sustainability features in building and site design with the goal of reaching a building efficiency rating that is greater than the Title 24 requirement, in order to reduce energy consumption and associated greenhouse gas emissions.

- | | |
|--------------------------------|---|
| Mitigation Measure 4.2.2.b (1) | Parking lot light standards are designed to provide even light distribution and use 20% less energy compared to a greater number of fixtures at lower heights. The use of metal halide lamps provide a color corrected white light and a higher level of perceived brightness with less energy than other lamps such as high pressure sodium. |
| Mitigation Measure 4.2.2.b (2) | Locally extracted and manufactured building materials will be utilized where feasible. |
| Mitigation Measure 4.2.2.b (3) | Pre-manufactured building components, including structural framing and metal panels, are designed to minimize waste during construction. |
| Mitigation Measure 4.2.2.b (4) | Pre-manufactured metal wall panels with insulation are designed to conserve energy by increasing R-value and solar reflectivity. Building heat absorption is reduced by |

a decrease in the thermal mass of the metal wall when compared to a typical masonry block wall.

Mitigation Measure 4.2.2.b (5) Reflective roof material will be utilized throughout the Project in order to meet the requirements for the USEPA's Energy Star energy efficiency program. Reflective roofs produce lower heat absorption and thereby lower energy usage during the summer months.

Mitigation Measure 4.2.2.b (6) Triple glazed skylights will be used on all roofs in the Project to reduce the need for interior lighting. A "daylight harvesting" system monitors and adjusts the mechanical and lighting systems in order to conserve energy. The system includes the skylights, light monitors, energy efficient lighting fixtures, and associated control systems. On a typical sunny day, fewer than one third of the interior lights are needed.

Mitigation Measure 4.2.2.b (7) Roofs for commercial development shall be designed to maximize potential area available for solar panels and electrical conduit shall be installed to support future installation of solar panels.

Mitigation Measure 4.2.2.b (8) Required tree plantings will reduce summer heat gain within the parking field.

Mitigation Measure 4.2.2.b (9) Project-wide landscaping will incorporate a substantial amount of drought tolerant species and minimize turf area to conserve water.

Mitigation Measure 4.2.2.b (10) Project-wide irrigation system will incorporate the use of deep root watering bubblers for parking lot shade trees to minimize water usage and ensure that water goes directly to the intended planting areas.

Mitigation Measure 4.2.2.b (11) The applicant shall increase transit accessibility. Implement Mitigation Measure 4.10.2h.

Mitigation Measure 4.2.2.b (12) Use low VOC architectural coatings.

Mitigation Measure 4.2.2.b (13) The applicant will comply with the SJVAPCD Rule 9510-Indirect Source Review prior to obtaining a Building Permit for any building or structure located on the Project Site. The applicant will include proof of such compliance with the SJVAPCD ISR and effectively entered into a VERA with each Building Permit Application to the City.

- a) The City expects that the SJVAPCD will institute additional Project Types for the expenditure of ISR / VERA funds collected in the City of Hanford that will directly benefit the air quality improvements in the City including the following project types:
 1. Funding of clean air public transportation vehicles or adding to the fleet of clean air public transit vehicles that will serve the project.
 2. Providing viable and meaningful incentives to the public for the replacement of personal vehicles that do not meet current clean air standards (alternative fuel or electric).
 3. Improved bicycle and pedestrian facilities near the project.
 4. Or other project types acceptable to the City of Hanford.
- Project compliance with Mitigation Measures 4.2.2.b **(1)** through and including 4.2.2.b (13) will be necessary to achieve above Title 24 requirements and will aid in reducing the impact, but not to a less than significant level.
- It is infeasible for the City of Hanford to meet the target of 20 percent reduction in greenhouse gas (GHG) emissions for the Project. Best Performance Standards (BPS) recommended by the California Air Resources Board contain standards that account for over 94 percent of the total reduction in GHG emissions which the City has no authority to implement.

Similarly Appendix J of the *Guidance for Valley Land Use Agencies in Addressing GHG Emission Impacts for New Projects under CEQA* lists 31 measures for commercial projects that could achieve a 38.6 percent reduction in GHG emissions. Of those 31 commercial project measures only 17 of the measures would be possible at the Project site with a possible total reduction of 12.75 percent (the Project achieves 8 percent) while the recommended target is 29 percent of the 17 measures, 14 are targeted to highly urbanized areas in larger cities and not available to the Project site. The highest percentage of GHG emissions reduction possible for the Project is associated with projects that force reliance on public transit. The Inland Area Rural Transit (IART) operates a public transit system in Hanford and, while the route is anticipated to be extended to this activity center, most reliance will be from employees as opposed to patrons engaging in shopping as shown by public transit experience in Hanford. IART limits the number of bags that can be carried on board the bus; therefore major shopping trips are not likely to use the IART system.

Project construction and operations will generate greenhouse gas emissions (GHG) that may directly or indirectly conflict with an applicable plan, policy or regulation to reduce GHG emissions. (Impact 4.2.2.e)

The Project Phase 1 construction GHG worst-case emissions are estimated to be approximately 748 metric tons per year of CO₂e. The SJVAPCD has not established a threshold of significance for construction GHG. Predominate sources of CO₂ are the construction equipment engine operation, material suppliers and employee transportation. Because the SJVAPCD does not have an established threshold of significance for GHG for construction activities, the Project would not be in conflict with an applicable plan, policy or regulation and is therefore considered less than significant.

The Project Phase 1 operational GHG emissions for CO₂e are estimated to be 14,386 metric tons per year as shown in Table 4.2 - 13. The following phases of the Project produce lesser amounts which are a function of square footage of retail space as it relates to travelling customers and supply of goods. A cumulative analysis was performed for the year 2026 which is the year projected for complete operation of the Project. The model projected a CO₂e generation of 23,081 metric tons per year. The cumulative CO₂e emissions will not equal a total of each project phase as the cumulative is based on emission assumptions of 2026 which have reduced transportation emissions, efficiencies in electrical energy production, and other improvements in CO₂ producing equipment and processes factored into the various formulas. Achieving a 29% reduction in CO₂ emissions is not feasible and by SJVAPCD criteria the Project would have a significant effect.

Project operational emissions will exceed San Joaquin Air Pollution Control District thresholds of significance for reactive organic gases (ROG), oxides of nitrogen (NO_x), and carbon monoxide (CO). This impact is considered significant and unavoidable.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(3) that specific economic, social, and other environmental considerations make this impact infeasible to mitigate.

Facts in Support of Findings:

- The Project site is annexed into the City of Hanford City Limits.
- The City of Hanford General Plan designates the Project site for planned urban development.
- Consideration of an alternative location or a reduced Project size will not reduce the level of criteria air pollutant emissions contributing to the degradation of air quality and existing nonattainment conditions of the SJVAPCD.
- Hanford is a suburban City and fully implementing the 14 commercial GHG measures recommended for commercial projects, which are targeted to highly urbanized areas, such as a network of Class I bicycle routes, a fully developed pedestrian network, intensive bus service and reductions in parking availability or paid parking for commercial projects is infeasible. The City will require the Project to provide a bus stop, organized pedestrian paths, solar capable and reflective material on building roofs, roundabouts on-site, and water conservation in landscape

design. The City of Hanford cannot afford the right-of-way acquisition, capital cost of widening major streets, and subsidizing a public transit service with headways that produce low ridership to meet the California Air Resources Board's recommended Best Performance Standards.

Project construction and operations will result in cumulatively considerable increases of criteria pollutant emissions. (Impact 4.2.2.t)

According to the SJVAPCD *CEQA Air Quality Guidelines*, if a project exceeds the identified significance thresholds, its emissions would be cumulatively considerable, resulting in significant adverse air quality impacts to the region's existing air quality conditions.

Construction emissions will result in less-than-significant impacts. Project operational emissions will result in a significant and unavoidable impacts for criteria air pollutants and greenhouse gases. Therefore, Project emissions will be cumulatively considerable for the long-term Project operations. This impact is considered significant and unavoidable.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(3) that specific economic, social, and other environmental considerations make this impact infeasible to mitigate.

Facts in Support of Findings:

- The Project site is annexed into the City of Hanford City Limits.
- The City of Hanford General Plan designates the Project site for planned urban development.
- Consideration of an alternative location or a reduced Project size will not reduce the level of criteria air pollutant emissions contributing to the degradation of air quality and existing nonattainment conditions of the SJVAPCD.
- Section 4.2 Air Quality of the EIR identifies that the City has no authority to modify vehicle emissions standards which are the leading cause of air pollution emissions. To the extent the Project can capture current and projected retail leakage, fewer longer distance trips will be generated to other communities out of the Trade Area thereby reducing vehicle miles travelled for goods and services as well as increasing local employment opportunities. Planned growth on the eastside of the City will benefit from fewer miles travelled to existing major retail stores on the westside of the City thereby reducing congestion on major streets and at intersections.
- The Project is estimated to generate an increase in Trade Area Retail Sales of \$199 million annually upon build-out above 2012 retail sales and add \$160 million in secured property value to the tax rolls of the City. Sales Tax and Property Tax are the major sources of General Fund revenue which supports public safety, parks and recreation services, public libraries, schools, and general government services of the community. Retail sales leakage which can be captured by the Project from existing families in the Trade Area and new growth in the Trade Area will reinforce the financial ability of the

community to support necessary services. With an unemployment rate of 13 percent in Hanford and the need to continue to diversify the City's economy, the Project's addition of more than 800 full- and part-time jobs is essential for the sustainability of the community.

2.4.2 Noise

Project will increase traffic noise levels at existing noise sensitive land uses in the Project vicinity. (Impact 4.8.2.a)

Project operations will result in increased traffic noise along roadways used by the Project. Traffic noise increases associated with development of the Project will exceed thresholds of significance on eight roadway segments. Specifically, substantial traffic noise increases over existing traffic noise levels are identified on East Lacey Boulevard from 9 ¼ Avenue to State Route 43, on SR 43 from Grangeville Boulevard to south of East Lacey Boulevard, and on 9th Avenue south of East Lacey Boulevard. Existing residences along these roadway segments will be exposed to Project-related traffic noise increases that exceed City of Hanford acceptable noise levels for residential uses. This impact is significant and unavoidable.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(3) that specific economic, social, and other environmental considerations make this impact infeasible to mitigate.

Facts in Support of Findings:

- The Project site is annexed into the City of Hanford City Limits.
- The City of Hanford General Plan designates the Project site for planned urban development.
- Many of the existing residences are non-conforming uses.
- Most effective noise barriers for transportation noise are non interrupted solid masonry walls. Unfortunately, solid masonry walls are ineffective for residences with driveways facing noise impacted roadways. The noise impacted existing residences face noise impacted roadways, and the driveways to those residences would require an interruption in the masonry wall allowing traffic noise to continue to effect the residence and exterior yards. Absent the abandonment and removal of the existing residences, there are no feasible mitigation measures to reduce traffic related noise impacts to a less than significant level. The City does not have the resources to acquire and remove residences required to construct effective solid noise barriers.

2.4.3 Transportation / Traffic

Development of Phase 1 of the Project, under Existing Conditions, will increase the volume of traffic at Project study intersections. (Impact 4.10.2.b)

Development of Phase 1 of the Project will result in peak hour intersection conditions in excess of City of Hanford and Caltrans peak hour standards. Impacted intersections are:

- East Lacey Boulevard / SR 43;

- East Lacey Boulevard / Project Site Access 1;
- Fargo Avenue / SR 43; and
- SR 198 Westbound Off Ramp / Redington Street / 4th Street.

If the relocated intersection at East Lacey Blvd. / SR 43 is not operational prior to opening day of Phase 1 this impact is considered significant and unavoidable.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(3) that specific economic, social, and other environmental considerations make this impact infeasible to mitigate.

Facts in Support of Findings:

- Pursuant to Mitigation Measure 4.10.2.b (1), East Lacey Boulevard and SR 43 intersection will be relocated to the north of its current location to provide adequate storage distance between East Lacey Boulevard and the SR 198 westbound ramps meeting the Cumulative plus Project mitigation measure for this intersection. The intersection will be signalized with protected left-turn phasing and shall be constructed with the following minimum lane configurations meeting the Cumulative plus Project mitigation measures:

Eastbound: two left-turn lanes, one through lane, and one right-turn lane; Westbound: one left-turn lane and one through lane with a shared right turn; Northbound: two left-turn lanes and two through lanes and one right turn lane; Southbound: one left-turn lane, one through lane, and one right-turn lane.

New turn lanes will be designed to accommodate the queues identified in Table 4.10-27 of the certified Project Final EIR, as applicable. The traffic signal timing and coordination with the freeway ramp intersections will be optimized. This improvement will be completed within 24 months of opening day for Phase 1.

Plan lines and amendments to existing plans will be developed as required to accommodate the realignment of East Lacey Boulevard.

The mitigation is required on opening day of Phase 1 of the Project and improvement will be completed within 24 months of opening day for Phase 1 requiring the Project to be 100% responsible for the construction of the relocated intersection (including the lane connection from the existing East Lacey Blvd. alignment to the relocated intersection between the Project and the intersection). Construction of the intersection will include improvements to SR 43 between the SR 198 ramps and the relocated intersection meeting Caltrans specifications. The Project will be responsible for payment of the updated City of Hanford Traffic Impact Fee at the time of construction of each building in the full build-out of the Project. The City will update the Traffic Impact Fee Program at the time the City Council considers approval of the Project.

When the relocated intersection is completed and operational, the impact would be less than significant.

This mitigation measure does not eliminate the possibility that the opening day of the Project may occur prior to the completion of the relocated intersection at East Lacey Blvd. and SR 43. If the City allows a Certificate of Occupancy for any Project related use prior to the completion of the required intersection improvements at East Lacey Blvd. and SR 43, it will require a statement of overriding considerations as the impact of Phase 1 would exceed the level-of-service (LOS) C on a State facility and is considered to be significant and unavoidable.

Because of the uncertainties of approval and construction of the relocated intersection at SR 43 / East Lacey Blvd. involves a State facility which is beyond the control of the City, there is a reasonable possibility that a major store in Phase 1 of the Project could be constructed and ready to open prior to the completion of the intersection. A delay of up to 24 months of the opening day of Phase 1 (or any major store in Phase 1 such as Costco) will potentially impact traffic operations at the existing intersection. Even in the best of conditions, it would take between a 12 to 18 months before Costco could build and open a store. If the relocated intersection is not completed by opening day, there will be an increase in traffic through the East Lacey Blvd. / SR 43 intersection.

According to the EIR, Costco generates 956 trips in the P.M. peak hour. Of those 956 trips, the traffic analysis estimates that 412 trips would enter and leave the Project using the East Lacey Blvd. / SR 43 intersection. In the response to Caltrans comments on the DEIR, the City analyzed the potential of Costco opening prior to the relocation and improvements to the East Lacey Blvd. / SR 43 intersection (Traffic Engineer that prepared the Traffic Study for the EIR). This analysis evaluated the potential impacts on the SR 43 / East Lacey Blvd. intersection assuming the intersection relocation and improvements had not been completed and Costco opened.

The analysis found that under the "Existing" condition (without any new projects), certain legs of the East Lacey and SR 43 intersection already operate at LOS D (with signalization). Those legs included: northbound left turn; eastbound (East Lacey Blvd.) left turn; eastbound through; westbound left turn and westbound through. The southbound left turn leg of SR 43 operated at LOSE (effecting 14 vehicles during the p.m. peak hour). The existing delay at the intersection would be between 41 and 56 seconds and noticeable waiting through signal cycles during the p.m. peak hour. However, because the SR 43 northbound through and southbound through carried the majority of the traffic and operated at LOS A and B, respectively, the entire intersection operated at LOS C.

The analysis also estimated the additional peak hour traffic of Costco and applied the projected Costco peak hour traffic to the existing conditions (Existing plus Costco traffic scenario). According to the traffic analysis in the Final EIR, the intersection would continue to operate at LOS C as in the existing condition and the same intersection legs that operated at LOS D under the existing conditions would continued to operate at LOS D with the addition of the projected Costco peak hour traffic. However, the delay time was increased between 1.3 and 5.3 seconds on 3 of the 4 intersection legs that enter the City of Hanford (eastbound left turn – 1.3 seconds effecting 113 vehicles; 2.1 seconds effecting 43 vehicles; 5.3 seconds effecting 20 vehicles) and the fourth leg had a

reduction in delay time of 1.9 seconds. The southbound left turn SR 43 leg continued to operate at LOSE with 14 vehicles (less than 1%) of the 1,491 estimated peak hour trips that travel through the intersection. The more heavily used lanes (northbound SR 43 through) operate at LOS A under the Existing traffic condition and continues to operate at LOS A under the Existing plus Costco traffic condition. On SR 43, the northbound through increased 0.5 seconds and remained at LOS A, while southbound through and southbound right increased by 7.1 seconds. Southbound left turn serving 14 vehicles under both Existing and Existing plus Costco traffic scenarios continued at 56.4 seconds and LOS E. Southbound SR 43 had a projected LOS C under the Existing plus Costco scenario. However, overall the East Lacey Blvd. / SR 43 intersection remained at LOS C in both scenarios indicating that the opening of Costco alone does not lead to a significant traffic impact at East Lacey Blvd. / SR 43 based on the LOS for the overall East Lacey Blvd. / SR 43 intersection nor result in significant LOS impacts at any of the intersection legs.

The City's General Plan Circulation Element Policy Objective CI 2 states "Provide timely and effective means of programming and constructing street and highway improvements to maintain an overall Level of Service of C, with a peak hour Level of Service of D as defined in the Highway Capacity Manual (published by the Transportation Research Board of the National Research Council) or better unless the City's design considerations or other public health, safety, or welfare factors determine otherwise." The City will require the relocation of the East Lacey Blvd. / SR 43 intersection and its design will provide a LOS C or better when complete for the entire Project and cumulative growth in Hanford. A City intersection can operate at LOS D during peak hour as the existing intersection does in the existing condition and is forecast to operate with the opening of Costco for the short-term until the relocated intersection is completed.

- Pursuant to Mitigation Measure 4.10.2.b (2), East Lacey Boulevard and Site Access 1 intersection will be signalized with protected left-turn phasing and the following minimum lane configurations meeting the Cumulative plus Project mitigation measures:
 - Eastbound: Two through lanes and one right turn;
 - Westbound: Two left-turn lanes and one through lane;
 - Northbound: Two left-turn lane and one right-turn lane.

New turn lanes shall be designed to accommodate the queues identified in Table 4.10-27 of the certified Project Final EIR.

Intersection improvements shall be constructed in accordance with City of Hanford standards.

A dedicated right turn lane is shown on the Project Site Plan and is part of the improvements planned by the applicant. The developer of the Project will construct the required mitigation improvements prior to opening day of Phase 1.

When the East Lacey Boulevard and Site Access 1 intersection is completed and operational prior to opening day, the impact would be less than significant.

If East Lacey Blvd. / SR 43 intersection is relocated and operational prior to a Certificate of Occupancy for any Project related use, then forecasted Project Phase 1 impact at East Lacey Boulevard and Site Access 1 intersection will improve to less than significant.

However, if the City allows a Certificate of Occupancy for any Project related use prior to the completion of the required intersection improvements at East Lacey Blvd. and SR 43, a significant and unavoidable impact will also be present at the East Lacey Boulevard and Site Access 1 intersection due to conditions at East Lacey Blvd. / SR 43 intersection.

If the City allows a Certificate of Occupancy for any Project related use prior to the completion of the required intersection improvements at East Lacey Blvd. and SR 43, it will require a statement of overriding considerations as the impact would be significant and unavoidable also at East Lacey Boulevard and Site Access 1 intersection due to conditions at East Lacey Blvd. / SR 43 intersection.

- Pursuant to Mitigation Measure 4.10.2.b (3), at SR 198 Westbound Off Ramp / Redington Street / 4th Street intersection, stop signs will be installed on 4th Street on the westbound approach to the intersection. Intersection improvements will be constructed in accordance with Caltrans and City of Hanford standards, as applicable. The mitigation is required on opening day of Phase 1 requiring the Project to pay 100 percent of the cost of the improvement

If East Lacey Boulevard / SR 43 intersection is relocated and operational prior to a Certificate of Occupancy for any Project related use, then forecasted Project Phase 1 impact at SR 198 Westbound Off Ramp / Redington Street / 4th Street intersection, intersection will improve to less than significant.

When the SR 198 Westbound Off Ramp / Redington Street / 4th Street intersection is completed and operational, the impact would be less than significant.

If the City allows a Certificate of Occupancy for any Project related use prior to the completion of the required intersection improvements at East Lacey Blvd. and SR 43, a significant and unavoidable impact will be present at the SR 198 Westbound Off Ramp / Redington Street / 4th Street intersection due to conditions at East Lacey Blvd. / SR 43 intersection.

If the City allows a Certificate of Occupancy for any Project related use prior to the completion of the required intersection improvements at East Lacey Blvd. and SR 43, it will require a statement of overriding considerations as the impact would be significant and unavoidable also at the SR 198 Westbound Off Ramp / Redington Street / 4th Street intersection due to conditions at East Lacey Blvd. / SR 43 intersection.

- Project compliance with Mitigation Measures 4.10.2.b (1) through and including 4.10.2.b (3) will aid in reducing the Project Phase 1 traffic impacts, under Existing Conditions but not to a less than significant level at Fargo Avenue / SR 43 intersection.

No feasible mitigation exists to reduce forecasted Existing plus Project Phase 1 p.m. peak hour traffic impacts on the westbound approach at Fargo Avenue / SR 43 intersection to an acceptable LOS. This impact remains significant and unavoidable.

Mitigation at the Fargo Avenue / SR 43 intersection is infeasible because based on the minor street approach volume the intersection does not satisfy peak hour warrants for a traffic signal and a signal could not be constructed without Caltrans authorization when signal warrants are not met.

The Project build-out, under Existing Conditions, will increase traffic volumes on Project area intersections. (Impact 4.10.2.d)

The Project build-out, under Existing Conditions does not include East Lacey Blvd. / SR 43 and East Lacey Blvd. / Site Access 1 which will be constructed within 24 months of opening day of Phase 1 at Cumulative plus Project conditions. SR 198 Westbound Off-Ramp / Redington Street / 4th Street will be constructed in Phase 1 to meet Project build-out under Existing Conditions. Project build-out, under Existing Conditions, will increase traffic volumes exceeding the City of Hanford LOS D standard and contribute to the need for traffic signals and / or roadway improvements at the following intersections:

- East Lacey Boulevard / 9 1/4 Avenue;
- East Lacey Boulevard / 9th Avenue;
- Fargo Avenue / SR 43; and

This impact is considered significant and unavoidable.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(3) that specific economic, social, and other environmental considerations make this impact infeasible to mitigate.

Facts in Support of Findings:

- Pursuant to Mitigation Measure 4.10.2.d (1), the intersection of East Lacey Boulevard and 9 1/4 Avenue will be widened to provide one left-turn lane and one right-turn lane on the southbound approach. The dedicated lanes will provide at least 100 feet of storage. An R8-8 sign (DO NOT STOP ON TRACKS) is recommended to be installed north of the railroad tracks, visible to southbound vehicles.

Intersection improvements shall be constructed in accordance with City of Hanford standards. The Project shall initially pay for 100 percent of this mitigation prior to opening day of Project build-out. The Project is entitled to reimbursement for the necessary oversizing of the intersection per the City of Hanford Traffic Fee Program.

With construction of these improvements there would be a less than significant impact at the intersection of East Lacey Boulevard and 9 1/4 Avenue.

- Pursuant to Mitigation Measure 4.10.2.d (2), the intersection of East Lacey Boulevard and 9th Avenue will be widened to provide one left-turn lane and one right-turn lane on the northbound approach. The dedicated lanes will provide at least 100 feet of storage.

Intersection improvements shall be constructed in accordance with City of Hanford standards.

Intersection improvements shall be constructed in accordance with City of Hanford standards. The Project shall initially pay for 100 percent of this mitigation prior to opening day of Project build-out. The Project is entitled to reimbursement for the necessary oversizing of the intersection per the City of Hanford Traffic Fee Program.

With construction of these improvements there would be a less than significant impact at the intersection of East Lacey Boulevard and 9th Avenue.

- Pursuant to Mitigation Measure 4.10.2.d (6), 10th Avenue and SR 43 intersection will be signalized with protected left-turn phasing. Additional lanes are not required. Intersection improvements will be constructed in accordance with Caltrans standards.

The Project shall be responsible for payment of the updated City of Hanford Traffic Impact Fee at the time of construction of each building in the full build-out of the Project.

- Project compliance with Mitigation Measures 4.10.2.d (1), 4.10.2.d(2) and 4.10.2.d (6) will aid in reducing the Project build-out traffic impacts, under Existing Conditions, to less than significant level at the following intersections:
 - -East Lacey Boulevard / 9 1/4 Avenue
 - East Lacey Boulevard / 9th Avenue; and
 - 10th Avenue / SR 43; and
 - SR 198 Westbound Off-Ramp / Redington Street / 4th Street.

Project compliance with Mitigation Measures 4.10.2.d (1), 4.10.2.d(2) and 4.10.2.d (6) will not reduce Project build-out traffic impacts, under Existing Conditions, to less than significant level at Fargo Avenue / SR 43 intersection.

No feasible mitigation exists to reduce forecasted p.m. peak hour Project build out traffic impacts under Existing Conditions on the westbound approach at Fargo Avenue / SR 43 intersection to an acceptable LOS. This impact remains significant and unavoidable.

Mitigation at the Fargo Avenue / SR 43 intersection is infeasible because based on the minor street approach volume the intersection does not satisfy peak hour warrants for a traffic signal and a signal could not be constructed without Caltrans authorization when signal warrants are not met.

The Project, under Cumulative plus Project Condition, will increase traffic volumes on Project area intersections. (Impact 4.10.2.f)

The Project under Cumulative plus Project Condition does not include East Lacey Blvd. / SR 43, which will be constructed within 24 months of opening day of Phase 1 at Cumulative plus Project mitigation measures. The intersection at East Lacey Blvd. / Site Access 1 will be constructed prior to opening day of Phase 1 at Cumulative plus Project mitigation measures. The Project, under Cumulative plus Project condition, would increase traffic volumes that exceed the City of Hanford LOS D standard and contribute to the need for traffic signals and / or roadway improvements at the following intersections:

- Grangeville Boulevard / SR 43;
- East Lacey Boulevard / 9 1/4 Avenue;
- East Lacey Boulevard / 9th Avenue;
- SR 198 / 9th Avenue;
- 10th Avenue / SR 43;
- Fargo Avenue / SR 43; and
- SR 198 Westbound Off-Ramp / Redington Street / 4th Street.

This impact is considered significant and unavoidable.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(3) that specific economic, social, and other environmental considerations make this impact infeasible to mitigate.

Facts in Support of Findings:

- Pursuant to Mitigation Measure 4.10.2.f (1), the City of Hanford will prepare and adopt an Updated Traffic Impact Fee Schedule and Study which addresses, at a minimum, the intersections and street segments that are significantly impacted by the Project and reasonably foreseeable other projects. The Updated Traffic Impact Fee Schedule and Study will be adopted at the time the City Council considers approval of the Project. The Updated Traffic Impact Fee Schedule will be used as the basis to collect traffic impact fees for the Project. The Project will be responsible for payment of the updated City of Hanford Traffic Impact Fee at the time of construction of each building in the full build-out of the Project.

Grangeville Boulevard / SR 43 intersection will be widened, and the existing traffic signals modified as necessary, to provide the following lane configurations:

- Eastbound: One left-turn lane, one through lane, and one right-turn lane;
- Westbound: One left-turn lane and one through Lane with a shared right turn;
- Northbound: One left-turn lane, two through lanes, and one right-turn lane;
- Southbound: One left-turn lane, two through lanes with a shared right turn.

New turn lanes will be designed to accommodate the queues identified in Table 4.10-36 found in the certified Project Final EIR.

Intersection improvements will be constructed in accordance with applicable Caltrans and City of Hanford standards.

The Project will be responsible for payment of the updated City of Hanford Traffic Impact Fee at the time of construction of each building in the full build-out of the Project.

With construction of these improvements there would be a less than significant impact at the intersection of Grangeville Boulevard / SR 43.

- Pursuant to Mitigation Measure 4.10.2.f (2), East Lacey Boulevard / 9 1/4 Avenue intersection will be signalized with protected left-turn phasing and the following lane configurations:
 - Eastbound: Two through lanes and one right-turn lane;
 - Westbound: Two left-turn lanes and two through lanes;
 - Northbound: Two left-turn lanes and one right-turn lane.

New turn lanes will be designed to accommodate the queues identified in Table 4.10-36 found in the certified Project Final EIR.

Intersection improvements will be constructed in accordance with City of Hanford standards.

The Project will be responsible for payment of the updated City of Hanford Traffic Impact Fee at the time of construction of each building in the full build-out of the Project.

With construction of these improvements there would be a less than significant impact at the intersection of East Lacey Boulevard / 9 1/4 Avenue.

- Pursuant to Mitigation Measure 4.10.2.f (3), East Lacey Boulevard / 9th Avenue intersection will be signalized with protected left-turn phasing and the following lane configurations:
 - Eastbound: Two through lanes and one right-turn lane;
 - Westbound: Two left-turn lanes and two through lanes;
 - Northbound: Two left-turn lanes and one right-turn lane.

New turn lanes will be designed to accommodate the queues identified in Table 4.10-36 found in the certified Project Final EIR .

Intersection improvements will be constructed in accordance with City of Hanford standards.

The Project will be responsible for payment of the updated City of Hanford Traffic Impact Fee at the time of construction of each building in the full build-out of the Project.

With construction of these improvements there would be a less than significant impact at the intersection of East Lacey Boulevard / 9th Avenue.

- Pursuant to Mitigation Measure 4.10.2.f (5), the City's Traffic Impact Fee structure does not adequately address funding mechanisms for major street and intersection improvements required for development on the eastside of the City. The City's Traffic Impact fee program for the SR 198 and 9th Avenue interchange will be reviewed and updated as necessary to ensure that a local share of funding will be available. The Project will be responsible for payment of the updated City of Hanford Traffic Impact Fee at the time of construction of each building.

Caltrans confirms in its comment letter on this Project that an interchange at SR 198 / 9th Avenue would not meet the requirements of FHWA to provide braided ramps where high speed movements are anticipated in the future. The decision not to allow an interchange at this location is significant to future planning efforts of the City and makes any mitigation at this intersection for this project infeasible.

Nevertheless, the 9th Avenue / SR 198 intersection is currently undergoing a Project Study Report (PSR) for a proposed interchange. Similar to a new interchange that is under construction without braided ramps in the City of Lemoore at 19th Avenue / SR 198 which is only 1/2 mile from SR 41, some design exceptions may also need to be allowed at the 9th Avenue / SR 198 interchange. This is an unresolved issue that will have to be determined as the PSR proceeds. Until the matter is resolved, the City will continue to collect Traffic Impact Fees for this future facility. Without Caltrans authorization, the City cannot construct the 9th Avenue / SR 198 interchange which makes mitigation of the Project impacts infeasible.

This intersection remains significant and unavoidable.

- Pursuant to Mitigation Measure 4.10.2.f (7), 10th Avenue / SR 43 intersection will be signalized with protected left-turn phasing and the following lane configurations by the year 2035:
 - Eastbound: One left-turn lane and one right-turn lane (already existing);
 - Northbound: One left-turn lane and one through lane (already existing);
 - Southbound: One through lane and one right-turn lane (already existing).

New turn lanes will be designed to accommodate the queues identified in Table 4.10-36 of the certified Project Final EIR.

Intersection improvements will be constructed in accordance with applicable City of Hanford and Caltrans standards.

The Project will be responsible for payment of the updated City of Hanford Traffic Impact Fee (or fair share of the mitigation shown in Table 4.10-35 of the certified Final EIR if this intersection is not included in the City's updated Traffic Impact Fee Program) at the time of construction of each building in the full build-out of the Project.

With construction of these improvements there would be a less than significant impact at the intersection of 10th Avenue / SR 43.

- Pursuant to Mitigation Measure 4.10.2.f (8), Fargo Avenue / SR 43 intersection will be signalized with protected left-turn phasing and the following lane configurations by the year 2035:
 - Eastbound: One left-turn lane, one through lane, and one right-turn lane;
 - Westbound: One left-turn lane and one through lane with a shared right turn;
 - Northbound: One left-turn lane and two through lanes with a shared right turn;
 - Southbound: One left-turn lane, two through lanes, and one right-turn lane.

New turn lanes will be designed to accommodate the queues identified in Table 4.10-36 found in the certified Project Final EIR.

Intersection improvements will be constructed in accordance with applicable City of Hanford and Caltrans standards.

The Project will be responsible for payment of the updated City of Hanford Traffic Impact Fee at the time of construction of each building in the full build-out of the Project.

With construction of these improvements there would be a less than significant impact at the intersection of Fargo Avenue / SR 43.

- Pursuant to Mitigation Measure 4.10.2.f(9), State Route 198 westbound offramp and Redington Street / 4th Street intersection will be signalized with protected left-turn phasing on the northbound approach and the following lane configurations by the year 2035:
 - Westbound: One left-turn lane and one shared left / through / right lane;
 - Northbound: One left-turn lane and one through lane;
 - Southbound: One through lane with a shared right turn.

New turn lanes will be designed to accommodate the queues identified in Table 4.10-36 found in the certified Project Final EIR. Intersection improvements will be constructed in accordance with applicable Caltrans and City of Hanford standards.

The Project shall be responsible for payment of the updated City of Hanford Traffic Impact Fee (or fair share of the mitigation shown in Table 4.10 - 35 if this intersection is

not included in the City's updated Traffic Impact Fee Program) at the time of construction of each building.

With construction of these improvements there would be a less than significant impact at the intersection of State Route 198 westbound off ramp and Redington Street / 4th Street.

- Project compliance with Mitigation Measures 4.10.2.f (1) through and including 4.10.2.f (3), and Mitigation Measures 4.10.2.f (7) through and including 4.10.2.f (9) will reduce Project traffic impacts, under Cumulative plus Project Conditions, to less than significant level at the following intersections:
 - Grangeville Boulevard / SR 43;
 - East Lacey Boulevard / 9 ¼ Avenue;
 - East Lacey Boulevard / 9'h Avenue;
 - 10'h Avenue / SR 43;
 - SR 198 Westbound Off-Ramp / Redington Street / 4th Street; and
 - Fargo Avenue / SR 43.

Project compliance with Mitigation Measures 4.10.2.f (1) through 4.10.2.f (4) and Mitigation Measures 4.10.2.f (6) through 4.10.2.f (9) will not reduce Project traffic impacts, under Cumulative plus Project Conditions, to less than significant level at SR 198 / 9'h Avenue intersection.

No feasible mitigation exists to reduce forecasted peak hour Project traffic impacts under Cumulative plus Project Conditions at SR 198 / 9'h Avenue. Development of the Project will exacerbate the cumulative LOS F condition. This impact remains significant and unavoidable.

2.4.4 Agricultural/ Farmland Resources

Project implementation will result in the cumulative loss of important farmlands in Kings County and the Central Valley Region (Impact 5.3.1)

Implementing the Project will incrementally contribute to the gradual transition of eastern Hanford from agricultural to urban uses. The Project, in conjunction with cumulative development within the City's General Plan Area resulting from the build out of the Hanford General Plan, will result in a regional loss of farmland, which will have a significant and unavoidable impact related to the cumulative loss of farmland in Kings County and the Central Valley.

Findings: The City of Hanford City Council hereby finds, in accordance with CEQA Guidelines Section 15091(a)(3) that specific economic, social, and other environmental considerations make this impact infeasible to mitigate.

Facts in Support of Findings:

- The Project site has been within the City of Hanford City Limits since 1987.

- The City of Hanford General Plan designates the Project site for planned urban development and the Project site is zoned for urban development.
- The City Hanford purchased 1,600 acres of agricultural land in 1992. One of the continuing purposes of this land is the mitigation of unavoidable cumulative loss of agricultural land resulting from past, present and future development within the City General Plan Area.
- The Project will make efficient urban use of an isolated and marginal location of agricultural land immediately adjacent to urban uses.

3 PROJECT ALTERNATIVE FINDINGS

The City of Hanford must consider and make findings regarding alternatives when a project would involve environmental effects which cannot be reduced to a less than significant level, or cannot be substantially reduced, by proposed mitigation measures. In order to reject an alternative that would avoid or lessen significant adverse environmental effects of the Project, the City must find that specific social, economic or other considerations make infeasible the project alternatives discussed in the Project EIR.

Pursuant to CEQA Guidelines Section 15126(d), the primary intent of the alternatives evaluation in the EIR is to "describe a range of reasonable alternatives to the project, or to the location of the project, which would feasibly attain the basic objectives of the project, but would avoid or substantially lessen any of the significant effects of the project, and evaluate the comparative merits of the alternatives." CEQA Guidelines further state that "the discussion of alternatives shall focus on alternatives capable of eliminating any significant adverse environmental effects or reducing them to a level of insignificance, even if these alternatives would impede to some degree the attainment of the project objectives, or would be more costly."

The EIR prepared for the Project considered several alternatives to the Project. Several of the alternatives analyzed in the Project EIR would lessen the significance of some of the environmental effects associated with the proposed Project. However, with the exception of the "No Project" alternative, no alternative analyzed in the Project EIR would mitigate any of the significant unavoidable effects associated with the Project to a level of insignificance.

The following is a description of the Project alternatives and of the specific economic, social or other considerations which make them infeasible for avoiding or lessening the impacts. The City of Hanford City Council finds that the adoption of any of the alternatives is infeasible. The reasons each alternative is infeasible is provided following the description of each alternative.

3.1 No PROJECT ALTERNATIVE

The No Project Alternative assumes the Project would not be approved and Project site would remain in agricultural production. The Project site's General Plan land use designations would be Planned Highway Development and Service Commercial. Given the Project site's present General Plan land use designations and zoning, the site could be developed for Planned Highway Development and Service Commercial uses over time on an incremental basis.

The No Project Alternative would avoid the air quality, noise and traffic effects that are associated with the Project which cannot be mitigated to a level of less than significant. However, any future commercial development on the Project site consistent with site present General Plan designations and zoning would likely face identical Project related issues.

Findings: The City of Hanford City Council hereby finds that the No Project alternative is not "feasible" as defined in the CEQA Guidelines Section 15364 for the following reasons:

Facts in Support of Findings:

- The alternative is inconsistent with the objectives of the Project it only achieves 17 of 19 objectives.
- The City of Hanford has designated the Project site for urban uses consistent with the proposed Project land uses.
- It is expected that the Project site would not remain in agricultural use indefinitely, since the Project site has been annexed into the City and rezoned for urban development.
- Urban development in the Project vicinity has and is expected to continue to occur consistent with the City of Hanford's adopted General Plan growth projections.
- The Project site is not subject to any physical constraints which cannot be mitigated or preclude its development.
- Adequate City services and public utilities are available or can be extended to serve the Project.
- City employment and revenue benefits anticipated from the Project would occur at a substantially lower level under this alternative.

3.2 SMALLER PLANNED COMMERCIAL PROJECT ALTERNATIVE

Under this alternative, the land area devoted to the Planned Commercial Project would be 30 acres and a smaller drainage basin would be constructed. In this alternative, the Planned Commercial element of the project would be located on the easterly end of the site and the Service Commercial element on the westerly portion. The Planned Commercial site would consist of approximately 30 acres with 300,000 square feet (sq. ft.) of commercial area with the major tenant being a discount store of 150,000 sq. ft., as second major of 100,000 sq. ft. and a range of pads from 25,000 sq. ft. to 4,000 sq. ft. containing fast food restaurants, shops and stores. The storm drainage basin would comprise approximately five acres located on the westerly part of the alternate project. Access would be from East Lacey Blvd. The balance of the site would be developed as a Service Commercial project with approximately 150,000 sq. ft. in various buildings ranging from 5,000 sq. ft. to 15,000 sq. ft. A public transit stop facility would be provided along East Lacey Blvd.

Findings: The City of Hanford City Council finds that the Smaller Planned Commercial Project alternative is not "feasible" as defined in the CEQA Guidelines Section 15364 for the following reasons:

Facts in Support of Findings:

- This alternative would not reduce significant adverse unavoidable environmental impacts associated with the Project to a less than significant level. This alternative would result in the similar significant unavoidable air quality, noise and traffic impacts associated with the Project.

- Construction related impacts of this alternative would be similar to the Project.
- Retail opportunities within the City would be reduced, thereby reducing the level of capturing sales lost to leakage caused by regional retail centers outside the City and market area.
- Under this alternative, City employment and revenue benefits would be reduced to less than those provided by the Project.

3.3 SLIGHTLY LARGER ALL PLANNED COMMERCIAL PROJECT. GRANGEVILLE AT HIGHWAY 43 PLANNED COMMERCIAL CENTER WOULD BE EVENTUALLY DEVELOPED ALTERNATIVE

This alternative would consist of 58 acres of Planned Commercial development for a total of 530,000 square feet of commercial space. The uses would consist of the major tenant being a discount store of 150,000 sq.ft., as second major of 100,000 sq.ft., and a range of additional pads from 38,000 to 4,000 square feet of shops, restaurants, and major stores. Access would be from East Lacey Blvd. and public transit stop facilities would be provided. A 5-acre storm drainage basin would also be developed.

The existing Planned Commercial development at Highway 43 and Grangeville Blvd. would be developed as a 40 acre site (37 net acres less the drainage basin) at such time as in the future when infrastructure was extended to the site. Using a Floor Area Ratio of .23, it is foreseeable that approximately 370,000 square feet of commercial space could be constructed at that location.

Findings: The City of Hanford City Council finds that the Slighdy Larger All Planned Commercial Project with the Grangeville at Highway 43 Planned Commercial Center Eventually Developed alternative is not "feasible" as defined in the CEQA Guidelines Section 15364 for the following reasons:

Facts in Support of Findings:

- This alternative would not reduce significant adverse unavoidable environmental impacts associated with the Project to a less than significant level. This alternative would result in the similar significant unavoidable air quality, noise and traffic impacts associated with the Project.
- Construction related impacts of this alternative would be substantially greater than the Project.
- Operational air quality, noise and traffic impacts would substantially increase under this alternative.
- This alternative would generate new impacts, particularly with traffic and the extension of infrastructure, that were not present with the Project.
- Adequate City services and public utilities are not available or can be readily extended to serve development at Grangeville/ Highway 43 Commercial Center..

3.4 SLIGHTLY LARGER ALL PLANNED COMMERCIAL PROJECT. GRANGEVILLE DOES NOT DEVELOP AS PLANNED COMMERCIAL, BUT AS SERVICE COMMERCIAL, COMMUNITY COMMERCIAL AND NEIGHBORHOOD COMMERCIAL ALTERNATIVE

This alternative would consist of 58 acres of Planned Commercial development for a total of 530,000 square feet of commercial space. The uses would consist of the major tenant being a discount store of 150,000 sq.ft., as second major of 100,000 sq.ft., and a range of additional pads from 38,000 to 4,000 square feet of shops, restaurants, and major stores. Access would be from East Lacey Blvd. and a public transit stop facilities would be provided. The 5-acre storm drainage basin would also be developed.

The existing Highway 43 and Grangeville Blvd. would not be developed as a Planned Commercial development and instead the 40 acre (37 net acres less the drainage basin) is developed at a Service Commercial, Community Commercial, and Neighborhood Commercial node serving the northeastern part of the future City. The commercial uses would be constructed at such time in the future when infrastructure was extended to the site. Using a Floor Area Ratio of .25 it is foreseeable that approximately 403,000 square feet of commercial space could be constructed at that location.

Findings: The City of Hanford City Council finds that the Slightly Larger all Planned Commercial Project and Grangeville does not Develop as Planned Commercial, but as Service Commercial, Community Commercial and Neighborhood Commercial Alternative for the Project is not "feasible" as defined in the CEQA Guidelines Section 15364 for the following reasons:

Facts in Support of Findings:

- This alternative would not reduce significant adverse unavoidable environmental impacts associated with the Project to a less than significant level. This alternative would result in the similar significant unavoidable air quality, noise and traffic impacts associated with the Project.
- Construction related impacts of this alternative would be substantially greater than the Project.
- Operational air quality, noise and traffic impacts would substantially increase under this alternative.
- This alternative would generate new impacts, particularly with traffic and the extension of infrastructure, that were not present with the Project.
- Adequate City services and public utilities are not available nor can they be readily extended to serve development at Grangeville/ Highway 43 Commercial Center.

4 STATEMENT OF OVERRIDING CONSIDERATIONS

An EIR has been prepared for the Project in accordance with CEQA Guidelines and the City of Hanford ordinances, and has been certified by the City of Hanford. The Final EIR indicates that if the Project is implemented, certain significant environmental effects may be unavoidable. As required by CEQA Guidelines Section 15093, the City of Hanford City Council finds that the unavoidable significant effects described in Chapter 2 of this document are acceptable because of the overriding conditions described in this Chapter. The benefits of the Project described in this Chapter outweigh its unavoidable environmental effects.

4.1 SIGNIFICANT UNAVOIDABLE IMPACTS

The following provides a description of the significant unavoidable adverse impacts and issues that were identified in the Final EIR for the Project, and of possible Statements of Overriding Consideration that can be adopted for the impacts or issues. The Statements of Overriding Consideration are based on information presented in the Project EIR prepared for the Project, as well as from available information in the "Project Record". The statements support the findings that the benefits of the Project outweigh the Project's unavoidable adverse environmental effects.

4.1.1 Air Quality

Mitigation measures and recommendations will help reduce potential air quality impacts generated by Project operations; however, no mitigation measures are available that would reduce Project construction and operation greenhouse gas emissions (GHG) which may directly or indirectly conflict with local or state plans, policies or regulations to GHG emissions to a level of less than significant.

4.1.2 Noise

Project will increase traffic noise levels that will affect existing noise sensitive land uses in the Project vicinity. Project related traffic noise will exceed thresholds of significance on East Lacey Boulevard from 9 1/4 Avenue to State Route 43, on SR 43 from Grangeville Boulevard to south of East Lacey Boulevard, and on 9th Avenue south of East Lacey Boulevard. Existing residences along these roadway segments will be exposed to Project-related traffic noise increases that exceed City of Hanford acceptable noise levels for residential uses. No mitigation measures are available that would reduce this impact to a less than significant level.

4.1.3 Transportation / Traffic

Existing Plus Phase 1 Project Conditions

Phase 1 of the Project will result in peak hour intersection conditions in excess of City of Hanford and Caltrans peak hour standards under Existing plus Project Conditions. Intersections impacted by Phase 1 of the Project are:

- East Lacey Boulevard / SR 43;

- East Lacey Boulevard / Project Site Access 1;
- Fargo Avenue / SR 43; and
- SR 198 Westbound OffRamp / Redington Street / 4'h Street.

Project mitigation measures will reduce Phase 1 Project traffic impacts, under Existing plus Project Conditions at 3 of the 4 intersections studied to a less than significant level. However, there are no feasible mitigation measures to reduce forecasted Existing plus Project Phase 1 p.m. peak hour traffic impacts on the westbound approach at Fargo Avenue / SR 43 intersection to an acceptable LOS.

Existing Plus Project Build-Out Conditions

Project build-out, under Existing plus Project Conditions, will result in traffic volumes that exceed the City of Hanford LOS "D" standard and contribute to the need for traffic signals and / or roadway improvements. Intersections impacted by Project build-out under Existing Conditions plus Project Conditions are:

- East Lacey Boulevard / 9 1/4 Avenue;
- East Lacey Boulevard / 9'h Avenue;
- East Lacey Boulevard / SR 43;
- East Lacey Boulevard / Project Site Access 1;
- Fargo Avenue / SR 43; and
- SR 198 Westbound Off-Ramp / Redington Street / 4'h Street.

Project mitigation measures will reduce Project build-out traffic impacts, under Existing plus Project Conditions, at 5 of the 6 intersections studied to a less than significant level. However, there are no feasible mitigation measures to reduce forecasted p.m. peak hour Project build out traffic impacts under Existing plus Project Conditions on the westbound approach at Fargo Avenue / SR 43 intersection to an acceptable LOS.

Cumulative Plus Project Conditions

The Project, under Cumulative plus Project Conditions, will result in traffic volumes that exceed the City of Hanford LOS "D" standard and contribute to the need for traffic signals and / or roadway improvements. Intersection impacted by the Project under Cumulative plus Project Conditions are:

- of Grangeville Boulevard / SR 43;
- East Lacey Boulevard / 9 1/4 Avenue;
- East Lacey Boulevard / 9'h Avenue;
- East Lacey Boulevard / SR 43;
- SR 198 / 9'h Avenue;
- East Lacey Boulevard / Site Access 1;
- 10'h Avenue / SR 43;

- Fargo Avenue / SR 43; and
- SR 198 Westbound Off-Ramp / Redington Street / 4th Street.

Project mitigation measures will reduce Project build-out traffic conditions at 8 of the 9 traffic intersections studied. Project traffic impacts, under Cumulative plus Project Conditions, to less than significant level. However, there are no feasible mitigation measures to reduce reduce forecasted peak hour Project traffic impacts under Cumulative plus Project Conditions at SR 198 / 9th Avenue. Development of the Project will exacerbate the cumulative LOS F condition.

4.1.4 Agricultural/ Farmland Resources

Project implementation will result in the direct physical conversion of approximately 56.9 acres of agricultural land designated by the California Department of Conservation as either Farmland of Statewide Importance or Unique Farmland. No Prime Farmland is present on the Project site.

Implementing the Project will incrementally contribute to the gradual transition of eastern Hanford from agricultural to urban uses. The Project, in conjunction with cumulative development within the City's General Plan Area resulting from the build out of the Hanford General Plan, will result in a regional loss of farmland, which will have a significant and unavoidable impact related to the cumulative loss of farmland in Kings County and the Central Valley.

The Project site was annexed to the City and prezone as Service Commercial and Highway Commercial in 1987. In 1992, the City of Hanford purchased 1,600 acres of agricultural land. Among the primary purposes of this acquisition was to provide cumulative mitigation for past, present and future growth in the City and to address the unavoidable conversion of agricultural land surrounding the City resulting from growth in the City. Despite the City's reasonable effort to mitigate the impact for the conversion of farmland through the purchase and preservation of 1,600 acres of farmland, this impact will remain significant and unavoidable.

4.2 OVERRIDING CONSIDERATIONS

The City of Hanford City Council finds that the following specific economic, social and environmental benefits of the Project outweigh the unavoidable adverse environmental impacts of the Project:

- The Project is consistent with the City of Hanford General Plan objectives and policies that provide for contiguous urban growth and extension of urban services to areas identified for urban growth in the Hanford General Plan and the City Master Water Plan. The Project is an infill commercial project which is not considered growth inducing beyond development envisioned by the General Plan.
- The Project site is within the City of Hanford City Limits.
- The Project provides a logical extension of urban development for commercial purposes identified in the General Plan and the Project is bound on three sides by existing urban development.
- The Project would provide for contiguous urban development of commercial land uses generally consistent with the City land use designations of the General Plan. The General

Plan Amendment to Planned Commercial is consistent with the intent of the General Plan for this location as a commercial regional serving location.

- City sewer and water pipeline improvements to the Project site are described in the City facility utility master plans. This Project would contribute to the development and cost of these necessary facilities which would be an overall benefit to the City by serving other approved projects, as well as future urban development envisioned by the City's General Plan for northeast Hanford area.
- The Project will enhance the retail opportunities in the Hanford area and capture retail sales leakage.
- The Project will locate local and regional serving retail within a designated commercial area in the City of Hanford.
- The Project will provide any opportunity for residents of Hanford and the greater Hanford area to shop locally.
- The Project will help fulfill the City's goal to serve as a regional retail center and reduce the number of vehicle trips to retail centers outside the City.
- Project will create employment opportunities within the City.
- Project will generate revenue for the City allowing the City to fund needed facilities and services.
- Project will generate additional revenue for Kings County, local school districts, and other special service districts.
- The Project will make efficient urban use of an isolated and marginal location of agricultural land immediately adjacent to urban uses.
- Virtually all undeveloped land within the City General Plan Area is designated by the California Department of Conservation Farmland Mapping and Monitoring Program as Important Farmland (i.e., Prime Farmland, Farmland of Statewide Importance, Unique Farmland) and as such is unavoidable with growth consistent with City General Plan.
- The City Hanford purchased 1,600 acres of agricultural land in 1992. One of the continuing purposes of this land is the mitigation of unavoidable cumulative loss of agricultural land resulting from past, present and future development within the City General Plan Area.

ATTACHMENT 2

MITIGATION AND MONITORING PROGRAM

Table FEIR 6 - 1

Impact No.	Impact	Mitigation Measure	
Air Quality			
4.2.2.a	Project Construction activities potentially could generate emissions that have the potential to temporarily adversely affect sensitive receptors in the proposed Project area. This is a potentially Significant Impact.	4.2.2.a (1) The Proposed Project developer shall prepare a Dust Control Plan for submission to San Joaquin Valley Air Pollution Control District (SJVAPCD). Prior to initiation of any phase of the Proposed Project Where grading, excavation, demolition or construction is undertaken, a Dust Control Plan shall be approved by SJVAPCD. The Dust Control Plan shall be provided to all contractors working on the construction of the Proposed Project or on off-site infrastructure improvements (City of Hanford shall include in any Plans and Specifications for off-site improvements) Which includes, but not limited to, the following SJVAPCD Regulation VIII standard requirements: a) All disturbed areas, including storage piles, Which are not being actively utilized for construction purposes, shall be effectively stabilized to reduce dust emissions using water, chemical stabilizer / suppressant, or vegetative ground cover. b) All on-site unpaved roads and off-site unpaved access routes shall be effectively stabilized to reduce dust emissions using water or chemical stabilizer / suppressant. c) All land clearing, grubbing, scraping, excavation, land leveling, grading, cut and fill, and demolition activities shall be effectively controlled to reduce fugitive dust emissions utilizing applications of water or presoaking. d) When materials are transported off-site, all material shall be covered, effectively wetted to limit visible dust emissions, or at least six (6) inches of freeboard space from the top of the container shall be maintained. e) All operations shall be limited or expeditiously remove the accumulation of mud or dirt from adjacent public roads at least once every 24 hours When operations are occurring -the use of dry rotary brushes is expressly prohibited except Where preceded or accompanied by sufficient wetting to limit visible dust emissions and the use of blower devices is expressly forbidden. f) Following the addition of materials to, or the removal of materials from, the surface of outdoor storage piles, said piles shall be effectively stabilized for fugitive dust emissions utilizing sufficient water or chemical stabilizer / suppressant. g) The requirements of SJVAPCD Rule 804.1 - Carryout and Trackout shall be strictly adhered to by all contractors working on Proposed Project site or in the public right-of-way. h) The speed of construction vehicles on unpaved vehicle and equipment traffic areas shall be limited to a maximum of 15 miles per hour or less. i) Erosion control measures shall be installed to prevent silt runoff to public roads. j) All construction equipment used in the construction of the Project shall use only Tier 3 Off-Road Diesel Engine Emissions Standards or cleaner construction equipment. 4.2.2.a (2) The Proposed Project developer shall designate a person or persons to direct and monitor the Dust Control Plan measures. Their duties shall include weekends and holidays When work may not be in progress. The name and telephone number(s) of such person(s) shall be provided to the San Joaquin Valley Air Pollution Control District, City of Hanford, and posted at the Proposed Project site, clearly visible to the public prior to the commence of any Proposed Project grading, excavation, demolition or construction activity.	LS LS

Table FEIR 6 - 1

Im actNo.	Impact	Mitigation.Measure	
		4.2.2.b (10) The proposed irrigation system incorporates the use of deep root watering bubblers for parking lot shade trees to minimize water usage and ensure that water goes directly to the intended planting areas. 4.2.2.b (11) The applicant shall increase transit accessibility. Implement Mitigation Measure 4.10.2.h. 4.2.2.b (12) Use lowVOC architectural coatings. 4.2.2.b (13) The applicant shall comply with the SJVAPCD Rule 9510-Indirect Source Review prior to obtaining a Building Permit for any building or structure located on the Proposed Project Site. The applicant shall include proof of such compliance with the SJVAPCD JSR and effectively entered into a VERA with each Building Permit Application to the City. a) The City expects that the SJVAPCD will institute additional Project Types for the expenditure of ISRNRA funds collected in the City of Hanford that will directly benefit the air quality improvements In the City Including the following project types: 1. Funding of clean air public transportation vehicles or adding to the fleet of clean air public transit vehicles that will serve the project. 2. Providing viable and meaningful incentives to the public for the replacement of personal vehicles that do not meet current clean air standards (alternative fuel or electric). 3. Improved bicycle and pedestrian facilities near the proposed project. 4. Or other project types acceptable to the City of Hanford.	LS LS LS LS
Biological Resources			
4.3.2.b	Proposed Project implementation and / or construction activities could affect federally or state listed, candidate or special –status animal species.	4.3.2.b (1) a) The Project Developer shall retain a qualified biologist to conduct preconstruction / preactivity surveys for San Joaquin kit fox not less than 14 days and no more than 30 days prior to the onset of proposed Project ground disturbance and / or construction activities or any proposed Project activity likely to affect the San Joaquin kit fox (i.e., re-alignment or widening of Lacey Boulevard). These surveys shall be conducted in according to the methods described in United States Fish and Wildlife Service's (USFWS) Standardized Recommendations for Protection of the San Joaquin Kit Fox. The primary objective of the survey is to identify kit fox habitat features (e.g., potential dens and refugia) on the proposed Project site and evaluate their use by kit foxes. If an active kit fox den is detected within or within 200 feet of the construction area. the USFWS shall be contacted immediately to determine the best course of action. b) Prior to the start of construction, the Project Developer shall retain a qualified biologist to conduct a tailgate meeting to train all construction staff on the San Joaquin kit fox. The training shall include: a description of the kit fox and its habitat needs; a report of the occurrence of kit fox in the proposed Project area; an explanation of the status of the species and its protection under the endangered species act; and a list of the measures being taken to reduce impacts to the species during proposed Project construction and Implementation. The Project Developer shall notify the Sacramento Field Office of the United States Fish and	LS

Table FEIR 6 • 1

Impact No.	Impact	Mitigation Measure	
		opening with Phase I.	
4.3.2.g	Proposed Project construction could result in the loss of possible breeding habitat and the mortality of burrowing owls.	4.3.2.g (1) The Project Developer shall retain a qualified biologist to conduct a pre-construction survey for burrowing owls within 30 days of the onset of each phase of construction. This survey shall be conducted according to methods described in the California Department of Fish and Game (CDFG) Staff Report on Burrowing Owl Mitigation. All suitable habitats of the study area shall be covered during this survey. If a pre-construction survey is undertaken during the breeding season (February 1 through August 31) and active nest burrows are located within or within 220 meters (656 feet) of a construction zones the Project Developer shall install a construction- free buffer in accordance with the California Department of Fish and Game (CDFG) Staff Report on Burrowing Owl Mitigation around all active nests. The buffer areas shall be enclosed with temporary fencing, and construction equipment and workers shall not enter the enclosed setback areas. Buffers shall remain in place for the duration of the breeding season. After the breeding season (i.e., once all young have left the nest), the Project Developer is required to passively relocate of any remaining owls may take place as in accordance with the California Department of Fish and Game (CDFG) Staff Report on Burrowing Owl Mitigation. During the non-breeding season (September 1 through January 31), the Project Developer shall relocate resident owls occupying burrows in areas proposed for development in accordance with the California Department of Fish and Game (CDFG) Staff Report on Burrowing Owl Mitigation to an alternative habitat. The relocation of resident owls must be according to a relocation plan prepared by a qualified biologist. Passive relocation would be the preferred method of relocation. The relocation plan must provide for the owl's relocation to nearby lands possessing available nesting and foraging habitat.	LS
4.3.2.h	Proposed Project construction could result in the loss of possible breeding habitat and the mortality of raptors and other migratory birds.	4.3.2.h (1) The Project Developer shall conduct a preconstruction survey for all nesting birds by a qualified biologist no more than 10 days prior to the start of the of the Project and that the surveys be conducted in a sufficient area around the work site to identify any nests that are present and to determine their status. Start of the Project means the onset of any proposed Project land clearing, grubbing, scrapping, excavation, land leveling, grading, cut and fill, tree removal or demolition activities should such activities commence during the breeding season (February 1 through September 15). A sufficient area means any nest within an area that could potentially be affected by the Project. In addition to direct impacts, such as nest destruction, nests might be affected by noise, vibration, odors, and movement of workers or equipment. Identified nests should be continuously surveyed for the first 24 hours prior to any construction related activities to establish a behavioral baseline. Once work commences, all nests should be continuously monitored to detect any behavioral changes as a result of the Project. If behavioral changes are observed, the work causing that change should cease and the Department consulted for additional avoidance and minimization measures. If continuous monitoring of identified nests by a qualified wildlife biologist is not feasible, the Department also recommends a minimum no-disturbance buffer of 250 feet around active nests of non-listed bird species and a 500-foot no-disturbance buffer around the nests of unlisted raptors until the breeding season has ended, or until a qualified biologist has determined that the birds have	LS

Table FEIR 6 • 1

Impact No.	Impact	Mitigation Measure	
		The Project Developer shall file a Notice of Intent (NOI) to comply with State Water Resources Control Board's General Waste Discharge Requirements for Discharge to Land with a Low Threat to Water Quality and Discharge Monitoring Plan (DMP) with the Central Valley Regional Water Quality Control Board prior to proposed Project construction activity involving any excavation activity. The Permit must be current at all times during proposed Project construction and a copy of the DMP must remain on the proposed Project site during proposed Project construction.	
Cultural Resources			
4.4.2.a	Construction activities related to the implementation of the proposed Project could result in the disturbance of previously unknown subsurface cultural resources.	4.4.2.a (1) In the event a previously unknown archaeological or paleontological resource is discovered during any land alteration activities; all grading and construction activity shall immediately cease within 500 feet of the discovery and the City of Hanford shall be notified. The owner/successor in interest shall retain a qualified cultural resource specialist to perform necessary investigations to determine the significance of the find. The City of Hanford shall implement prescribed measures deemed appropriate by cultural resources specialist for recordation and / or protection of the cultural resources. 4.4.2.a (2) Should any human remains be discovered at any time, all work is to stop and the County Coroner must also be immediately notified pursuant to the State Health and Safety Code, Section 7050.5 and the State Public Resources Code, Section 5097.98. If the remains are determined to be Native American, guidelines of the Native American Heritage Commission shall be adhered to in the treatment and disposition of the remains. State guidelines will be enforced for any subsurface discoveries that may occur during construction.	LS LS
Hazards and Hazardous Materials			
4.5.2.a	Accidental upset of hazardous materials used during proposed Project construction or operation may increase the risk of exposure to the environment, workers and the public.	4.5.2.a (1) Construction contractor(s) shall be required to implement best management practices (BMPs) for handling hazardous materials during proposed Project construction. The use of construction BMPs shall minimize negative effects on groundwater and soils, workers, and the public, and include, without limitation, the following: (n) Follow manufacturers' recommendations and regulatory requirements for storage, handling, use and disposal of chemical products and hazardous materials used in construction. (b) Avoid overtopping construction equipment fuel tanks. (c) During routine maintenance of construction equipment, properly contain and remove grease and oils. (d) Properly dispose of discarded containers of fuels and other chemicals. 4.5.2.a (2) The construction contractor(s) shall implement safety measures in accordance with General Industry Safety Orders for Spills and Overflow Control (CCR Title 8, Sections 5163- 5167) to protect the proposed Project area from contamination due to accidental release of hazardous materials. The safety measures shall include, but not be limited to, the following: (a) Spills and overflows of hazardous materials shall be neutralized and disposed of promptly.	LS LS

(
I
>
I
—
H

Z
1
1
r
d
—
o
u
s

m
a
t
e
r
i
a
l
s

s
h
a
l
l

b
e

s
t
o
r
e
d

I
n

c
o
n
t
a
i
n
g
m
a
t
e
r
i
a
l
s
t
h
a
t
a
r
e
c
h
e
m
i
c
a
l
l
y
i
n
e
r
t
t
o
a
n
d
a
p
p
r
o
p
r
i
a
t
e
f
o
r
u
s
e
.



Table FEIR 6 • 1

Impact No.	Impact Description	Mitigation Measure	Significance
		<u>overriding considerations as the impact would be significant and unavoidable."</u> 4.10.2.b (2) East Lacey Boulevard and Site Access 1 intersection shall be signalized with protected left-turn phasing and the following minimum lane configurations prior to opening day of Phase I of the Project: • Eastbound: two through lane and one right turn; • Westbound: two left-turn lanes and one through lane; • Northbound: two left-turn lane and one right-turn lane. A dedicated right turn lane is shown on the Proposed Project Site Plan and is part of the improvements planned by the applicant. The applicant will construct the dedicated right turn lane prior to opening day of Phase I. The developer of the Proposed Project will construct the required mitigation improvements prior to opening day of Phase I. New turn lanes shall be designed to accommodate the queues identified in Table 4.10-27. Intersection improvements shall be constructed in accordance with City of Hanford standards. A dedicated right turn lane is shown on the Proposed Project Site Plan and is part of the improvements planned by the applicant. The applicant will construct the dedicated right turn lane prior to opening day of Phase I. The developer of the Proposed Project will construct the required mitigation improvements prior to opening day of Phase I. If the City allows a Certificate of Occupancy for any Project related use prior to the completion of the required intersection improvements at East Lacey Blvd. and SR 43 a Significant and Unavoidable impact will be present at East Lacey Boulevard / SR 43 intersection. If East Lacey Boulevard / SR 43 intersection is relocated and operational prior to a Certificate of Occupancy for any Project related use, then forecasted Proposed Project Phase I impact at East Lacey Boulevard / SR 43 intersection result will improve to Less than Significant. If the City allows a Certificate of Occupancy for any Project related use prior to the completion of the required intersection improvements at East Lacey Blvd. and SR 43 it will require a statement of <u>overriding considerations as the impact would be significant and unavoidable.</u> 4.10.2.b (3) At SR 198 Westbound Off Ramp / Redington Street / 4th Street Intersection, stop signs shall be installed on 4th Street on the westbound approach to the intersection. Intersection improvements shall be constructed in accordance with Caltrans and City of Hanford standards as applicable. The mitigation is required on opening day of Phase I requiring the Proposed Project to pay 100 percent of the cost of the improvement. Note on Mitigation: The mitigation is required on opening day and improvement shall be completed at opening day of Proposed Project Build-Out requiring the Proposed Project to be 100 percent responsible for the cost of the improvements. The Proposed Project will be responsible only for its fair share of the mitigation as shown in Table 4.10-35 or payment of the updated City Traffic Impact Fee at the time of construction of each building. The Proposed Project is entitled to reimbursement for the necessary oversizing of the intersection.	LS LS

Table FEIR 6 • 1			
Impact-No.	Impact	Mitigation Measure	
		Plan lines and amendments to existing plans will be developed as required to accommodate the realignment and widening of East Lacey Boulevard. This mitigation is nearly identical to Mitigation 4.10.2.b (1) with the exception that a second eastbound left-turn lane is required. 4.10.2.d (4) The intersection of East Lacey Boulevard and Site Access 1 shall be signalized with protected left-turn phasing and the following minimum lane configurations meeting Cumulative plus Project mitigation measures prior to opening day of Phase I: - Eastbound: two through lane and one right-turn lane: - Westbound: two left-turn lanes and one through lane: - Northbound: two left-turn lane and one right-turn lane. New turn lanes shall be designed to accommodate the queues identified in Table 4.10-31. Intersection improvements shall be constructed in accordance with City of Hanford standards. The Proposed Project is responsible for 100 percent of this mitigation prior to opening day of Phase I. 4.10.2.d (5) At SR 198 Westbound Off Ramp / Redington Street / 4th Street intersection, stop signs shall be installed on 4th Street on the westbound approach to the intersection. Intersection improvements shall be constructed in accordance with Caltrans and City of Hanford standards as applicable. Intersection improvements shall be constructed in accordance with Caltrans and City of Hanford standards as applicable. The Proposed Project is responsible for 100 percent of this mitigation on opening day. 4.10.2.d (6) 10th Avenue and SR 43 intersection shall be signalized with protected left-turn phasing. Additional lanes are not required. Intersection improvements shall be constructed in accordance with Caltrans standards. 10th Avenue and SR 43 intersection shall be signalized with protected left-turn phasing. Additional lanes are not required. Intersection improvements shall be constructed in accordance with Caltrans standards. The Proposed Project shall be responsible for payment of the updated City of Hanford Traffic Impact Fee at the time of construction of each building in the full build-out of the Proposed Project.	LS LS LS
4.10.2.e	Proposed Project Build-Out under existing conditions will have a <i>significant impact</i> on East Lacey Boulevard road segment west of State Route 43.	4.10.2.e (1) East Lacey Boulevard between the westernmost site access driveway (Site Access 1) and SR 43 shall be widened to provide two lanes in each direction. The Proposed Project is responsible for 100 percent of this mitigation on opening day. Note on Mitigation: The mitigation is required on opening day and Improvement shall be completed at opening day of Proposed Project Build-Out requiring the Proposed Project to be 100 percent responsible for the cost of the improvements. The Project is entitled to reimbursement for the necessary oversizing of the street segment per the updated City of Hanford Traffic Fee Program. The Proposed Project will be responsible for payment of the updated City of Hanford	LS

Table FEIR 6 • 1			
Impact No.	Impact	Mitigation Measure	
		East Lacey Boulevard / SR 43 intersection shall be relocated to the north of its current location to provide adequate storage distance between East Lacey Boulevard and the SR 198 westbound ramps. The intersection shall be signalized with protected left-turn phasing and shall be constructed with the following minimum lane configurations which are required to be constructed in Phase I of the Project: • Eastbound: two left-turn lanes, one through lane, and one right-turn lane; • Westbound: one left-turn lane and one through lane with a shared right turn; • Northbound: two left-turn lanes and two through lanes and one right turn lane; • Southbound: one left-turn lane, one through lane, and one right-turn lane. New turn lanes shall be designed to accommodate the queues identified in Table 4.10-36 as applicable. Note on Mitigation: The mitigation is required on opening day of Phase I of the Proposed Project and improvement shall be completed within 24 months of opening day for Phase I requiring the Proposed Project to be 100% responsible for the construction of the relocated intersection (including the lane connection from the existing East Lacey Blvd. alignment to the relocated intersection between the Proposed Project and the intersection). Construction of the intersection will include improvements to SR 43 between the SR 198 ramps and the relocated intersection meeting Caltrans specifications. The Proposed Project shall be responsible for payment of the updated City of Hanford Traffic Impact Fee at the time of construction of each building in the full build-out of the Proposed Project. The City will update the Traffic Impact Fee Program at the time the City Council considers approval of the Proposed Project. This mitigation measure does not eliminate the possibility that the opening day of the Proposed Project may occur prior to the completion of the relocated Intersection at East Lacey Blvd. and SR 43. <u>If the City allows a Certificate of Occupancy for any Project related use prior to the completion of the required intersection improvements at East Lacey Blvd. and SR 43 it will require a statement of overriding considerations as the Impact would be significant and unavoidable.</u> 4.10.2.f (5) As identified in Table 4.10-19, SR 198/9th Ave. intersection would be operating at LOS F during the peak hour periods under the cumulative traffic condition. Development of the Proposed Project would exacerbate the cumulative LOS F conditions. The intersection of SR 198 and 9th Avenue is planned to ultimately be converted to an interchange; however, interchange Improvements for this location are not fully funded at this time. Caltrans confirms in its comment letter on this project that an Interchange at SR 198/9th Avenue would not meet the requirements of FHWA to provide braided ramps where high speed movements are anticipated in the future. The decision not to allow an interchange at this location is significant to future planning efforts of the City and makes any mitigation at this intersection for this proposed project infeasible. Nevertheless, the 9th Avenue/SR 198 intersection is currently undergoing a Project Study Report (PSR) for a proposed Interchange. Similar to a new Interchange that is under construction without braided ramps in the City of Lemoore at 19th Avenue/SR 198 which is only 1/2 mile from SR 41, some design exceptions may also need to be allowed at the 9th Avenue/SR 198 interchange. This is an unresolved issue that will have to be determined as the PSR proceeds. Until the matter is resolved, the City will continue to collect Traffic Impact Fees for this future facility.	LS LS

Table FEIR 6 - 1

ImpactNo.	Impact	Mitigation Measure	
		New turn lanes shall be designed to accommodate the queues identified in Table 4.10-36. Intersection improvements shall be constructed in accordance with applicable Caltrans and City of Hanford standards. The Proposed Project will be responsible for payment of the updated City of Hanford Traffic Impact Fee at the time of construction of each building in the full build-out of the Proposed Project. 4.10.2.f (9) State Route 198 westbound off ramp and Redington Street / 4th Street intersection shall be signalized with protected left-turn phasing on the northbound approach and the following lane configurations by the year 2035: • Westbound: one left-turn lane and one shared left/through/right lane; • Northbound: one left-turn lane and one through lane; • Southbound: one through lane with a shared right turn. New turn lanes shall be designed to accommodate the queues identified in Table 4.10-36. Intersection improvements shall be constructed in accordance with applicable Caltrans and City of Hanford standards. The Proposed Project will be responsible for payment of the updated City of Hanford Traffic Impact Fee at the time of construction of each building in the full build-out of the Proposed Project.	LS
4.10.2.g	Cumulative plus Proposed Project traffic conditions will have a significant impact on increasing the volume of traffic on roadway segments.	4.10.2.g (1) State Route 43 between East Lacey Boulevard and Fargo Avenue shall be widened to four lanes (two lanes in each direction). Caltrans has indicated that a fair share payment will not be requested for this segment. Funding for mainline widening will be obtained in the future through other sources. 4.10.2.g (2) East Lacey Boulevard between 10th Avenue and State Route 43 shall be widened to 4 lanes (two lanes in each direction). The Proposed Project will be responsible for payment of the updated City of Hanford Traffic Impact Fee at the time of construction of each building in the full build-out of the Proposed Project.	LS
4.10.2.h	Development of the Proposed Project will have a <i>potentially significant impact</i> on public transit services.	4.10.2.h (1) The Proposed Project applicant / developer, KCAPTA and the City of Hanford shall coordinate, identify and design the public transit stop location to serve the Proposed Project site on the Final Site Plan and in the plans and specifications are prepared for the improvement of East Lacey Blvd. along the frontage of the Proposed Project. The designated public transit stop shall provide at minimum, a shelter with solar lighting and advertising display, bench, trash can, bus stop sign and schedule holder. Adequate right-of-way shall be provided for bus turn-out and re-entry into traffic. Public Transit improvements shall be identified on all applicable Project improvement plans. The Proposed Project Applicant /Developer is responsible for 100% of the cost of construction and for constructing the public transit Improvements by opening day of Phase 1.	LS
Notes:	NA = Not Applicable NI = No Impact	LS = Less than Significant PS = Potentially Significant	

7 MITIGATION MONITORING AND REPORTING PROGRAM

TABLE OF CONTENTS

7.1	Introduction	7-1
7.2	Compliance Checklist.....	7-3
7.3	Mitigation Monitoring Program	7-3
7.4	Conditions of Approval	7-41
7.5	Reporting Program	7-42

7.1 INTRODUCTION

Throughout this EIR, mitigation measures have been clearly identified and presented in language that will facilitate establishment of a Mitigation Monitoring and Reporting Program. These identified mitigation measures are listed in Table FEIR 6- 1.

The purpose of this Mitigation Monitoring and Reporting Program (MMRP) is to describe the City of Hanford's roles and responsibilities in the mitigation monitoring process for the proposed Highway 43/198 Commercial Project (Proposed Project), pursuant to CEQA Guidelines Section 15097. Section 15097 requires public agencies, as part of the certification of an EIR, to prepare and approve a Mitigation Monitoring and Reporting Program. This program should be structured to ensure that changes to the project that the lead agency has adopted to mitigate or avoid significant environmental impacts are carried out during project implementation. It is a working guide to facilitate not only the implementation of mitigation measures, but also the monitoring, compliance, and reporting activities of the City of Hanford. The City has prepared the Mitigation Monitoring and Reporting Program for the Highway 43/198 Commercial Project that will be adopted at the time of the Final EIR for this Project and that identifies the specific timing and roles and responsibilities for the implementation of mitigation measures.

The MMRP includes a description of the requirements of CEQA and a compliance checklist. The intent of the MMRP is to prescribe and enforce a means for properly and successfully implementing the mitigation measures as identified within the Environmental Impact Report (EIR) for this Project. Unless otherwise noted, the cost of implementing the mitigation measures as prescribed by this MMRP shall be funded by the applicant.

7.3 MITIGATION MONITORING AND REPORTING PROGRAM

Table FEIR 7 • 1				
Mitigation Implementation and Monitoring Program				
Mitigation No.	Mitigation Measure	Implementation	Reliability	Date & Signature of Party Responsible for Verification of Compliance
Air Quality				
4.2.2.a (1)	The Proposed Project developer shall prepare a Dust Control Plan for submission to San Joaquin Valley Air Pollution Control District (SJVAPCD). Prior to initiation of any phase of the Proposed Project where grading, excavation, demolition or construction is undertaken, a Dust Control Plan shall be approved by SJVAPCD. The Dust Control Plan shall be provided to all contractors working on the construction of the Proposed Project or on off-site infrastructure improvements (City of Hanford shall include in any Plans and Specifications for off-site improvements) which includes, but not limited to, the following SJVAPCD Regulation VIII standard requirements: a) All disturbed areas, including storage piles, which are not being actively utilized for construction purposes, shall be effectively stabilized to reduce dust emissions using water, chemical stabilizer / suppressant, or vegetative ground cover. b) All on-site unpaved roads and off-site unpaved access routes shall be effectively stabilized to reduce dust emissions using water or chemical stabilizer / suppressant. c) All land clearing, grubbing, scraping, excavation, land leveling, grading, cut and fill, and demolition activities shall be effectively controlled to reduce fugitive dust emissions utilizing applications of water or presoaking. d) When materials are transported off-site, all material shall be covered, effectively wetted to limit visible dust emissions, or at least six (6) inches of freeboard space from the top of the container shall be maintained. e) All <u>Operations</u> shall be limited or expeditiously	Project Applicant, Developer and / or Successors-in-Interest.	Hanford Community Development and / or Public Works Dept shall verify that applicable SJVAPCD specifications are included in Project improvement plans and are being implemented during construction.	Verify prior to approval of any applicable Project improvement plans that applicable SJVAPCD specifications are included and verify specifications are being implemented during Project construction activities.

Table FEIR 7 - 1

!9hW Y! 31:t9 ; 9r,tlm r.ci•liCe.n er PrpJ. c.t.:
Mitiga(ion •Imp(ijmentation andMdnitoring;Program

Mitigation No.	Mitigation Measure	Party Responsible for Implementation	Party, Reliance for Implementation	Reporting Schedule	Date & Signature of Party Responsible for Verification of Compliance
4.2.2.a (3)	The Proposed Project developer or successors in interest, or Proposed Project contractor shall be responsible for payment of applicable fees pursuant to San Joaquin Valley Air Pollution Control District (SJVAPCD) Rule 3135 (Dust Control Plan Fee) to cover the cost for reviewing plans and conducting construction activity compliance inspections by SJVAPCD.	Project Applicant, Developer and / or Successors-in-Interest.	Hanford Community Development and / or Public Works Dept shall verify that applicable SJVAPCD have been paid prior to issuance of final map.	Verify prior to approval of any applicable Project improvement plans that applicable SJVAPCD fees have been paid.	
4.2.2.b (1)	The Proposed Project developer or successors in interest shall incorporate sustainability features in building and site design with the goal of reaching a building efficiency rating that is greater than the Title 24 requirement, in order to reduce energy consumption and associated GHG emissions.	Project Applicant, Developer and / or Successors-in-Interest.	Hanford Community Development and / or Building Dept. shall verify that applicable standards have been met prior to issuance of building permit.	Verify prior to approval of any applicable Project improvement plans or permit that mitigation measure 4.2.2.b (1) has been met.	
4.2.2.b (1)	Parking lot light standards are designed to provide even light distribution and use 20% less energy compared to a greater number of fixtures at lower heights. The use of metal halide lamps provide a color corrected white light and a higher level of perceived brightness with less energy than other lamps such as high pressure sodium.				
4.2.2.b (2)	locally extracted and manufactured building materials will be utilized where feasible.	Project Applicant, Developer and / or Successors-in-Interest.	Hanford Community Development Department requires mitigation measure 4.2.2.b(2) to be part of the Project Design Guidelines document.	Prior to issuance of building permits, a Project Design Guideline document shall be drafted and made available to parties responsible to development of the Project.	
4.2.2.b (3)	Pre-manufactured building components, including structural framing and metal panels, are designed to minimize waste during construction.	Project Applicant, Developer and / or Successors	Hanford Community Development Department requires mitigation measure 4.2.2.b(3) to be part of the Project Design Guidelines document.	Prior to issuance of building permits, a Project Design Guideline document shall be drafted and made available to parties responsible to development of the Project.	

Mitigation

Highway 43/198 Commercial Center Project
Final Environmental Impact Report

Highway 43/198 Commercial Center Project
Final Environmental Impact Report

Table FEIR 7 - 1

Mitigation Monitoring and Reporting Program					
Mitigation No.	Mitigation Measure	Monitoring & Reporting Schedule			Date & Signature of Party Responsible for Verification of Compliance
4.2.2.b (8)	Required tree plantings will reduce summer heat gain within the parking field.	Project Applicant, Developer and / or Successors	Hanford Community Development Department requires mitigation measure 4.2.2.b(8) to be part of the Project Design Guidelines document.	Prior to issuance of building permits, a Project Design Guideline document shall be drafted and made available to parties responsible to development of the Project.	
4.2.2.b (9)	Project wide landscaping will incorporate a substantial amount of drought tolerant species and minimize turf area to conserve water.	Project Applicant, Developer and / or Successors	Hanford Community Development Department requires mitigation measure 4.2.2.b(9) to be part of the Project Design Guidelines document.	Prior to issuance of building permits, a Project Design Guideline document shall be drafted and made available to parties responsible to development of the Project.	
4.2.2.b (10)	The proposed irrigation system incorporates the use of deep root watering bubblers for parking lot shade trees to minimize water usage and ensure that water goes directly to the intended planting areas.	Project Applicant, Developer and / or Successors	Hanford Community Development Department requires mitigation measure 4.2.2.b(10) to be part of the Project Design Guidelines document.	Prior to issuance of building permits, a Project Design Guideline document shall be drafted and made available to parties responsible to development of the Project.	
4.2.2.b (11)	The applicant shall increase transit accessibility. Implement Mitigation Measure 4.10.2.h.	Project Applicant, Developer and / or Successors	Hanford Community Development Department requires mitigation measure 4.2.2.b(11) to be part of the Project Design Guidelines document.	Prior to issuance of building permits, a Project Design Guideline document shall be drafted and made available to parties responsible to development of the Project.	

Table FEIR 7 - 1

Highway 43/198 Commercial Center Project
Mitigation Measures and Monitoring Requirements

Date & Signature of
Party Responsible

Mitigation No.

Mitigation Measure

Party

Party Responsible for

61110, (P)rtJrig

for Verification of
Compliance

30 days prior to the on-set of proposed Project ground disturbance and / or construction activities or any proposed Project activity likely to affect the San Joaquin kit fox (i.e., re-alignment or widening of Lacey Boulevard). These surveys shall be conducted in accordance to the methods described in United States Fish and Wildlife Service's (USFWS) Standardized Recommendations for Protection of the San Joaquin Kit Fox. The primary objective of the survey is to identify kit fox habitat features (e.g., potential dens and refugia) on the proposed Project site and evaluate their use by kit foxes.

or Successors-
in-Interest.

qualified biologist has undertaken the required preconstruction / preactivity surveys prior to issuance of building permits.

the Project that a qualified biologist has undertaken the required preconstruction / preactivity surveys.

If an active kit fox den is detected within or within 200 feet of the construction area, the USFWS shall be contacted immediately to determine the best course of action.

- b) Prior to the start of construction, the Project Developer shall retain a qualified biologist to conduct a tailgate meeting to train all construction staff on the San Joaquin kit fox. The training shall include: a description of the kit fox and its habitat needs; a report of the occurrence of kit fox in the proposed Project area; an explanation of the status of the species and its protection under the endangered species act; and a list of the measures being taken to reduce impacts to the species during proposed Project construction and implementation.

The Project Developer shall notify the Sacramento Field Office of the United States Fish and Wildlife Service and the Fresno Field Office of the California Department of Fish and Game in writing within three (3) working days in case of the accidental death of or injury to a San Joaquin kit fox during proposed Project related activities. Notification must include the date, time, location of the incident or of the finding of a dead or injured animal, and any other pertinent information.

Highway 43/198 Commercial Center Project
Final Environmental Impact Report

Mitigation Monitoring and Reporting Program		Public Hearing Draft	Page 7-9

Highway 43/198 Commercial Center Project
Final Environmental Impact Report

Table FEIR 7 • 1

... H19nvr ; ; t1. .a?g§ 111 rcial:eeent r rs:foJ f... ..

Mitigation No.	Mitigation Measure	Party Responsible for Implementation	Monitoring / Reporting Schedule	Date & Signature of Party Responsible for Verification of Compliance
	trees shall be planted according to the landscaping plan for each Phase of development as approved by the City for each phase of development a mature red gum eucalyptus tree is lost. The replacement tree shall be a minimum 24-inch box size and shall all be planted on-site in a similar straightway or grove-like configuration. The replacement trees shall not be planted within 100 feet of existing or planned residential uses or under or within 100 feet of overhead utilities. The replacement plantings shall not count towards meeting the minimum tree planting requirements for the proposed Project as specified by City Ordinance. All replacement trees shall be monitored for at least five (5) years after planting with each Phase of development to ensure the success of the new tree planting. If a tree dies during this period, the tree shall be replaced and the replacement tree shall be monitored for an additional five (5) years (a) Maintenance of the replacement trees must be secured by a security bond by the developer to warranty tree survival and replacement should a tree(s) fail prior to the expiration of the 5 year warranty period. The required security for trees within a Phase shall be provided to the City as a condition of issuance of a Certificate of Occupancy for the first business within that Phase. For example, the security for all trees to be planted in association with Phase I shall be provided to the City as a condition of the City's issuance of a Certificate of Occupancy for the first business opening with Phase I.	and is followed as stated.		
4.3.2.g (1)	The Project Developer shall retain a qualified biologist to conduct a pre-construction survey for burrowing owls within 30 days of the onset of each phase of construction. This survey shall be conducted according to methods described in the California Department of Fish and Game (CDFG) Staff Report on Burrowing Owl Mitigation. All suitable habitats of the study area shall be covered during this survey.	Project Applicant, Developer and / or Successors-in-Interest.	Hanford Community Development Dept. shall verify that a qualified biologist has undertaken the required studies / surveys and those applicable conditions are complied with prior to issuance of	Verify prior to issuance of any grading or construction permit. Where and when applicable, field verify applicable conditions are implemented.

Mitigation

Highway 43/198 Commercial Center Project
Final Environmental Impact Report

Highway 43/198 Commercial Center Project
Final Environmental Impact Report

Table FEIR 7 - 1				
Mitigation Measure				
Mitigation No.	Mitigation Measure	Responsible Party	Monitoring & Reporting Schedule	Date & Signature of Party Responsible for Verification of Compliance
	habitat.			

4.3.2.h (1)	The Project Developer shall conduct a preconstruction survey for all nesting birds by a qualified biologist no more than 10 days prior to the start of the of the Project and that the surveys be conducted in a sufficient area around the work site to identify any nests that are present and to determine their status. Start of the Project means the onset of any Proposed Project land clearing, grubbing, scraping, excavation, land leveling, grading, cut and fill, tree removal or demolition activities should such activities commence during the breeding season (February 1 through September 15). A sufficient area means any nest within an area that could potentially be affected by the Project. In addition to direct impacts, such as nest destruction, nests might be affected by noise, vibration, odors, and movement of workers or equipment. Identified nests should be continuously surveyed for the first 24 hours prior to any construction related activities to establish a behavioral baseline. Once work commences, all nests should be continuously monitored to detect any behavioral changes as a result of the Project. If behavioral changes are observed, the work causing that change should cease and the Department consulted for additional avoidance and minimization measures. If continuous monitoring of identified nests by a qualified wildlife biologist is not feasible, the Department also recommends a minimum no-disturbance buffer of 250 feet around active nests of non-listed bird species and a 500-foot no-disturbance buffer around the nests of unlisted raptors until the breeding season has ended, or until a qualified biologist has determined that the birds have fledged and are no longer reliant upon the nest or parental care for survival. Variance from these no disturbance buffers may be implemented when there is compelling biological or ecological reason to do so, such as when the Project area would be concealed from a nest site by topography. Any variance from these buffers	Project Applicant, Developer and / or Successors-in-Interest.	Hanford Community Development Dept. shall verify that a qualified biologist has undertaken the required studies / surveys and those applicable conditions are complied with prior to issuance of any grading or construction permit and shall field verify, if applicable, conditions specified.	Verify prior to issuance of any grading or construction permit. Where and when applicable, field verify applicable conditions are implemented.	
-------------	--	---	--	--	--

Table FEIR 7 .. 1

Table FEIR 7 .. 1					
Mitigation Monitoring and Reporting Program					
Mitigation No.	Project Description	Mitigation Measure	Responsible Party	Reporting Schedule	Date & Signature of Person Responsible for Verification of Compliance
	are observed to be roosting or breeding, then no further action would be required, and construction can proceed. If a non-breeding bat colony is found in a disturbance area, the individuals shall be humanely evicted by the Project Developer via the partial dismantlement of the trees prior to demolition under the direction of a qualified biologist to ensure that no harm or "take" would occur to any bats as a result of construction activities. If a maternity colony is detected, the Project Developer shall install a construction-free buffer around the colony and remain in place until the biologist has been deemed that the nursery is no longer active. The construction free buffer will range from 50 to 100 feet as determined by the qualified biologist.			shall field verify, if applicable, conditions specified.	
4.3.2.k (1)	The Project Developer shall prepare a Stormwater Pollution Prevention Plan (SWPPP) in compliance with State Water Resource Control Board General Permit for Discharge of Stormwater Runoff Associated with Construction Activity (General Construction Permit) and comply with the requirements of the General Construction Permit. To comply with the General Construction Permit, the District shall file a Notice of Intent and SWPPP with the Central Valley Regional Water Quality Control Board prior to proposed Project construction activity involving any earth disturbing activity. The SWPPP must be current at all times during proposed Project construction and a copy of the SWPPP must remain on the proposed Project site during proposed Project construction. The Project Developer shall file a Notice of Intent (NOI) to comply with State Water Resources Control Board's General Waste Discharge Requirements for Discharge to Land with a Low Threat to Water Quality and Discharge Monitoring Plan (DMP) with the Central Valley Regional Water Quality Control Board prior to proposed Project construction activity involving any excavation activity. The Permit must be current at all times during proposed	Project Applicant, Developer and / or Successors- iii-Interest.	Hanford Community Development Dept. shall verify the required State Water Resource Control Board conditions have been met prior to issuance of any grading, or construction permit and shall field verify, if applicable, conditions specified.	Verify prior to issuance of any grading or construction permit. Where and when applicable, field verify applicable conditions are implemented.	

Table FEIR 7 - 1

Highway 43/198 Commercial Center Project
Mitigation Implementation and Monitoring Program

Mitigation No.	Mitigation Measure	Party Responsible for Implementation	Party Responsible for Monitoring & Reporting	Date & Signature of Party Responsible for Verification of Compliance
	effects on groundwater and soils, workers, and the public, and include, without limitation, the following: (e) Follow manufacturers' recommendations and regulatory requirements for storage, handling, use and disposal of chemical products and hazardous materials used in construction. (f) Avoid overtopping construction equipment fuel tanks. (g) During routine maintenance of construction equipment, properly contain and remove grease and oils. (h) Properly dispose of discarded containers of fuels and other chemicals.	in-Interest.	If applicable improvement plans and that appropriate practices have been undertaken or are planned prior to issuance of any grading or construction permits.	or construction permits. As applicable, field verify applicable conditions are implemented.
4.5.2.a (2)	The construction contractor(s) shall implement safety measures in accordance with General Industry Safety Orders for Spills and Overflow Control (CCR Title 8, Sections 5163- 5167) to protect the proposed Project area from contamination due to accidental release of hazardous materials. The safety measures shall include, but not be limited to, the following: (e) Spills and overflows of hazardous materials shall be neutralized and disposed of promptly. (f) Hazardous materials shall be stored in containers that are chemically inert to and appropriate for the type and quantity of the hazardous substance. (g) Containers shall not be stored where they are exposed to heat sufficient enough to rupture the container(s) or cause leakage. (h) Specific information shall be provided regarding safe procedures and other precautions before cleaning or subsequent use or disposal of hazardous materials containers. Disposal of all hazardous materials shall be in compliance with applicable California hazardous waste disposal laws. The construction contractor(s) shall contact the City of	Project Applicant, Developer and / or Successors-in-Interest.	Hanford Community Development Dept. shall verify as a condition of approval of applicable improvement plans that safety measures in accordance with General Industry Safety Orders for Spills and Overflow Control are part of the Project Development Guidelines document.	Verify prior to approval of applicable Project improvement plans or issuance of any grading or construction permits. As applicable, field verify applicable conditions are implemented.



Table FEIR 7-1

Highway 411 S. City of Hanford, California
Mitigation Measure and Monitoring and Reporting Program

Mitigation No.	Mitigation Measure	Responsible Party	Monitoring and Reporting	Verification of Compliance
4.6.2.b (1)	Hydrology and Water Quality The Proposed Project is responsible for upgrading the lift station to City specifications prior to opening day of Phase II of the Proposed Project. The Proposed Project will be responsible for its fair share of the cost (30.2 percent) to upgrade 9 Y Ave. / East Lacey Blvd. lift station upgrade prior to opening day of Phase II. The Proposed Project will be reimbursed for the additional cost of upgrading the lift station above its fair share by the City. Fair share is calculated as: $P = \frac{T}{T + Te - Te} = \frac{88}{88 + 564 - 273} = 30.2\%$ where: P = The fair share of the Proposed Project's 9 Y Ave. / East Lacey Blvd. lift station cost; T = The Proposed Project wastewater gpm generated during the peak flow served by the 9 Y Ave. / East Lacey Blvd. lift station; TB = The forecasted (future wastewater gpm generated during the peak flow) wastewater peak flow gpm from all users served by the 9 Y Ave. / East Lacey Blvd. lift station; TE = The existing wastewater gpm generated during the peak flow plus approved projects served by the 9 Y Ave. / East Lacey Blvd. lift station.	Project Applicant, Developer and / or Successors-in-Interest.	Hanford Community Development Dept. and City Public Works Dept. shall verify as a condition of approval prior to the opening day of Phase II.	Verify as a condition of approval prior to the opening day of Phase II. the Project Applicant developer, or successor in interest has upgraded the lift station. i
4.8.2.c (1)	A solid noise barrier shall be constructed along the portion	Project	Hanford Community	Verify prior to approval of

Mitigation Monitoring and Reporting Program

Public Hearing Draft

Page 7-19

Highway 43/198 Commercial Center Project
Final Environmental Impact Report

of the western site boundary located adjacent to the parking and loading areas of Major E and F at the time either Major E or F is constructed and the noise barrier shall be included in the construction plans for the first building constructed..

Applicant,
Developer and /
or Successors-
in-Interest.

Development Dept.
shall verify sound
attenuation walls are
identified on applicable
improvement plans and
Maps, and shall verify
prior to issuance of
building permits for
dwelling units or other

applicable Project
improvement plans,
building permits and
Final Map. As applicable,
field verify applicable
conditions are
implemented.

Table FEIR 7 - 1

·fti9J:lw y "tat. ·.e: prrvn r iatCent rProJ ct'
MitigatibnhnpiEm1ent:at:ion·and:Moriltorina:Program

Mitigation No.	Mitigation:MeasLre Responsible for Implementation	Party Resp, nsiblefor Monitoring/ Reporting	Monitoring & Reporting Schedule	Date & Signature of Party Responsible for Verification of Compliance
	basin and as practical reused for on-site irrigation of landscaping. Written reports of tests including date, hours of testing, measured flow from wells, operation of valves (or tests of valves), person testing, notation of any malfunctioning operation of the system or diminishment of water production and steps to be taken to correct the malfunction, and the time line for correction of deficiencies. Report shall be filed with the Fire Chief at a minimum of every three months or oftener if required by the Fire Chief.	in-Interest.	format is consistent with their monitoring needs.	required by the Fire Chief.
Transportation and Circulation				
4.10.2.a (1)	Prepare and implement a Traffic Management Plan subject to approval by the appropriate agencies (i.e., Kings County, California Department of Transportation, Kit Carson School District) prior to Proposed Project grading or construction. The Plan shall include the following provisions: d) Identification of permitted hours for construction related deliveries and removal of heavy equipment and material; e) Identification of haul routes for delivery or removal of heavy and /or oversized equipment or material loads. Where feasible, delivery or removal of oversized equipment or material loads shall be conducted during off-peak hour traffic periods; f) Maintain access to residence and business driveways in the immediate vicinity of the Proposed Project site at all times; Contractor(s) shall notify the Kit Carson School District regarding the timing, location, and duration of the movement of oversized equipment or material loads scheduled for delivery or removal Monday through Friday between the hours of 6:00 a.m. and 6:00 p.m. The Contractor shall notify the affected District a minimum of two business days in advance of the scheduled movement of the oversized equipment or load that may affect the District's bus route schedule.	Project Applicant, Developer and / or Successors-in-Interest.	Hanford Community Development Dept. and City Public Works Dept. shall verify prior to approval of applicable improvement plans that a Traffic Management Plan as described is in place.	Verify prior to approval of applicable improvement plans.



Table FEIR 7 - 1

Mitigation Measure

Mitigation No.	Mitigation Measure	Responsible Party	Monitoring/Reporting	Monitoring/Reporting Schedule	Signature of Party Responsible for Verification of Compliance
	The Proposed Project shall be responsible for payment of the updated City of Hanford Traffic Impact Fee at the time of construction of each building in the full build-out of the Proposed Project. The City will update the Traffic Impact Fee Program at the time the City Council considers approval of the Proposed Project. This mitigation measure does not eliminate the possibility that the opening day of the Proposed Project may occur prior to the completion of the relocated intersection at East Lacey Blvd. and SR 43. <u>"If the City allows a Certificate of Occupancy for any Project related use prior to the completion of the required intersection improvements at East Lacey Blvd. and SR 43 it will require a statement of overriding considerations as the impact would be significant and unavoidable."</u>				
4.10.2.b (2)	East Lacey Boulevard and Site Access 1 intersection shall be signalized with protected left-turn phasing and the following minimum lane configurations prior to opening day of Phase I of the Project: - Eastbound: two through lanes and one right turn; - Westbound: two left-turn lanes and one through lane; - Northbound: two left-turn lanes and one right-turn lane. A dedicated right turn lane is shown on the Proposed Project Site Plan and is part of the improvements planned by the applicant. The applicant will construct the dedicated right turn lane prior to opening day of Phase I. The developer of the Proposed Project will construct the required mitigation improvements prior to opening day of Phase I. New turn lanes shall be designed to accommodate the queues identified in Table 4.10-27. Intersection improvements shall be constructed in accordance with City of Hanford standards. A dedicated right turn lane is shown on the Proposed	Project Applicant, Developer and / or Successors-in-Interest.	Hanford Community Development Dept. and City Public Works Dept. shall verify prior to opening day of Phase I.	Verify prior to opening day of Phase I.	

Table FEIR 7 • 1

HJ9bW 4 {1 :c91n,merci I Centflr Projec: t ..
Mitig ti'onibiiplemeritati n and Monltoting"Program••

Mitigation No.	Mitigation Measure	R P flslblefor Implementation	MonitorJng{ Reporting	Monitoring& Reporting Schedule	Date.& Signature -of Party Responsible forVerification of Compliance
	improvements. The Proposed Project will be responsible only for its fair share of the mitigation as shown in Table 4.10-35 or payment of the updated City Traffic Impact Fee at the time of construction of each building. The Proposed Project is entitled to reimbursement for the necessary oversizing of the intersection.				
4.10.2.d (1)	The intersection of East Lacey Boulevard and 9Y. Avenue shall be widened to provide one left-turn lane and one right-turn lane on the southbound approach. The dedicated lanes shall provide at least 100 feet of storage. An RS-8 sign (DO NOT STOP ON TRACKS) is recommended to be installed north of the railroad tracks, visible to southbound vehicles. Intersection improvements shall be constructed in accordance with City of Hanford standards. The Proposed Project is responsible for 100 percent of this mitigation on opening day. Note on Mitigation: The mitigation is required on opening day and improvement shall be completed at opening day of Proposed Project Build-Out requiring the Proposed Project to be 100 percent responsible for the cost of the improvements. The Proposed Project will be responsible only for its fair share of the mitigation as shown in Table 4.10-35 or the Proposed Project will be responsible for payment of the updated City of Hanford Traffic Impact Fee at the time of construction of each building in the full build-out of the Proposed Project.	Project Applicant, Developer and / or Successors-in-Interest.	Hanford Community Development Dept. and City Public Works Dept. shall verify prior to opening day of Project Build-out.	Verify payment prior to opening day of Project Build-out.	
4.10.2.d (2)	The intersection of East Lacey Boulevard and 9th Avenue shall be widened to provide one left-turn lane and one right-turn lane on the northbound approach. The dedicated lanes shall provide at least 100 feet of storage. Intersection improvements shall be constructed in accordance with City of Hanford standards. Intersection improvements shall be constructed in accordance with City of Hanford standards. The Proposed Project shall initially pay for 100 percent of	Project Applicant, Developer and / or Successors-in-Interest.	Hanford Community Development Dept. and City Public Works Dept. shall verify prior to opening day of Project Build-out.	Verify payment prior to opening day of Project Build-out.	

Table FEIR 7 • 1

Highway 43/198 Commercial Center Project
 Mitigation Monitoring and Reporting Program

Mitigation No.	Mitigation Measure	Party Responsible for Implementation	Party Responsible for Monitoring & Reporting	Monitoring & Reporting Schedule	Date & Signature of Party Responsible for Verification of Compliance
	improvements to SR 43 between the SR 198 ramps and the relocated intersection meeting Caltrans specifications. The Proposed Project shall be responsible for payment of the updated City of Hanford Traffic Impact Fee at the time of construction of each building in the full build-out of the Proposed Project. The City will update the Traffic Impact Fee Program at the time the City Council considers approval of the Proposed Project. This mitigation measure does not eliminate the possibility that the opening day of the Proposed Project may occur prior to the completion of the relocated intersection at East Lacey Blvd. and SR 43. <u>If the City allows a Certificate of Occupancy for any Project related use prior to the completion of the required intersection improvements at East Lacey Blvd. and SR 43 it will require a statement of overriding considerations as the impact would be significant and unavoidable.</u>				
4.10.2.d {4}	The intersection of East Lacey Boulevard and Site Access 1 shall be signalized with protected left-turn phasing and the following minimum lane configurations meeting Cumulative plus Project mitigation measures prior to opening day of Phase I: • Eastbound: two through lane and one right-turn lane; • Westbound: two left-turn lanes and one through lane; • Northbound: two left-turn lane and one right-turn lane. New turn lanes shall be designed to accommodate the queues identified in Table 4.10-31. Intersection improvements shall be constructed in accordance with City of Hanford standards. The Proposed Project is responsible for 100 percent of this mitigation prior to opening day of Phase I.	Project Applicant, Developer and / or Successors-in-Interest.	Hanford Community Development Dept. and Public Works Department shall verify prior to opening day of Phase I of the Proposed Project and improvement shall be completed prior to opening day for Phase I.	Verify prior to issuance of applicable building permit. Progress report prior to occupancy of first building. Progress report at 24 months.	
4.10.2.d {5}	As identified in Table 4.10- 19, SR 198/9th Ave. intersection would be operating at LOS F during the peak hour periods under the cumulative traffic condition. Development of the Proposed Project would exacerbate	Project Applicant, Developer and / or Successors-	Hanford Community Development Dept. shall verify prior to issuance of applicable	Verify prior to approval of applicable improvement plans and Final Map, and issuance of	

Table FEIR 7 • 1

Table FEIR 7 • 1				
Mitigation No.	Mitigation Measure	Party Responsible for Implementation	Monitoring & Reporting Schedule	Date & Signature of Party Responsible for Verification of Compliance
	Impact 4.10.2f (5) is Significant and Unavoidable. A Statement of Overriding Considerations must be adopted by the City of Hanford prior to Proposed Project approval due to the infeasibility of reducing the a cumulative traffic impact at the intersection of SR 198/9th Avenue to less than significant.			
4.10.2.d (6)	10th Avenue and SR 43 intersection shall be signalized with protected left-turn phasing. Additional lanes are not required. Intersection improvements shall be constructed in accordance with Caltrans standards. The Proposed Project shall be responsible for payment of the updated City of Hanford Traffic Impact Fee at the time of construction of each building in the full build-out of the Proposed Project.	Project Applicant, Developer and / or Successors-in-Interest.	Hanford Community Development Dept. and City Public Works Dept. shall verify prior to issuance of applicable building permit, applicable development impact fee has been paid.	Verify prior to issuance of applicable building permit.
4.10.2.e (1)	East Lacey Boulevard between the westernmost site access driveway (Site Access 1) and SR 43 shall be widened to provide two lanes in each direction. The Proposed Project is responsible for 100 percent of this mitigation on opening day. Note on Mitigation: The mitigation is required on opening day and improvement shall be completed at opening day of Proposed Project Build-Out requiring the Proposed Project to be 100 percent responsible for the cost of the improvements. The Project is entitled to reimbursement for the necessary oversizing of the street segment per the updated City of Hanford Traffic Fee Program. The Proposed Project will be responsible for payment of the updated City of Hanford Traffic Impact Fee at the time of construction of each building in the full build-out of the Proposed Project.	Project Applicant, Developer and / or Successors-in-Interest.	Hanford Community Development Dept. and City Public Works Dept. shall verify prior to opening day of Project Build-out.	Verify payment prior to opening day of Project Build-out.
4.10.2.f (1)	Updated Traffic Impact Fee Schedule and Study which addresses, at a minimum, the intersections and street segments that are significantly impacted by the Project and reasonably foreseeable other projects. The Updated Traffic Impact Fee Schedule and Study shall be adopted	Project Applicant, Developer and / or Successors-in-Interest.	Hanford Community Development Dept. and City Public Works Dept. shall verify prior to issuance of applicable	Verify prior to issuance of applicable building permit.

Table FEIR 7 • 1

Highway 43/198 Intersection, Commercial Center Project
Mitigation, Implementation, Monitoring and Reporting Program

Mitigation No.	Mitigation Measure	Party Responsible for Implementation	Party Responsible for Monitoring/Reporting	Monitoring Schedule	Reporting Schedule	Date & Signature of Party Responsible for Verification of Compliance
	of construction of each building in the full build-out of the Proposed Project.					
4.10.2.f (3)	East Lacey Boulevard / 9th Avenue intersection shall be signalized with protected left-turn phasing and the following lane configurations: • Eastbound: two through lanes and one right-turn lane; • Westbound: two left-turn lanes and two through lanes; • Northbound: two left-turn lanes and one right-turn lane. New turn lanes shall be designed to accommodate the queues identified in Table 4.10-36. Intersection improvements shall be constructed in accordance with City of Hanford standards. The Proposed Project will be responsible for payment of the updated City of Hanford Traffic Impact Fee at the time of construction of each building in the full build-out of the Proposed Project.	Project Applicant, Developer and / or Successors-in-Interest.	Hanford Community Development Dept. and City Public Works Dept. shall verify prior to issuance of applicable building permit, applicable development impact fee has been paid.	Verify prior to issuance of applicable building permit.		
4.10.2.f (4)	East Lacey Boulevard / SR 43 intersection shall be relocated to the north of its current location to provide adequate storage distance between East Lacey Boulevard and the SR 198 westbound ramps. The intersection shall be signalized with protected left-turn phasing and shall be constructed with the following minimum lane configurations which are required to be constructed in Phase I of the Project: • Eastbound: two left-turn lanes, one through lane, and one right-turn lane; • Westbound: one left-turn lane and one through lane with a shared right turn; • Northbound: two left-turn lanes, two through lanes and one right-turn lane; • Southbound: one left-turn lane, one through lane.	Project Applicant, Developer and / or Successors-in-Interest.	Hanford Community Development Dept. and Public Works Department shall verify prior to opening day of Phase I of the Proposed Project and improvement shall be completed within 24 months of opening day for Phase I.	Verify prior to issuance of applicable building permit. Progress report prior to occupancy of first building. Progress report at 24 months.		

Table FEIR 7 - 1

H 96w y: 3Jl: }7commer lill c nter'Proj ct : :..
Mitigation Implement ti n and Mpnitoring"Pr()gra1'11

Mitigation No.	Mitigation Measure	Implementation	Responsible Party	Monitoring & Reporting Schedule	Date & Signature of Party Responsible for Verification of Compliance
4.10.2.f (7)	10th Avenue / SR 43 intersection shall be signalized with protected left-turn phasing and the following lane configurations by the year 2035: - Eastbound: one left-turn lane and one right-turn lane (already existing); - Northbound: one left-turn lane and one through lane (already existing); - Southbound: one through lane and one right-turn lane (already existing). New turn lanes shall be designed to accommodate the queues identified in Table 4.10-36. Intersection improvements shall be constructed in accordance with applicable City of Hanford and Caltrans standards. The Proposed Project will be responsible for payment of the updated City of Hanford Traffic Impact Fee at the time of construction of each building in the full build-out of the Proposed Project.	Project Applicant, Developer and / or Successors-in-Interest.	Hanford Community Development Dept and City Public Works Dept. shall verify prior to issuance of applicable building permit, applicable development impact fee has been paid.	Verify prior to issuance of applicable building permit.	
4.10.2.f (8)	Fargo Avenue / SR 43 intersection shall be signalized with protected left-turn phasing and the following lane configurations by the year 2035: - Eastbound: one left-turn lane, one through lane, and one right-turn lane; - Westbound: one left-turn lane and one through lane with a shared right turn; - Northbound: one left-turn lane and two through lanes with a shared right turn; - Southbound: one left-turn lane, two through lanes, and one right-turn lane. New turn lanes shall be designed to accommodate the queues identified in Table 4.10-36. Intersection improvements shall be constructed in accordance with applicable Caltrans and City of Hanford standards.	Project Applicant, Developer and / or Successors-in-Interest.	Hanford Community Development Dept. and City Public Works Dept. shall verify prior to issuance of applicable building permit, applicable development impact fee has been paid.	Verify prior to issuance of applicable building permit.	

Table FEIR 7 - 1

Highway 43/198 Commercial Center Project
Mitigation Implementation and Monitoring Program

Mitigation No.	Mitigation Measure	Party Responsible for Implementation	Party responsible for Monitoring and Reporting	Monitoring & Reporting Schedule	Date & Signature of Party Responsible for Verification of compliance
	Specifications are prepared for the improvement of East Lacey Blvd. along the frontage of the Proposed Project. The designated public transit stop shall provide at minimum, a shelter with solar lighting and advertising display, bench, trash can, bus stop sign and schedule holder. Adequate right-of-way shall be provided for bus turn-out and re-entry into traffic. Public Transit improvements shall be identified on all applicable Project improvement plans. The Proposed Project Applicant/Developer is responsible for 100% of the cost of construction and for constructing the public transit improvements by opening day of Phase 1.	in-Interest.	completed prior to opening day for Phase 1.		

RESOLUTION 14-38-R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD APPROVING GENERAL PLAN AMENDMENT 2011-01 AN AMENDMENT TO THE LAND USE DESIGNATION ON 58 ACRES FROM HIGHWAY DEVELOPMENT, OPEN SPACE AND SERVICE COMMERCIAL TO PLANNED COMMERCIAL AND AMEND POLICY 9.2 AND ADD OBJECTIVE 10.1 AND POLICIES 10.1.1, 10.1.2, 10.1.3, 10.1.4 AND 10.1.5.

At a special meeting of the City Council of the City of Hanford duly called and held on July 24, 2014, at 6:00 p.m., it was moved by Council Member _____, and seconded by Council Member _____, and duly carried, that the following resolution be adopted:

WHEREAS, an application filed by 198/43, LLC for General Plan Amendment No. 2011-01 requesting a General Plan Amendment to change the land use designation on 58 acres from Highway Development, Open Space and Service Commercial to Planned Commercial and amend Policy 9.2 and add Objective 10.1 and Policies 10.1.1, 10.1.2, 10.1.3, 10.1.4 and 10.1.5 was presented to the City of Hanford Planning Commission, attached as Attachment 1; and

WHEREAS, the proposed project is located at the southwest corner of East Lacey Boulevard and State Route 43. (APN 016-060-021); and,

WHEREAS, the proposed General Plan Amendment was presented to the Planning Commission of the City of Hanford; and,

WHEREAS, the City of Hanford Planning Commission, at its regularly scheduled meeting on July 8, 2014, held a public hearing and received testimony evidence for and against the proposed General Plan Amendment(s). After closing the public hearing, the Planning Commission, by resolution, recommended to the City Council of the City of Hanford approval of General Plan Amendment 2011-01; and,

WHEREAS, the City Council of the City of Hanford, at a special meeting on July 24, 2014, held a public hearing and received testimony and evidence regarding proposed General Plan Amendment No. 2011-2-01; and,

WHEREAS, the City of Hanford reviewed the application to amend policies of the General Plan pertaining to the development of the Highway 43/198 Commercial Center at the project location and found the proposed amendments consistent with the goals of the City of Hanford General Plan Land Use Element to preserve and enhance the quality of life for Hanford residents, provide for a balance of housing, public services and facility and jobs, and preserve the historic character of the original townsite while planning for growth and supporting increases in demand for City services; and,

WHEREAS, the City of Hanford reviewed the application for the general plan amendment of 58 acres to Planned Commercial and determined that the designation was an

appropriate land use for that location and consistent with the Hanford General Plan, as amended; and,

WHEREAS, the City of Hanford City Council considered the general plan amendment at a special meeting on July 24, 2014; and,

WHEREAS, the City of Hanford City Council considered the Planning Commission recommendation, evidence presented in the staff report and testimony presented during the public hearing; and,

WHEREAS, the Final Environmental Impact Report and all notices related thereto were prepared in compliance with the California Environmental Quality Act (“CEQA”) and the City of Hanford Municipal Code and Policies; and

WHEREAS, on the basis of the application, the documentation and information provided in the staff report and the evidence and testimony submitted at the public hearing, and the Environmental Impact Report prepared for the HWY 43/198 Commercial Center, the City Council of the City of Hanford hereby makes findings in accordance with Section 15091 of the CEQA Guidelines and as specifically articulated in an appendix to the Final EIR and incorporated herein by this reference; and

WHEREAS, the Final Environmental Impact Report identified significant environmental impacts that can be mitigated to substantially lessen the environmental effects relating to Aesthetics, Biological Resources, Cultural and Historical Resources, Geology and Soils, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use, Mineral Resources, Public Facilities, Recreation and Utilities and Service Systems and a Mitigation, Monitoring and Reporting Plan (“MMRP”) has been prepared for the Project; and

WHEREAS, the Final Environmental Impact Report also identified unavoidable significant adverse impacts regarding Air Quality, Noise, Greenhouse Gases, Traffic and Farmland Conversion; and

WHEREAS, Section 15093 of the CEQA Guidelines requires the City to balance the benefits of the Project against its unavoidable environmental impacts in determining whether or not to approve the Project; and

WHEREAS, the City Council certified the Final Environmental Impact Report, which included findings and a statement of overriding considerations for the unavoidable significant environmental impacts identified by the Final Environmental Impact Report; and,

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Hanford finds the project to be consistent with the Final Environmental Impact Report (FEIR) (SCH 2012061013) associated with the Hwy 43/198 Commercial Center, and for which said FEIR was certified precedent to its consideration of the general plan amendment, consistent with the California Environmental Quality Act (CEQA) and the City of Hanford Municipal Code and Policies.

BE IT FURTHER RESOLVED that the City Council of the City of Hanford hereby approves General Plan Amendment No. 2011-01. Based on the following findings and based on the evidence presented:

1. That the public hearing for the proposed general plan amendment was properly noticed in accordance with state law and the Hanford Municipal Code.
2. That an Environmental Impact Report was prepared in accordance with the California Environmental Quality Act and recommended for certification.
3. That notice of the proposed General Plan Amendment was provided to the Native American Heritage Commission and the referred tribal agencies in accordance with California Government Code 65352.3 (SB18).
4. That the proposed amendment is consistent with the objectives in Municipal Code Section 17.02-020 by making the following determinations:
 - A. That the proposed amendment provides for a wholesome, attractive living environment.
 - B. That the proposed amendment continues the protection of the Downtown.
 - C. That the proposed development promotes appropriately located commercial development that will serve a larger regional area.
 - D. That the proposed amendment will allow new urban expansion that is logical, desirable and in conformance with the objectives and policies of the general plan as amended.
5. The General Plan Amendment is compatible, integrated and internally consistent with existing policies of the General Plan as amended.
6. That an Environmental Impact Report, SCH 2012061013, has been certified by the City Council in accordance with the California Environmental Quality Act.
7. That a mitigation monitoring program and statement of overriding considerations have been adopted for the proposed project and herein incorporated by reference.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Hanford hereby approves General Plan Amendments No. 2011-01. Passed and adopted at a special meeting of the City Council of the City of Hanford duly called and held on July 24, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss
CITY OF HANFORD)

I, Jennifer Gomez, City Clerk of the City of Hanford, do hereby certify the foregoing Resolution was duly passed and adopted at a special meeting of the City Council of the City of Hanford held on the 24th day of July 2014.

Date: _____

APPROVED: _____
Mayor

ATTEST: _____
Jennifer Gomez
City Clerk

ATTACHMENT 1

The following text amendments are proposed as highlighted in **Bold** and ~~strikeout~~:

POLICY LU 9.2 (AQ)

Sites for planned commercial uses shall be designated on the Land Use Map, and shall be limited to areas of approximately 1/3 mile around East Lacey Blvd. and 12th Avenue, ~~and a location near State Highway 43 and Grangeville Blvd.,~~ **and the southwest corner of East Lacey Blvd. and Highway 43.**

Objective LU 10.1 would be added to the General Plan to describe the location of the proposed Planned Commercial development as shown in “**Bold**” below:

OBJECTIVE 10.1

Create a planned commercial development served by East Lacey Blvd. that serves the local and regional shopping needs of Hanford and the surrounding area that does not compete with the Hanford Downtown.

Policies LU 10.1.1, LU 10.1.2, LU 10.2.3, LU 10.1.4, and LU 10.1.5 would be added to the General Plan further describing the proposed Planned Commercial development on the southwest corner of East Lacey Blvd. and SR 43 as shown in “**Bold**” below:

POLICY LU 10.1.1 (AQ)

Planned commercial development shall be designated on the southwest corner of East Lacey Blvd. and Highway 43 in its current or future alignment.

POLICY LU 10.1.2

Planned Commercial uses shall exclude full service banks, mortgage companies, loan offices, credit unions, "merchant banks" and other similar financial institutions. Planned commercial uses shall also exclude theatres and auto/truck and recreational vehicle dealerships. It is the City's intent to preserve the downtown as a viable commercial center.

POLICY LU 10.1.3

At least fifty-one (51) percent of the gross floor area of the building premises in which the Planned Commercial businesses will operate will be used for the retail sales of new merchandise. The fifty-one (51) percent gross floor area requirement may be reduced if the City determines that more than forty-nine (49) percent of the gross floor area of the business premises is required to perform other tasks directly associated with the retail sale of new merchandise. Included in the 49% are any services to be rendered to customers of the business premises that are incidental to and specifically related to the new merchandise sold upon the business premises.

POLICY LU 10.1.4

New development of parcels that may be created in the Planned Commercial Designation must be consistent with a Specific Plan or Master Plan prepared for a larger complex. The design and development of the small parcel as an out-pad should not reasonably preclude

the effective and efficient design of a larger complex. Design of the small parcel should provide for parking that would eventually merge with future larger complex development, block walls or permanent fencing around the site will not be allowed except for adjacent residential development on the westerly boundary, and that buildings constructed on the parcel are oriented as if they were part of a larger complex located on an out-pad and not require direct street access to East Lacey Blvd. or Highway 43.

POLICY LU 10.1.5

A minimum of 10-acre initial site shall be developed with any planned commercial project. A minimum of five-acre increments will be allowed after the initial 10-acre site is developed. Development of small sites along street frontages will not be allowed without first development of the major tenant of the proposed project. A "major tenant" is defined as a structure of 50,000 square feet or more occupied by a single business; or smaller major tenant structures may be allowed if tenant is a nationally recognized retail sales activity (except for drive through restaurant operations).

ORDINANCE NO. 14-05

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HANFORD APPROVING RE-ZONE 2011-01, A REQUEST TO RE-ZONE 58 ACRES FROM SERVICE COMMERCIAL (SC), CONSERVATION AND OPEN SPACE (CO) AND PLANNED HIGHWAY DEVELOPMENT (PHD) TO PLANNED COMMERCIAL (PC).AT THE SOUTHWEST CORNER OF LACEY BOULEVARD AND STATE ROUTE 43

The City Council of the City of Hanford does ordain as follows:

Section 1: The following described territory situated in the City of Hanford is hereby zoned under the terms of Chapter 17.66 of the Hanford Municipal Code:

Re-Zone 2011-01 filed by 198/43, LLC (applicant) and Pinnacle Pointe, LLC (Property owner)

FROM: "SC" Service Commercial, "CO" Conservation and Open Space, "PHD" Planned Highway Development.

TO: "PC" Planned Commercial (48 acres – APNs: 016-060-021)

On property described as follows:

Approximately 48 acres generally located at the southwest corner of Lacey Boulevard and State Route 43; and,

Section 2: The City Council of the City of Hanford certified an Environmental Impact Report for the 198/43 project ("EIR"), made related findings pursuant to the provisions of the California Environmental Quality Act ("CEQA"), a Mitigation, Monitoring and Reporting Plan ("MMRP") was prepared, and a statement of overriding considerations was made for Air Quality, Noise, Transportation/Traffic, and Farmland Conversion impacts.

Section 3: The City Council hereby finds that Re-Zone 2011-01 is consistent with the Hanford General Plan, as amended, and that the Planning Commission, after a public hearing on July 8, 2014, determined that Re-Zone 2011-01,

1. That the proposed Re-zone is consistent with the objectives and policies of Section 17.02.020 of the Municipal Code as follows.
 - a) That the re-zone guides the physical development of the city in such a manner as to achieve progressively the general arrangement of the land uses described and depicted in the general plan, as amended.

- b) That the proposed project fosters a wholesome, serviceable and attractive living environment, the beneficial development of areas which exhibit conflicting patterns of use, and the stability of existing land uses which conform with the objectives, policies, principles and standards of the general plan, as amended.
 - c) That the proposed project does not result in excessive population densities and the overcrowding, of land with structures.
 - d) That the proposed project results in a safe, effective traffic circulation system, the provision of adequate off-street parking and truck loading facilities, and the appropriate location of community facilities.
 - e) That the proposed project will protect and promote appropriately located commercial and industrial activities in order to preserve and strengthen the city's economic base.
 - f) That the proposed project will protect and enhance real property values and the city's natural assets.
 - g) That the proposed project will ensure unimpeded development of such new urban expansion that is logical, desirable and in conformance with the objectives and policies of the general plan.
 - h) That the proposed will provide and protect open space in accordance with the policies of the open space element of the general plan, as amended.
2. That an Environmental Impact Report, SCH 2012061013, has been certified by the City Council in accordance with the California Environmental Quality Act.
 3. That a mitigation monitoring program and statement of overriding considerations have been adopted for the proposed project and herein incorporated by reference.

Section 5: This ordinance shall take effect thirty (30) days after its passage, and shall be published once in the Hanford Sentinel within fifteen (15) days after its passage or a summary of this ordinance shall be published in the Hanford Sentinel in a manner consistent with the requirements of the California Government Code. Passed and adopted at a regular meeting of the City Council of the City of Hanford duly called and held on August __, 2014, by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

APPROVED

GARY PANNETT,
MAYOR of the City of Hanford

ATTEST:

JENNIFER GOMEZ
CITY CLERK
STATE OF CALIFORNIA)
COUNTY OF KINGS) ss
CITY OF HANFORD)

I JENNIFER GOMEZ, City Clerk of the City of Hanford, do hereby certify the foregoing ordinance was duly introduced at a special meeting of the City Council of the City of Hanford on the 24th day of July, 2014, and it was duly passed and adopted at a regular meeting of the City council of the City of Hanford held on the ____ day of August, 2014.

JENNIFER GOMEZ
CITY CLERK

RESOLUTION 14-39-R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD APPROVING PLANNED UNIT DEVELOPMENT NO. 2013-02 A MASTER PLAN TO ALLOW A COMMERCIAL CENTER WITH APPROXIMATELY 500,000 SQUARE FEET OF COMMERCIAL DEVELOPMENT WITH SHARED... ACCESS, CROSS ACCESS, SHARED PARKING AND COMPREHENSIVE DESIGN PROGRAM

At a special meeting of the City Council of the City of Hanford duly called and held on July 24, 2014, at 6:00 p.m., it was moved by Council Member _____, and seconded by Council Member _____, and duly carried, that the following resolution be adopted:

WHEREAS, an application filed by 198/43, LLC for Planned Unit Development No. 2013-02 was presented to the City Council; and

WHEREAS, the proposed project is located at the southwest corner of East Lacey Boulevard and State Route 43. (APN 016-060-021); and,

WHEREAS, the proposed Planned Unit Development 2013-02 was presented to the Planning Commission of the City of Hanford; and,

WHEREAS, the City of Hanford Planning Commission, at its regularly scheduled meeting on July 8, 2014, held a public hearing and received testimony evidence for and against the proposed Planned Unit Development. After closing the public hearing, the Planning Commission, by resolution, recommended to the City Council of the City of Hanford approval of Planned Unit Development 2013-02; and,

WHEREAS, the City Council of the City of Hanford, at a special meeting on July 24, 2014, held a public hearing and received testimony and evidence regarding proposed Planned Unit Development 2013-02; and,

WHEREAS, the City of Hanford reviewed the application for the Planned Unit Development for a 500,000 square foot commercial development to be developed in four phases an appropriate land use for that location and consistent with the Hanford General Plan, as amended and the City of Hanford Municipal Code; and,

WHEREAS, the City of Hanford City Council considered Planned Unit Development 2013-02 at a special meeting on July 24, 2014; and,

WHEREAS, the City of Hanford City Council considered the Planning Commission recommendation, evidence presented in the staff report and testimony presented during the public hearing; and,

WHEREAS, the Final Environmental Impact Report and all notices related thereto were prepared in compliance with the California Environmental Quality Act (“CEQA”) and the City of Hanford Municipal Code and Policies; and

WHEREAS, on the basis of the application, the documentation and information provided in the staff report and the evidence and testimony submitted at the public hearing, and the Environmental Impact Report prepared for the HWY 43/198 Commercial Center, the City Council of the City of Hanford hereby makes findings in accordance with Section 15091 of the CEQA Guidelines and as specifically articulated in an appendix to the Final EIR and incorporated herein by this reference; and

WHEREAS, the Final Environmental Impact Report identified significant environmental impacts that can be mitigated to substantially lessen the environmental effects relating to Aesthetics, Biological Resources, Cultural and Historical Resources, Geology and Soils, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use, Mineral Resources, Public Facilities, Recreation and Utilities and Service Systems and a Mitigation, Monitoring and Reporting Plan (“MMRP”) has been prepared for the Project; and

WHEREAS, the Final Environmental Impact Report also identified unavoidable significant adverse impacts regarding Air Quality, Noise, Greenhouse Gases, Traffic and Farmland Conversion; and

WHEREAS, Section 15093 of the CEQA Guidelines requires the City to balance the benefits of the Project against its unavoidable environmental impacts in determining whether or not to approve the Project; and

WHEREAS, the City Council certified the Final Environmental Impact Report, which included findings and a statement of overriding considerations for the unavoidable significant environmental impacts identified by the Final Environmental Impact Report; and,

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Hanford finds the project to be consistent with the Final Environmental Impact Report (FEIR) (SCH 2012061013) associated with the Hwy 43/198 Commercial Center, and for which said FEIR was certified precedent to its consideration of the Planned Unit Development, consistent with the California Environmental Quality Act (CEQA) and the City of Hanford Municipal Code and Policies.

BE IT FURTHER RESOLVED that the City Council of the City of Hanford hereby approves Planned Unit Development 2013-02 based on the following findings and based on the evidence presented:

1. That the proposed location of the Planned Unit Development is in accordance with the objectives of this title.
2. That the proposed location of the Planned Unit Development and the conditions under which it would be operated or maintained will not be detrimental to the public health, safety or welfare of the community to properties or improvements in the vicinity and will not generate

more traffic than the streets in the vicinity can carry without congestion and will not overload utilities.

3. That the proposed Planned Unit Development will comply with Section 17.62.010 as follows:
 - a) The overall density and intensity complies with the goals and objectives in the Planned Commercial zone.
 - b) The design of the project will result in an aesthetically pleasing development with substantial parking, storage and setbacks.
 - c) That adequate access to all parcels has been provided.
 - d) That the project has been designed to minimize impacts to surrounding uses.
 - e) That the timing of development will require the construction of improvements to facilitate adequate circulation and other services to the subject site.
4. That the requirements and standards including but not limited to population density, site area and dimensions, site coverage, yard spaces, height of structures, distances between structures, off-street parking and off-street loading facilities, landscaped areas and street design will produce an environment of stable and desirable character consistent with the objectives of this title.
5. That the architectural appearance, and/or varieties of land uses in the development will complement each other and will harmonize with the existing and proposed land uses in the vicinity.
6. That an Environmental Impact Report, SCH 2012061013, has been certified by the City Council in accordance with the California Environmental Quality Act.
7. That a mitigation monitoring program and statement of overriding considerations have been adopted for the proposed project and herein incorporated by reference.

BE IT FURTHER RESOLVED that based on the above incorporated findings, the Planned Unit Development 2013-02 is approved by the City Council subject to the following conditions:

1. That the project be developed in substantial compliance with the Site Plan, Attachment 1.
2. That the project shall meet the minimum setbacks as described in the Planned Commercial (PC) zone.
3. That the project be developed to conform with the elevations the Design Program, Attachment 2.
4. That all signs are required to be consistent with the Design Program found in Attachment 2.
5. That no individual monument signs will be permitted.
6. That prior to opening day of Phase I, the traffic signal on E. Lacey Boulevard at the project's primary entrance shall be completed. A City-maintained cul-de-sac street shall also be constructed by developer north of this new intersection, which will serve as the intersection's north leg and will facilitate access to properties adjacent to the new cul-de-sac street, including APNs 014-251-040 and 014-251-050. Construction of the new cul-de-sac street

shall be completed no later than the completion of the improvements to E. Lacey Boulevard that are related to Mitigation Measure 4.10.2.b(1) of the public hearing draft of the EIR, which is the relocation of the intersection of State Route 43 and E. Lacey Boulevard.

7. That the Planned Unit Development 2013-02 is subject to all the conditions of approval for Vesting Tentative Parcel Map 2013-05.
8. That the approval of Planned Unit Development 2013-02 shall expire with the expiration of the Development Agreement, if the project is not constructed.

THEREFORE, BE IT RESOLVED, that the City Council of the City of Hanford hereby approves Planned Unit Development 2013-02. Passed and adopted at a special meeting of the City Council of the City of Hanford duly called and held on July 24, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss
CITY OF HANFORD)

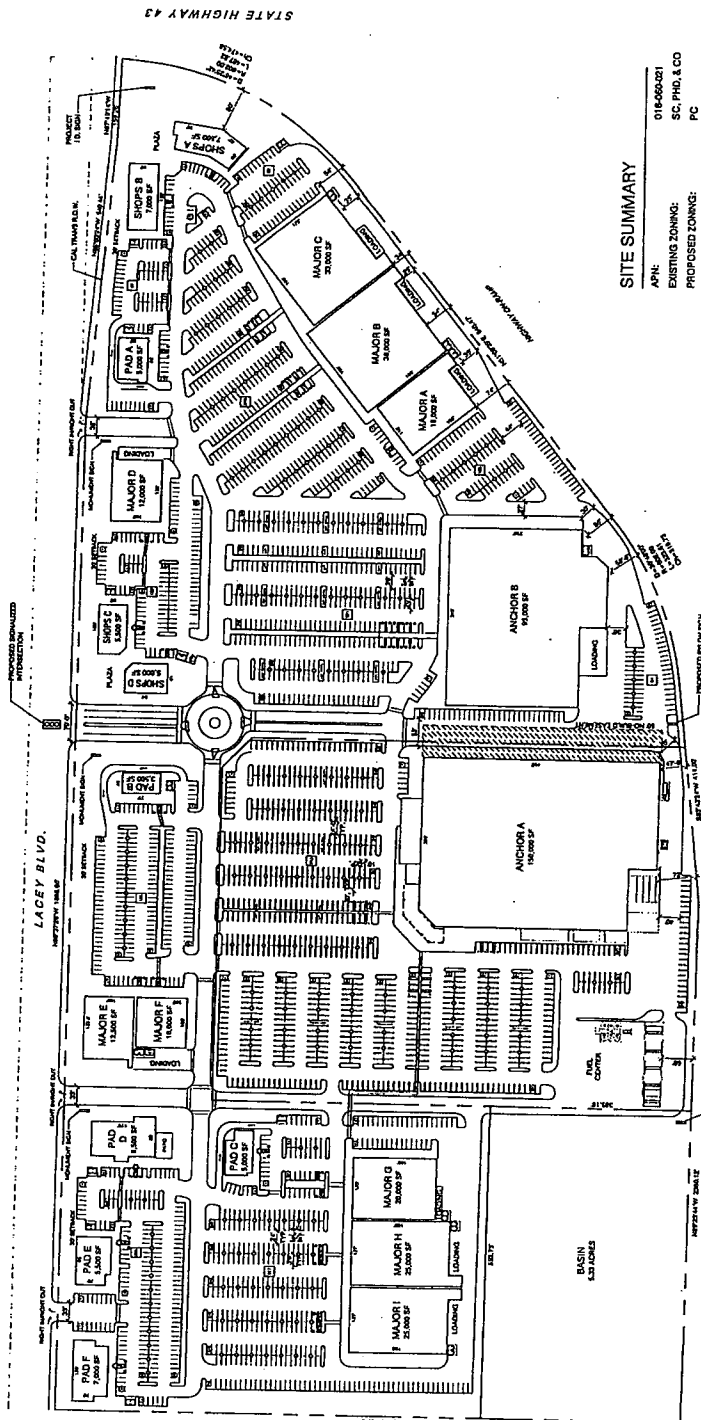
I, Jennifer Gomez, City Clerk of the City of Hanford, do hereby certify the foregoing Resolution was duly passed and adopted at a special meeting of the City Council of the City of Hanford held on the 24th day of July 2014.

Date: _____

APPROVED: _____
 Mayor

ATTEST: _____
 Jennifer Gomez
 City Clerk

ATTACHMENT 1
SITE PLAN



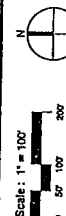
SITE SUMMARY

APN:	018400021
EXISTING ZONING:	SC, PHD, & CO
PROPOSED ZONING:	PC
NET SITE AREA:	+/- 48.5 AC.
TOTAL BUILDING AREA:	488,000 SF.
BUILDING COVERAGE:	23.5%
PARKING PROVIDED:	2,755 STALLS
PARKING RATIO:	5.57/1000

HANFORD TOWN CENTER LACEY BLVD. AND HIGHWAY 43 HANFORD, CALIFORNIA

198-43 LLC

SITE PLAN SCHEME F.2

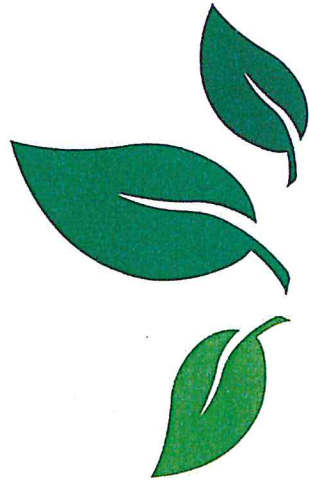


DATE:	FEBRUARY 1, 2013
MOG JOB #:	11.521.09
DATE:	
REVISIONS:	

ALL DIMENSIONS ARE IN FEET. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED. DIMENSIONS OF BUILDINGS AND STRUCTURES ARE TO FACE UNLESS OTHERWISE NOTED. DIMENSIONS OF LANDSCAPE ARE TO CENTERLINE UNLESS OTHERWISE NOTED. DIMENSIONS OF UTILITIES ARE TO CENTERLINE UNLESS OTHERWISE NOTED. DIMENSIONS OF FENCES ARE TO POST AND RAIL UNLESS OTHERWISE NOTED. DIMENSIONS OF SIGNAGE ARE TO FACE UNLESS OTHERWISE NOTED. DIMENSIONS OF LIGHTING ARE TO FACE UNLESS OTHERWISE NOTED. DIMENSIONS OF FURNITURE ARE TO FACE UNLESS OTHERWISE NOTED. DIMENSIONS OF PLANTING ARE TO FACE UNLESS OTHERWISE NOTED. DIMENSIONS OF OTHER FEATURES ARE TO FACE UNLESS OTHERWISE NOTED.

250 Sutter St, Suite 500
San Francisco, California 94108
Tel: 415.971.8002 Fax: 415.971.1555
mag@magline.com

ATTACHMENT 2
DESIGN PROGRAM



Hanford Marketplace

SIGN CRITERIA VERSION 1.2

Hanford Town Center Sign Criteria
 Prepared by: A-Plus Signs, Inc.
 Prepared for: 198/43, LLC.

Table of Contents

General Criteria	
Purpose	2
Intent	2
Approvals and Permits	2
General Requirements	2
Design Criteria	3
Building Signs	3
Blade Signs	4
Center Identification Sign	4
Freeway Pylon	4
Freestanding Sign	4
Administration	4
Prohibited Signs	4-5
Temporary Signs	5
Traffic Directory	5
Parking	5
Traffic/Parking Examples	6
Signage Dimensions	7
Letter Section	8
Blade Sign	9
Elevations	
Elevation Drawings	10-12
Project Signage	
Center Identification Signage	13
Pylon Signage	14
Freestanding Signage	15
Address Numbers	16
Site Plan	17

Preferred Sign Vendor:



4379 N. Brawley Ave.
 Fresno, CA 93722
 Ph: (559) 275-0700
 Fax: (559) 275-7482
 E-mail: design@a-plus-signs.com

Hanford Marketplace

General Criteria

Purpose

The Hanford Marketplace sign program has been established for the purpose of assuring a functional, coordinated graphics program that will provide project and tenant identification and traffic control, while encouraging creativity, compatibility and enhancement of the project in the City of Hanford.

Intent

The guidelines of this program are designed to complement architectural elements of the proposed buildings and coordinate the type, placement, and physical dimensions of signs within the shopping center thereby functioning as an integral part of the center.

Approvals and Permits

- A. For purposes of these sign criteria, John Kashian, 198/43, LLC, is the Landlord as it pertains to the administration of the comprehensive sign program for the tenant signs and project signs shown on the attached site plan.
- B. Each Tenant or Lessee will be provided with a copy of the final sign program and criteria as the first step in obtaining signs within the Hanford Marketplace. Compliance with this signage program will be strictly enforced. Any non-conforming or unapproved sign installed by Tenant must be brought into compliance with this comprehensive sign program at Tenant's expense.
- C. These criteria shall not imply that approval by the Planning Division of the City of Hanford will be automatically granted. Tenant is solely responsible for obtaining any and all required approvals from these agencies; obtain all permits and approvals from the City of Hanford Planning Division, and to fully comply with the review procedures set forth by the comprehensive sign program. All amendments to the comprehensive sign program shall be subject to Landlord review and approval and then review by the Planning Division, City of Hanford, as an application for Sign Design Review. The Sign application shall follow the review procedures defined under Section 17.44 of the Hanford Municipal Code.

General Requirements

- A. Each Tenant is required to submit to Landlord for approval before fabrication, at least four (4) copies of detailed design drawings indicating the location, size, copy layout, colors, materials, finishes, illumination and method of attachment.
- B. All building permits for signs and their installation shall be obtained by Tenant or Tenant's representative, at Tenant's sole expense, from the City of Hanford Planning Division prior to installation.
- C. All building signs shall be designed, constructed, installed and maintained at Tenant's sole expense. All signs shall be designed by professionals (e.g., architects, design firms or sign design/sign construction firms).
- D. All signs shall be designed and constructed consistent with this adopted comprehensive sign program for signs and installed with building permits and inspected and finalized by the Planning Division of the City of Hanford.
- E. Tenant shall be responsible for fulfillment of all governmental regulations and specifications, including those of the City of Hanford and the Uniform Electric Code.
- F. All signs shall be designed and constructed consistent with the adopted sign design criteria. Approval or disapproval of sign submittals based on aesthetics of design shall remain the sole discretionary right of the Landlord or Landlord's representative.

Design Criteria

- A. All signs shall meet or exceed all current applicable codes (i.e., electrical, mechanical, structural, etc).
- B. Signs shall meet all requirements of the State of California and the City of Hanford.
- C. Sign content shall be limited to business identification signs only. Trademarks, products or services shall not be displayed on any permanent signage unless approved by Landlord and the City of Hanford. Tenants may be permitted secondary signage (i.e. "Pharmacy," "Photos" and the like) when it forms part of a recognized corporate logo or slogan. Final review and approval shall be by the Landlord and by the City of Hanford Planning Division.
- D. The choice of copy fonts and colors shall be at the discretion of the Tenant and shall be subject to Landlord approval.
- E. All wire ways, transformers, electrical boxes, wiring, conduit and access doors shall be concealed. All electrical equipment shall be UL approved.
- F. Tenant signs and logos shall be internally illuminated face-lit channel letters flush mounted to the building fascia. Returns and backs to be constructed out of aluminum with a material thickness of .040" or greater. Letter faces to be 3/16" acrylic plastic attached to the letters using 1" trim cap or greater. The color and font to be the Tenants choice, with the Landlord's approval. Any deviation from these requirements is subject to the sole discretion of the Landlord.
- G. All tenant signs attached to building wall or fascia shall be connected by Tenant's sign contractor. All Tenant signs shall be connected to a time clock, with the hours as determined by Landlord for uniform illumination.
- H. All penetrations of the building structure by Tenant's sign contractor required for sign installation shall be neatly sealed and watertight.
- I. All identification labels shall be concealed, except where required by code. An Underwriters Label is required on all electrical signage.
- J. Sign contractor shall repair any damage to buildings and/or common area property caused by their work. Damage to structure that is not repaired by the sign contractor shall become the Tenant's responsibility to correct.
- K. Tenant shall be responsible for the operation of their sign contractor and shall indemnify, defend and hold the Landlord, Landlord's representative, and all parties harmless from damages or liabilities on account thereof.
- L. Sign surfaces that are intended to be flat shall be without oil canning, or other visual deformities.
- N. The general location of wall signs shall be centered vertically and horizontally on the fascias, subject to approval of Landlord. Signs shall not cover or interrupt major architectural features.
- O. All sign illumination shall be LED lighting, unless approved by Landlord.
- P. Sign area shall be calculated using an eight-sided figure that encircles the text and logo area of the sign. Exceptions may be allowed for script, ascenders or descenders.

Building Signs

- A. Number of Signs: In-line tenants may have one sign on main fascia and additional sign on rear fascia. End cap tenants may be permitted a third sign, subject to Landlord's approval.
- B. Size of Signs: The aggregated signage of all attached signs, on an occupancy frontage, shall not exceed 80% of the width of the leased frontage, 80% of the width of the building's architectural feature on which it is installed, and 10% of the leased fascia area, subject to Landlord's approval visually proportional to sign band on which it is installed

Blade Sign

One (1) double sided non-illuminated blade sign flag mounted to building fascia, to be provided by tenant.

Center Identification Sign

One (1) center identification sign, with sign center name, to be provided by the Landlord to provide a positive branding for the center. No tenant names will be permitted on the sign.

Freeway Pylon

Two (2) double sided illuminated multi-tenant freeway pylon signs to be provided by the Landlord. Inclusion on pylon sign is at the discretion of the Landlord and subject to the lease agreement.

Freestanding Sign

Four (4) double sided illuminated multi-tenant freestanding signs to be provided by the Landlord. Inclusion on freestanding sign is at the discretion of the Landlord and subject to the lease agreement.

Administration

The following is a private agreement between Landlord and Tenant.

- A. The amount of hours per day during which the signs will be illuminated shall be determined by Landlord to provide uniformity of lighting.
- B. Landlord reserves the right to hire an independent electrical engineer (at Tenant's sole expense) to inspect the installation of all signs, and reserves the right to require that any discrepancies and/or code violations be corrected at Tenant's expense.
- C. The sign contractor shall carry Workman's Compensation and Public Liability insurance against all damage suffered or performed against any and all persons or property while engaged in the construction or erection of signs in the amount of \$1,000,000 per occurrence prior to commencing installation of signs. Landlord shall be provided with insurance certificate naming 198/43, LLC as additionally insured.
- D. At the expiration or early termination of Tenant's lease term, Tenant shall be required to remove their signs, cap off electrical connection, patch the fascia, and paint the entire fascia area to match the surrounding areas at Tenant's expense.
- E. Sign contractors shall be advised (by Tenant) that no substitutes will be accepted whatsoever unless so indicated in specification and approved by Landlord and Tenant. Any deviation from these specifications may result in the rejection of the sign by Tenant and/or Landlord.
- F. In the event any conflict in the interpretation of these guidelines cannot be satisfactorily resolved, the Landlord's decision shall be final and binding upon the Tenant.
- G. Tenant shall maintain its sign in a clean, professional and functioning manner. Any damage, electrical problems, wear and tear, and other breakage pertaining to Tenant signs shall be repaired by Tenant within ten (10) consecutive days from such event.

Prohibited Signs

- A. No sign shall be installed, relocated, or maintained so as to prevent entry into or exit out any door. No sign shall create a safety hazard by obstructing view of pedestrian and vehicular traffic.
- B. No tenant signs of any type shall be located within the parking, landscaping, or site areas of this development.

- C. No sign shall obstruct access to fire hydrants, fire department connections, or fire department access roads.
- D. Signs on or affixed to trucks, automobiles, trailers or other vehicles which advertise, identify, or provide direction to a use or activity not related to its lawful making of deliveries or sales of merchandise or rendering of services from such vehicles are prohibited when such vehicles are located on the shopping center property.
- E. Signs, which audibly advertise, identify, or provide direction to a use or activity, are prohibited.
- F. It is unlawful for any Tenant to exhibit, post, or display or cause to be exhibited, posted, or displayed upon any sign, any content of an obscene, indecent, or of immoral nature or unlawful activity.
- G. Painted wall signs are prohibited.
- H. Cabinet wall signs are prohibited, except for logos which shall be designed, illuminated, and constructed in compliance with this comprehensive sign program and subject to review and approval by the Landlord and the Planning Division of the City of Hanford.
- I. Permanent advertising devices such as attraction boards, posters, banners, and flags are prohibited.
- J. Window signs except for operating hours subject to review and approval by the Landlord or Landlord's representative.

Temporary Signs

Temporary leasing signs or Grand Opening banners will be allowed if consistent with provisions in the City of Hanford Sign Ordinance and will also be the sole, discretionary right of the Landlord to approve or disapprove prior to installation.

Traffic Directory

- A. Traffic control signs shall not be illuminated as per detail (see page 6).
- B. All traffic control signs shall be of uniform design as per detail (see page 6).

Fire Lanes

Fire lanes will be designated by a six-inch red-painted curb with three-inch letters, painted in white, saying "FIRE LANE" in locations dictated by the Fire Department.

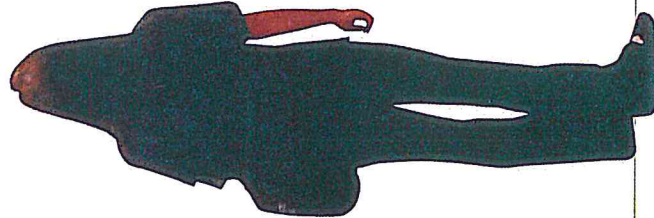
Parking

- A. All handicap parking stalls shall be designated with the white international handicap symbol painted on the pavement (see page 6).
- B. Van accessible parking stalls shall be designated by Van Accessible signs (see page 6).
- C. Signs will be posted at each entrance, with one-inch high letters stating "Unauthorized vehicles parking in designated accessible spaces not displaying distinguishing placards or license plates issued for persons with disabilities, may be towed away at owner's expense. Towed vehicles may be reclaimed at the City of Hanford Police Department, or by telephoning (559) 585-2335. Blank spaces will be completed with appropriate information as a permanent part of the sign (see page 6).

Hanford Marketplace

Traffic/Parking Examples

Reverse side of signs to be painted



Stop Sign

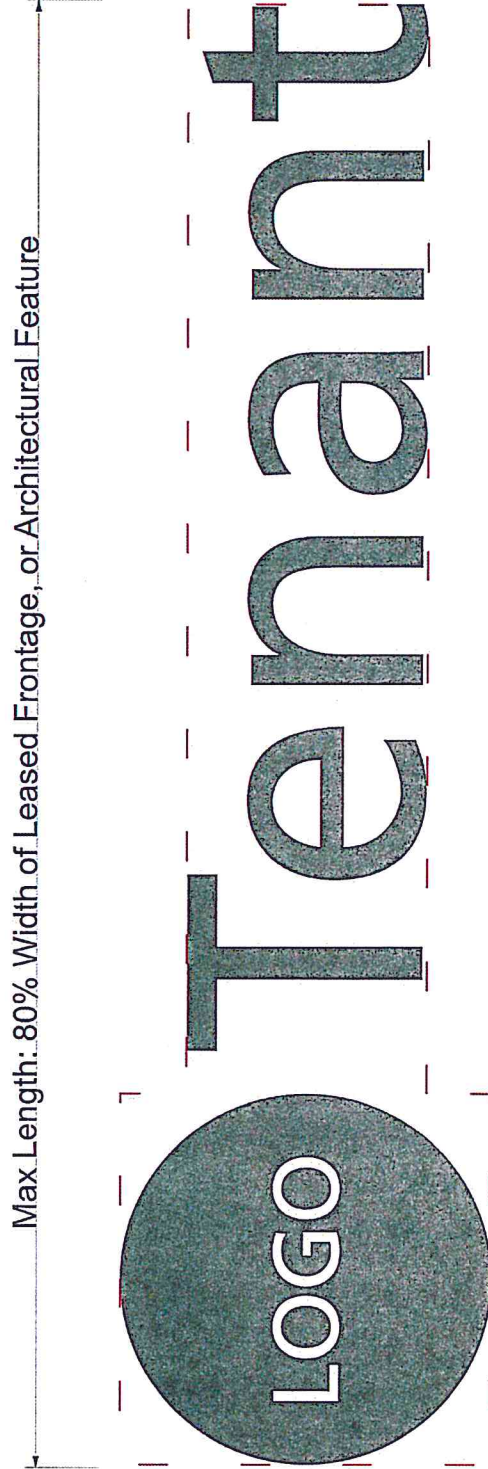
Accessibility Sign

Accessibility Sign 2

Unauthorized Parking Sign

Typical Street Sign

Signage Dimensions



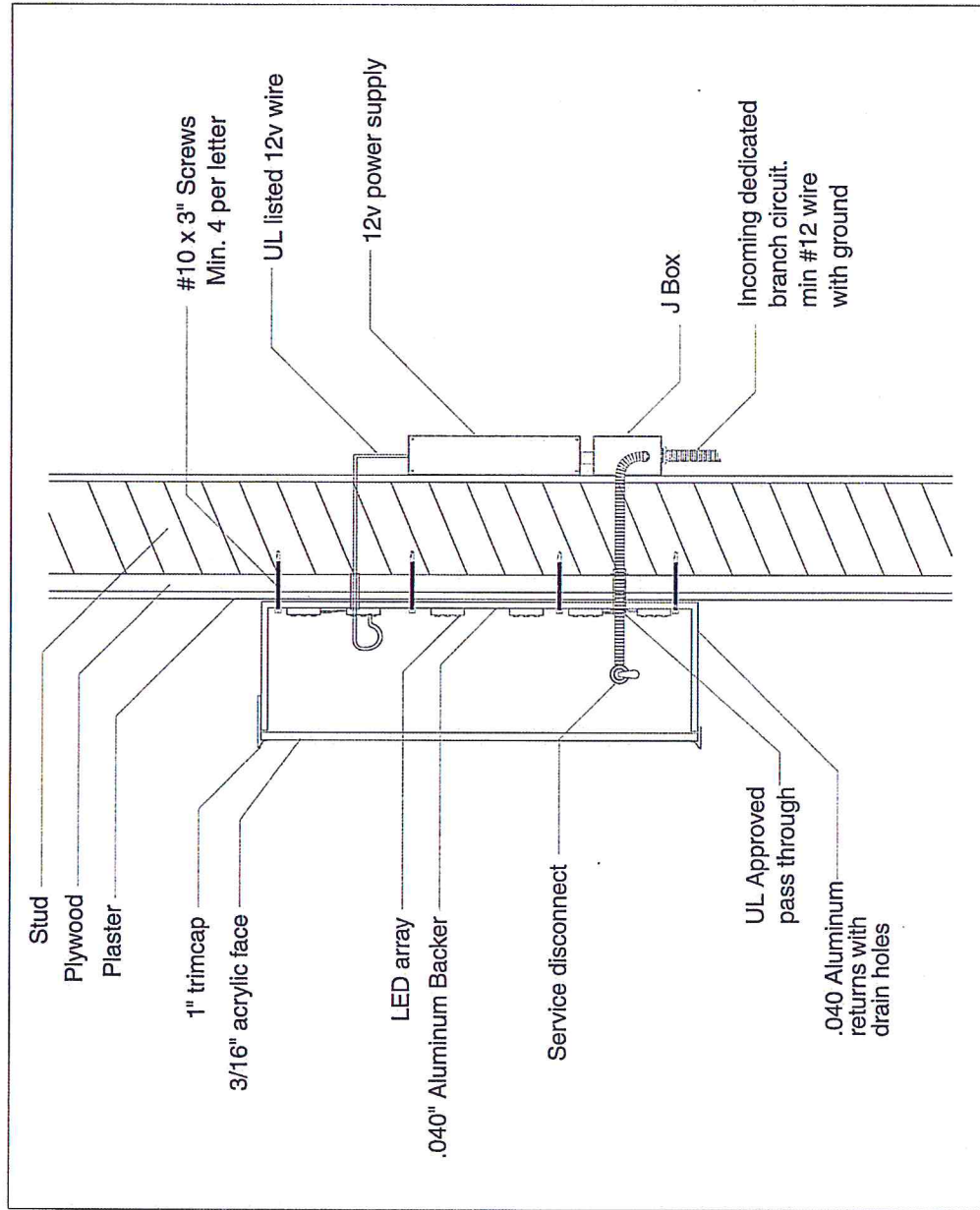
Maximum Size of Signs: The aggregated signage of all attached signs, on an occupancy frontage, shall not exceed 80% of the width of the leased frontage, 80% of the width of the building's architectural feature on which it is installed, and 10% of the leased fascia area, subject to Landlord's approval visually proportional to sign band on which it is installed.

Area is figured using an 8-sided polygon

Letter Section

Standard Detail

Face-Lit Flush Mount LED
Channel letter



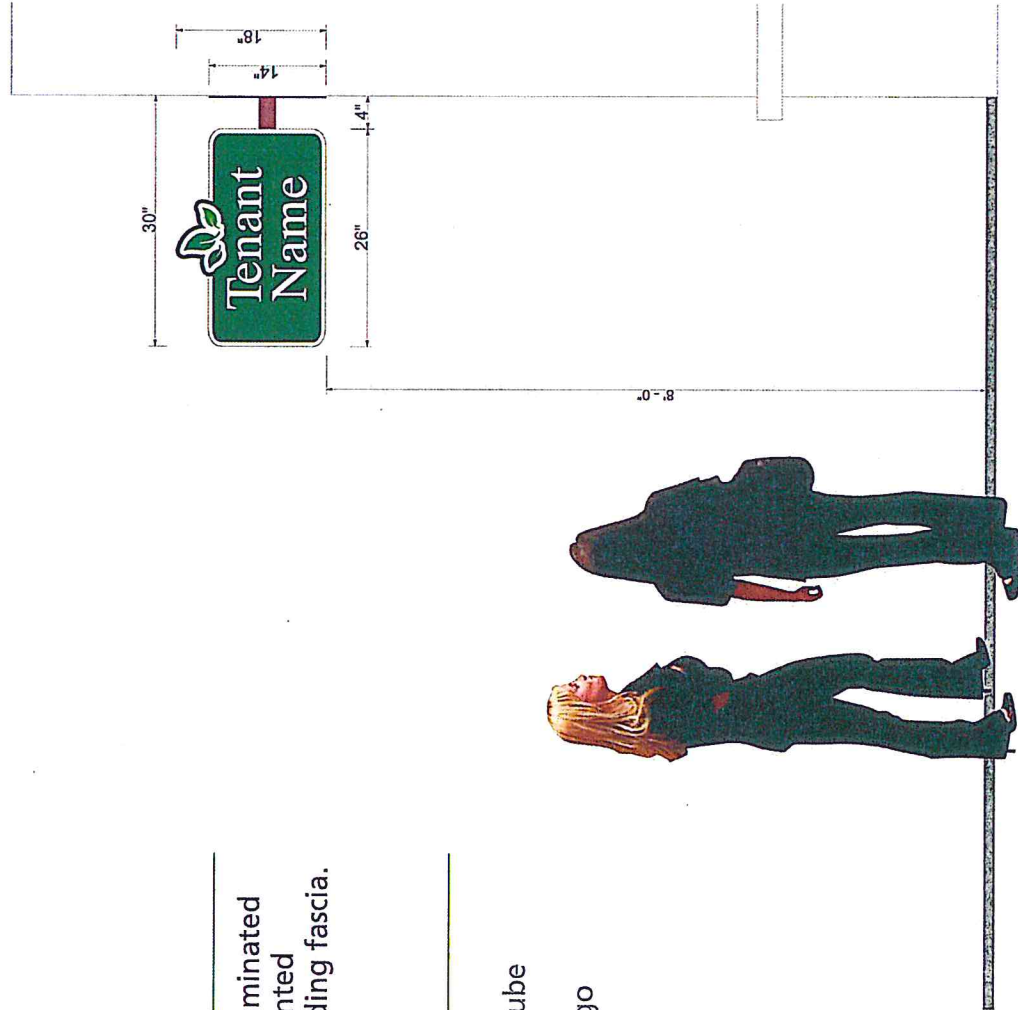
Blade Sign

Description

Double Sided Non-Illuminated
Blade Sign - flag mounted
perpendicular to building fascia.

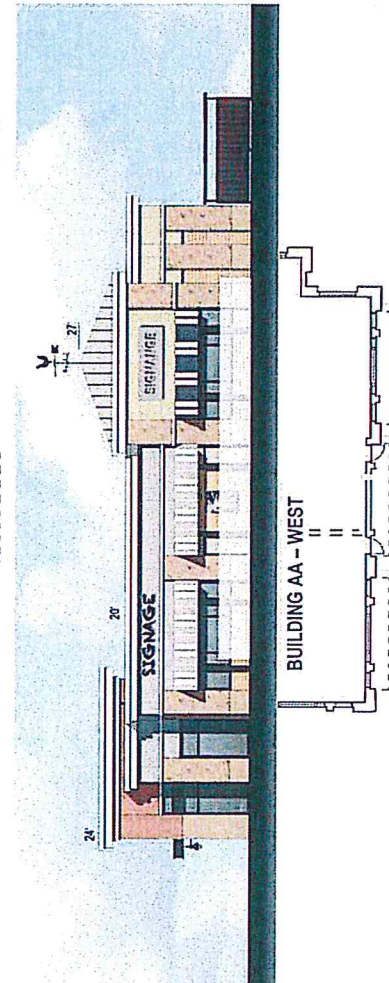
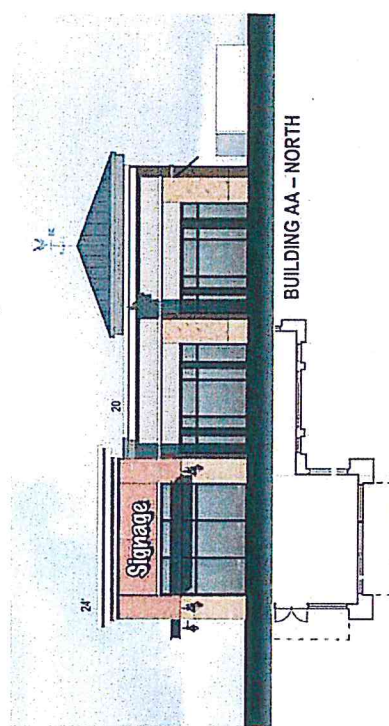
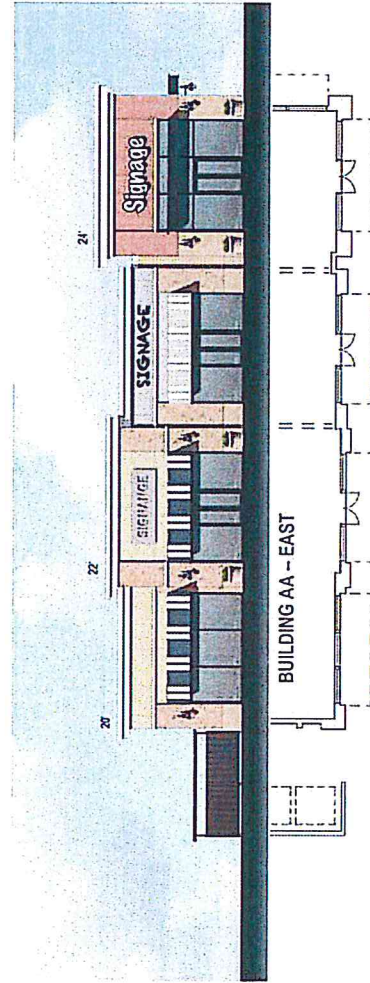
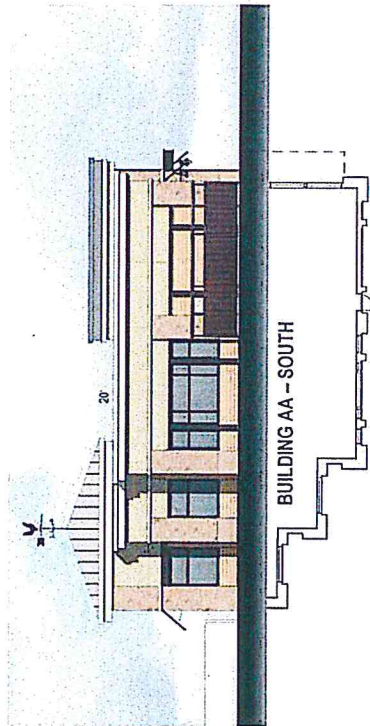
Materials

1/4" aluminum plate
2" aluminum square tube
aluminum skin
white vinyl copy or logo



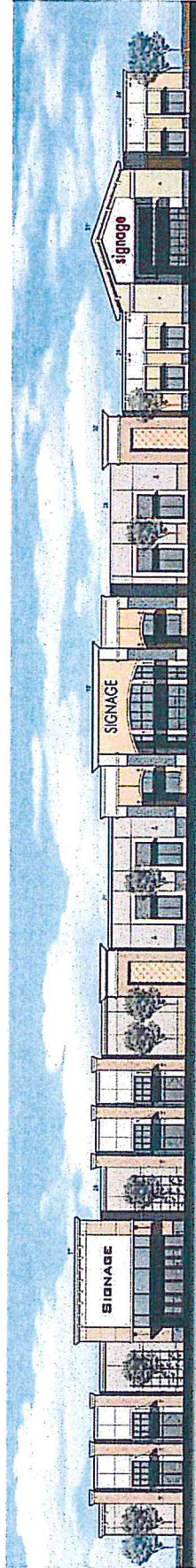
Hanford Marketplace

Elevation Drawings

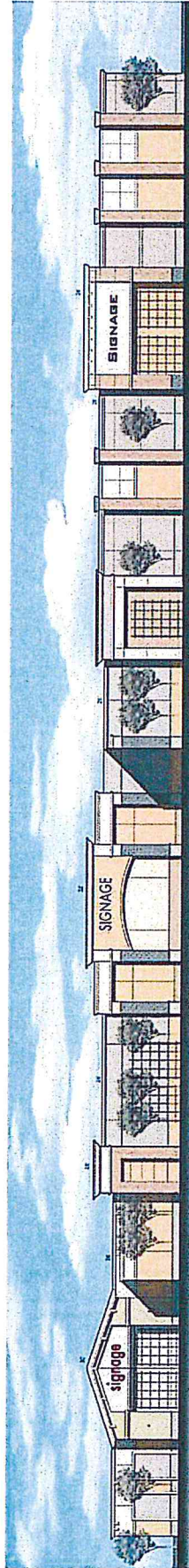


Hanford Marketplace

Elevation Drawings



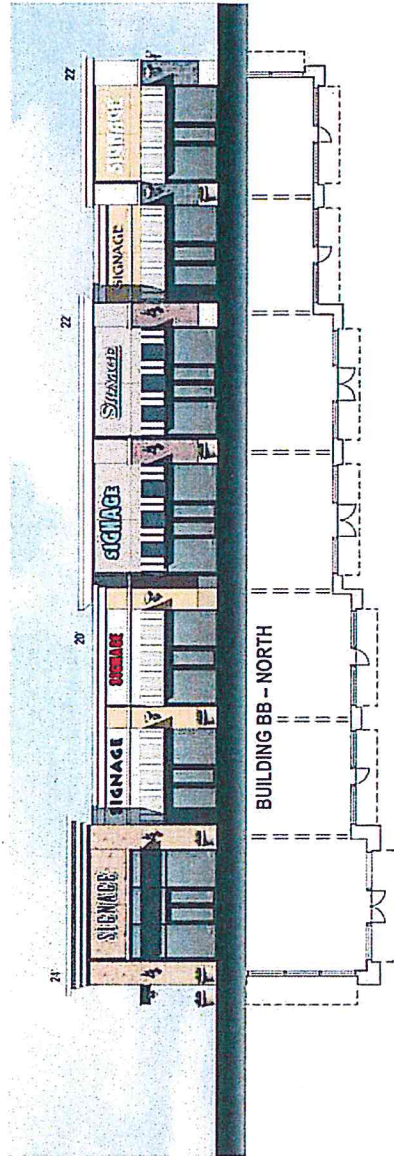
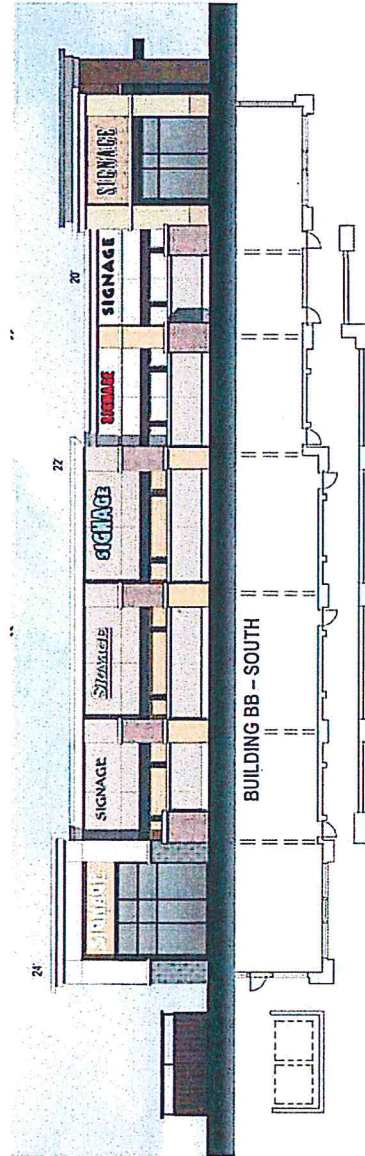
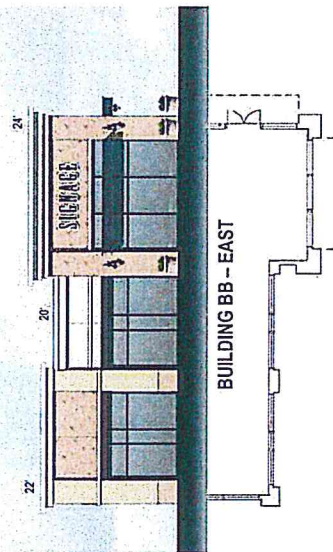
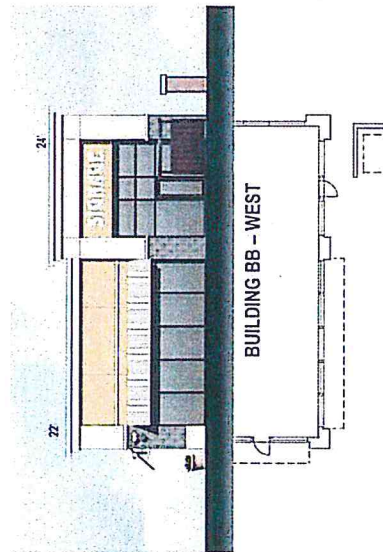
MAJORS A, B, C FRONT ELEVATION



MAJORS A, B, C REAR ELEVATION

Hanford Marketplace

Elevation Drawings

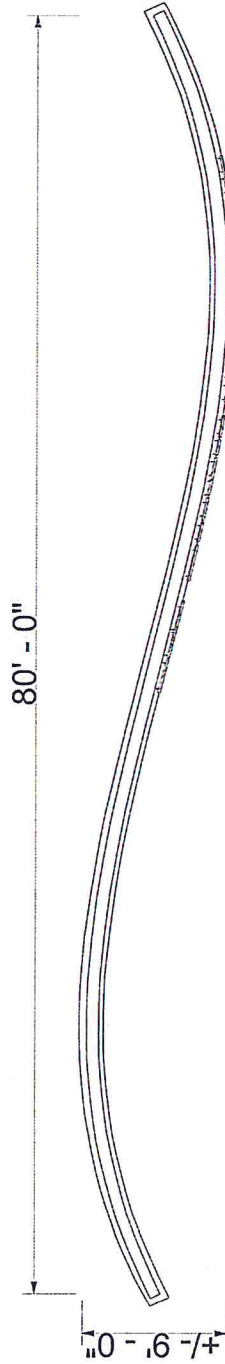


Hanford Marketplace

Center Identification Signage

One (1) 80' foot long, curved, single sided center identification sign with non-illuminated reverse pan copy.

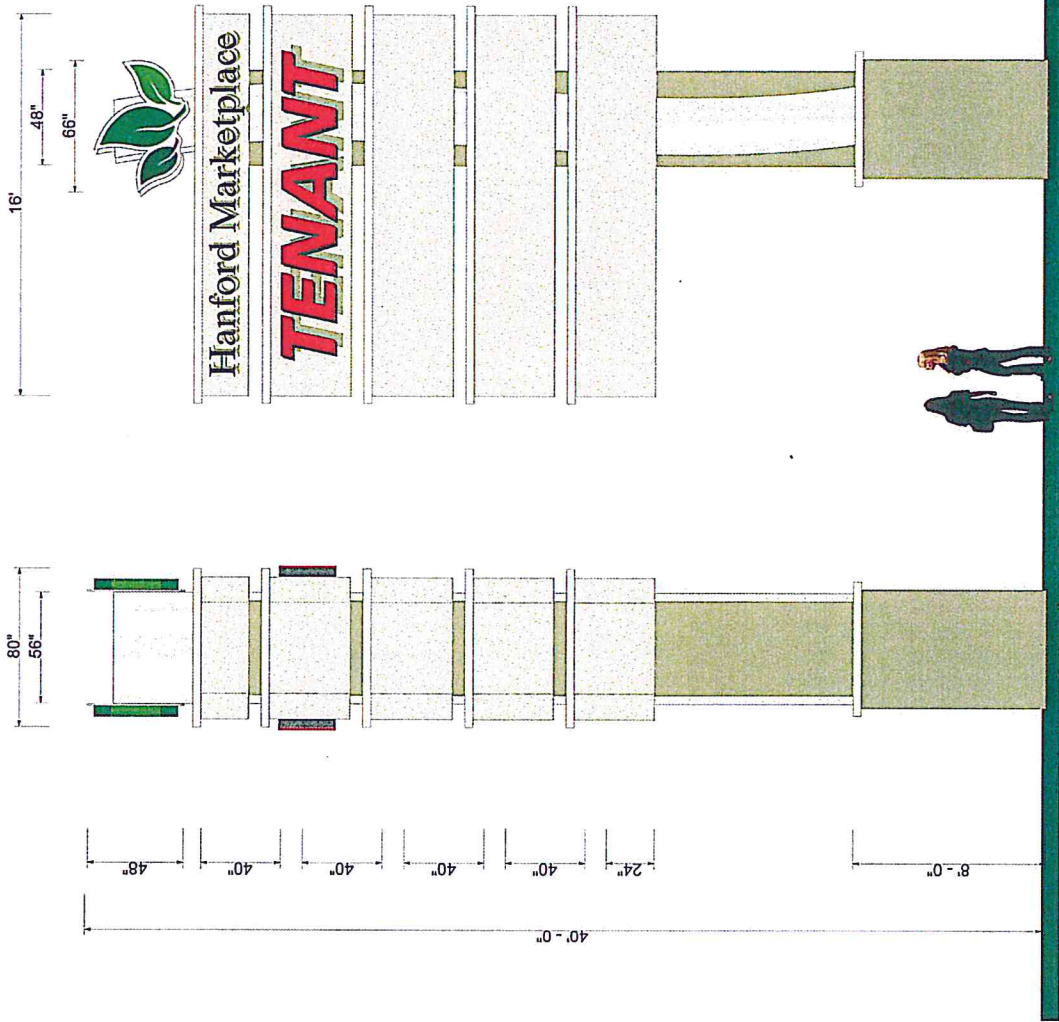
A1



Top (curved) View



Hanford Marketplace



Pylon Signage

Two (2) 40' foot tall double sided multi tenant illuminated freeway pylon signs.

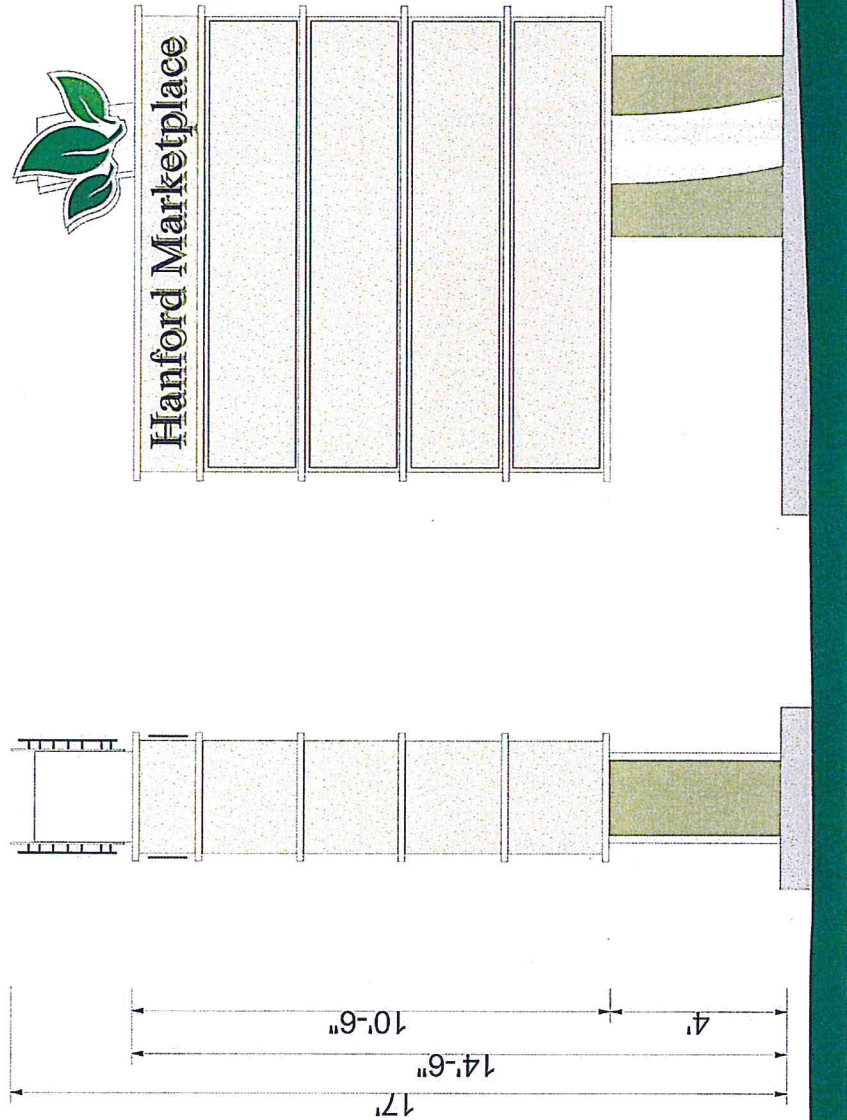
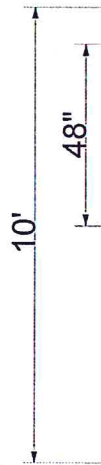
B1

B2

Hanford Marketplace

Freestanding Signage

Four (4) 12' foot tall, double sided multi tenant illuminated freestanding signs.



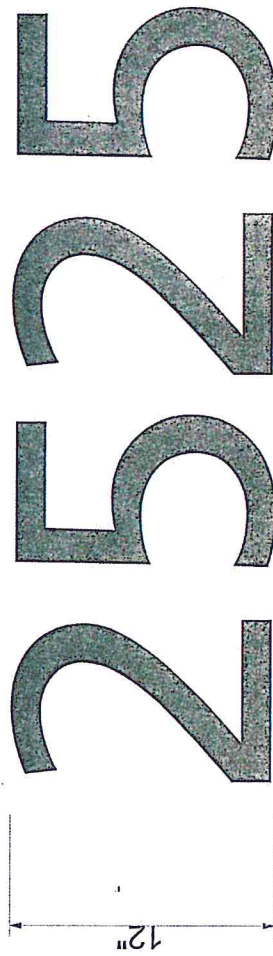
C1 C2 C3 C4

Address Numbers

12" tall aluminum address numbers painted to contrast the building elevation they are installed on.

■ satin black

□ satin white



RESOLUTION 14-40-R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD APPROVING TENTATIVE PARCEL MAP 2013-05 TO ALLOW THE SUBDIVISION OF A 58 ACRE PARCEL INTO 27 PARCELS LOCATED AT THE SOUTHWEST CORNER OF LACEY BOULEVARD AND STATE HWY 43.

At a special meeting of the City Council of the City of Hanford duly called and held on July 24, 2014, at 6:00 p.m., it was moved by Council Member _____, and seconded by Council Member _____, and duly carried, that the following resolution be adopted:

WHEREAS, an application filed by 198/43, LLC for Tentative Parcel Map 2013-05 was presented to the City Council; and

WHEREAS, the proposed project is located at the southwest corner of East Lacey Boulevard and State Route 43. (APN 016-060-021); and,

WHEREAS, the proposed Tentative Parcel Map 2013-05 was presented to the Planning Commission of the City of Hanford; and,

WHEREAS, the City of Hanford Planning Commission, at its regularly scheduled meeting on July 8, 2014, held a public hearing and received testimony evidence for and against the proposed project. After closing the public hearing, the Planning Commission, by resolution, recommended to the City Council of the City of Hanford approve Tentative Parcel Map 2013-05; and,

WHEREAS, the City Council of the City of Hanford, at a special meeting on July 24, 2014, held a public hearing and received testimony and evidence regarding proposed Tentative Parcel Map 2013-05; and,

WHEREAS, the City of Hanford reviewed the application for the parcel map to divide a 58 acre parcel into 27 commercial parcels and found the parcel map consistent with the General Plan and Zoning, as amended, and the Hanford Municipal Code; and,

WHEREAS, the City of Hanford City Council considered the Planning Commission recommendation, evidence presented in the staff report and testimony presented during the public hearing; and,

WHEREAS, the Final Environmental Impact Report and all notices related thereto were prepared in compliance with the California Environmental Quality Act ("CEQA") and the City of Hanford Municipal Code and Policies; and

WHEREAS, on the basis of the application, the documentation and information provided in the staff report and the evidence and testimony submitted at the public hearing, and the Environmental Impact Report prepared for the HWY 43/198 Commercial Center, the City Council of the City of Hanford hereby makes findings in accordance with Section 15091 of the

CEQA Guidelines and as specifically articulated in an appendix to the Final EIR and incorporated herein by this reference; and

WHEREAS, the Final Environmental Impact Report identified significant environmental impacts that can be mitigated to substantially lessen the environmental effects relating to Aesthetics, Biological Resources, Cultural and Historical Resources, Geology and Soils, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use, Mineral Resources, Public Facilities, Recreation and Utilities and Service Systems and a Mitigation, Monitoring and Reporting Plan (“MMRP”) has been prepared for the Project; and

WHEREAS, the Final Environmental Impact Report also identified unavoidable significant adverse impacts regarding Air Quality, Noise, Greenhouse Gases, Traffic and Farmland Conversion; and

WHEREAS, Section 15093 of the CEQA Guidelines requires the City to balance the benefits of the Project against its unavoidable environmental impacts in determining whether or not to approve the Project; and

WHEREAS, the City Council certified the Final Environmental Impact Report, which included findings and a statement of overriding considerations for the unavoidable significant environmental impacts identified by the Final Environmental Impact Report; and,

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Hanford finds the project to be consistent with the Final Environmental Impact Report (FEIR) (SCH 2012061013) associated with the Hwy 43/198 Commercial Center, and for which said FEIR was certified precedent to its consideration of the Planned Unit Development, consistent with the California Environmental Quality Act (CEQA) and the City of Hanford Municipal Code and Policies.

BE IT FURTHER RESOLVED that the City Council of the City of Hanford hereby approves Tentative Parcel Map 2013-05 based on the following findings and based on the evidence presented:

Findings:

1. The map is being processed in accordance with the Subdivision Map Act.
2. The map is in compliance with the goals and objectives of the General Plan.
3. That the Final Map be recorded in substantial compliance with Attachment 1.
4. That all street and city utility improvements will be constructed to City Public Works Improvement Standards.
5. That the future development will utilize city sewer and water.

6. Private utility companies have been contacted and have stated that the utilities can be extended from adjacent streets.
7. The site is flat and not located in a flood zone.
8. That an Environmental Impact Report, SCH 2012061013, has been certified by the City Council in accordance with the California Environmental Quality Act.
9. That a mitigation monitoring program and statement of overriding considerations have been adopted for the proposed project and herein incorporated by reference.

BE IT FURTHER RESOLVED that based on the above incorporated findings, the Tentative Parcel Map 2013-05 is approved by the City Council subject to the following conditions:

1. That the development shall conform to all applicable zoning regulations and the requirements and the requirements of the improvement standards of the city and the Subdivision Map Act.
2. That all dedications for road right of way, storm drainage, and other public utility easements be dedicated to the City as part of the recorded map.
3. That all required public improvements are provided for on the map.
4. That the tentative parcel map shall expire upon the expiration of the Development Agreement between the City and 198/43, LLC.
5. That building permits must be obtained from the City Building Division for any structural, plumbing, electrical or mechanical work being done.
6. That the site, as well as the buildings, shall be made accessible and usable by the disabled according to the California Building Code, Chapter 11B.
7. That a preliminary soils report, prepared by a qualified soils engineer, be provided to the Engineering and Building Divisions prior to approval of site improvement plans. The soils report shall comply with the 2013 California Building Code, Chapter 18
8. That a final soils report, prepared by a qualified soils engineer, be provided to the Engineering and Building Divisions before issuance of building permits.
9. That a school impact fee for each square foot of new building area shall be paid when building permits are issued.
10. That any new address or address change shall be assigned by the Building Division.
11. That all construction shall conform to the 2013 Edition, California Building Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Fire Code, and California Energy Code and the City of Hanford Water Efficient Landscape Design and Installation Ordinance.
12. That Kings County Impact fees shall apply to this project.
13. That Developer comply with the City of Hanford Public Works Construction Standards and Specifications requirements. Any deviation from said standards and specifications must be approved by the City Engineer prior to construction.

14. That an encroachment permit for all work in the right-of-way be obtained from the Public Works Department prior to beginning construction.
15. That development is subject to an engineering review and inspection fee in accordance with City Resolution No. 14-09-R, or any revisions thereof. Subject fee shall be payable prior to approval of improvement plans.

Map and Plan Requirements:

16. That developer submit to the City Engineer, a set of construction plans on 24" X 36" sheets for all required improvements. These plans shall be prepared by a registered civil engineer, and shall include a site plan showing trash enclosure locations and a complete site utility plan showing locations and sizes of sewer, storm drain and water mains, laterals, manholes, meters, valves, hydrants, etc. All plans shall be approved by the City and all other involved agencies before the release of the building permits.
17. That prior to beginning any construction, or within twenty (20) calendar days after the approved plans are released by the City, the developer shall submit to the City of Hanford Engineering Division one (1) reproducible, (1) electronic, and four (4) blue-line copies of the approved set of construction plans, and two (2) bound sets of the approved construction specifications, if any.
18. That within twenty (20) calendar days after all improvements have been constructed and accepted by the City, the developer shall submit to the City of Hanford Engineering Division one (1) reproducible, (1) electronic, and one (1) blue-line copy of the approved set of construction plans revised to reflect all field revisions and marked "RECORD DRAWING".

Drainage Requirements:

19. That a drainage/site improvement plan for development be prepared by a registered civil engineer for review and approval by the Public Works Department prior to the issuance of building permits. All drainage improvements shall be certified by a registered civil engineer as being constructed to the approved plan.
20. That all project drainage shall be contained in an on site drainage basin located as shown on the tentative parcel map, including street drainage fronting the property. Applicant's engineer shall submit drainage calculations for Public Works Department review and approval prior to issuance of a building permit.
21. That project site be developed in conformance with the approved drainage plan, with minor modifications being approved by the Public Works Department.
22. That applicant is required to comply with the State of California Water Resource Control Board requirements specifically related to the National Pollution Elimination System permit process.
23. That the Storm Drain pipeline utilized for street/site drainage shall be sufficiently sized/oversized to facilitate proper drainage to the on-site drainage basin.

Street Right-of-Way Dedication & Easement Requirements:

24. That Developer shall dedicate to the City additional street right of way as needed to facilitate widening of Lacey Blvd in conformance with the approved site plan (an ultimate width of 84 feet at the west end of Parcel L, 100 feet along the frontage of Parcel I to the west side of the proposed signalized intersection and 110 feet to SR 43).
25. That all easements for irrigation ditches and/or pipelines be legally abandoned, removed, and/or relocated to the satisfaction of the City Engineer prior to issuance of a Building permit.
26. That an easement for storm drainage purposes be dedicated or otherwise conveyed to the City, to the satisfaction of the City Engineer, to facilitate street drainage to the on-site basin.

Street Requirements:

27. That all improvements consisting of sanitary sewers, storm sewers, water mains, concrete curbs, gutters, sidewalks, street lights, site grading and pavement surfacing and all other improvements be installed in accordance with City of Hanford Public Works construction standards and specifications currently in effect.
28. That Lacey Blvd. shall be widened/realigned along development frontage, in conformance with the approved site plan, and as directed by the city engineer. Improvements to include construction of new driveway entrances and deceleration taper(s) in conformance with City standards.
29. That streetlights be installed along the Lacey Blvd. property frontage in conformance with City Standard GE-56. Street lights shall be located as designated by City Engineer.
30. That the street improvements be designed and constructed in accordance with the approved site plan. (Ultimate width of 84 feet at the west end of Parcel L, 100 feet along the frontage of Parcel I to the west side of the proposed signalized intersection and 110 feet to Highway 43).
31. That a traffic signal shall be installed at the main entrance to the shopping center as shown on the approved site plan in conformance with City standards and specifications.
32. That a traffic signal or roundabout shall be installed at the intersection of the realigned Lacey Blvd. and SR 43 per the approved site plan in conformance with City and Caltrans standards.
33. That all drive entrances into development from Lacey Blvd. shall be constructed with easy access curb returns (min. 20 foot radius, unless approved otherwise by city engineer).
34. That developer shall construct all mitigation improvements as outlined in the Final Environmental Impact Report pertaining to transportation required for this project.
35. That all utility poles, vaults, pedestals and other appurtenances located adjacent to and along the development frontage of Lacey Blvd. east of the proposed signalized entrance shall be

placed underground as necessary to facilitate widening/realignment of said street at developer's own expense.

36. The State of California Department of Transportation ("Caltrans") will require the relocation of the existing intersection of Lacey Boulevard and SR 43 ("Lacey/43 Intersection") to the north and the corresponding realignment of sections of Lacey Boulevard east and west of SR 43. The relocation of the Lacey/43 Intersection and the realignment of Lacey Boulevard shall collectively be referred to hereinafter as "the Lacey/43 Improvements." The Lacey/43 Improvements shall be in addition to any other mitigation measures and conditions that City may establish with respect to the improvement of Lacey Boulevard.
37. Developer shall, at its initial cost and expense, undertake the design and construction work for the Lacey/43 Improvements. Developer will, at least ninety (90) calendar days prior to the commencement of construction of the Lacey/43 Improvements, present to City the final design, specifications, and itemized list of costs for the Lacey/43 Improvements, which will be subject to City's review and approval. Developer will not commence construction of the Lacey/43 Improvements without first obtaining City's approval. Following City's approval of the design, specifications, and itemized list of costs for the Lacey/43 Improvements, Developer will not authorize any change orders for such work unless Developer first obtains the approval of City's Public Works Director. All work shall conform to the mitigation measures identified in the project EIR and shall be built for cumulative impacts now.
38. It shall be the City's obligation to obtain the ROW Property. City may elect to engage a third party right-of-way consultant to obtain the necessary ROW Property. In furtherance of the assemblage of the ROW Property, Developer has deposited with City amounts necessary to begin pre-condemnation proceedings, including obtaining all necessary appraisals supporting any offer to purchase the ROW Property, as required by the California Code of Civil Procedure governing City's power of eminent domain. For purposes of this Agreement, the appraised value of the ROW Property shall be the value identified by the appraisal performed by Simon Company for City. In the event that City is unsuccessful in negotiating the voluntary sale of the ROW Property, City agrees to consider presenting a resolution of necessity to the City Council, the adoption of which is the sole and absolute discretion of the Hanford City Council, in order to acquire the ROW Property through its power of eminent domain.
39. Following completion of the Lacey/43 Improvements and dedication of the same to City and other government agencies having jurisdiction over the ROW Property, Developer will submit a final invoice, requesting payment from City for all unpaid and reimbursable costs and expenses with true and correct copies of the Supporting Material relating to the Lacey/43 Improvement work. Within thirty (30) calendar days of City's receipt thereof, and all required Supporting Material, City will pay to Developer the sum of: (i) Developer's Final Invoice; (ii) change orders approved by City pursuant to Subsection B above; and (iii) fifteen percent (15%) of the sum of Developer's Monthly Invoices, Developer's Final Invoice, and change orders, if any. The fifteen percent (15%) payment component shall compensate Developer for its engineering fees, permit fees, construction surveying, geotechnical fees, and all other non-construction costs associated with the Lacey/43

Improvements. City will also reimburse Developer for twenty-five percent (25%) of Developer's cost to install the traffic signal at the Project's primary entrance ("Lacey/Entry Traffic Signal"); Developer will invoice City separately for such work, which will be accompanied by Supporting Material. Developer will not be entitled to any mark-up of the costs associated with the Lacey/Entry Traffic Signal. Reimbursement will be limited to the cost of the following improvements: curb and gutter, pavement, striping, signal work required at Lacey Boulevard, earthwork for roadway construction, and median curb for a standard 84 foot wide ROW at the west end, a 100 foot ROW transition from the 84 foot ROW to the west side of the signal at the Project's main entrance, a 110 foot ROW from just west of said signal to SR 43, and streets lights, to the extent required, on the north side of the realigned Lacey Boulevard. Reimbursement work will also include the pavement and grading on the east side of SR 43 to connect Lacey Boulevard back to the existing alignment. No reimbursement will be made hereunder for utility relocations, drive approaches on the south side of the realigned Lacey Boulevard, sidewalk on the south side of Lacey Boulevard, paving outside of above noted ROW design standards, landscape and hardscape in median islands, including conduits, and any other work not collected for in City's impact fee program.

40. That prior to opening day of the first phase of development, the intersection of SR 198 and Fourth Street shall have Stop Signs installed on the westbound approach on Fourth Street at Developer's expense.
41. That prior to opening day of the third phase of development, the intersection of Lacey Boulevard and 9-1/4 Avenue shall be widened to provide one left turn lane and one right turn lane on the southbound approach. New lanes shall provide a minimum of 100 feet of vehicle storage. Improvements are subject to reimbursement per the City's Transportation Impact Fee program.
42. That prior to opening day of third phase of development, the intersection of Lacey Boulevard and 9th Avenue shall be widened to provide one left turn lane and one right turn lane on the northbound approach. New lanes shall provide a minimum of 100 feet of vehicle storage. Improvements are subject to reimbursement per the City's Transportation Impact Fee program.
43. A public transit stop shall be constructed along the Lacey Blvd. development frontage per the approved site plan as per the project EIR.

Soil Requirements:

44. That a Preliminary Soils Report, prepared by a qualified Soils Engineer, be provided to the Engineering and Building Departments prior to approval of development improvement plans.
45. That a final soils report, prepared by a qualified Soils Engineer, be provided to the Engineering and Building Departments prior to acceptance of development improvements by the City or issuance of building permits or whichever comes first.

46. That Developer retain the Design Engineer to inspect and verify that all grading within the development is completed in conformance with approved plans. Design Engineer shall be required to provide a certification letter to the Building Department prior to issuance of any building permits.

Sanitary Sewer Requirements:

47. That developer shall furnish, install and maintain a grease trap assembly on all sewer laterals receiving process water from food preparation businesses as applicable. Subject grease trap assembly shall be approved by the City Utility Superintendent prior to installation.
48. That developer shall extend a minimum 10 inch diameter sanitary sewer main along the development frontage per the City's Sewer Master Plan.
49. That ALL proposed Sewer laterals to the development parcels shall be installed prior to construction of Lacey Blvd. paving improvements.
50. That the Developer upsize the existing 8 inch diameter sewer main from Sierra Drive, west of this development, to a 10 inch diameter sewer line. The existing 8 inch diameter main along the development frontage is to be abandoned per City Standards and Specifications. Developer shall be entitled to a reimbursement by the City for the costs associated with the replacement of said 8 inch diameter sewer main and appurtenances. Developer shall submit competitively bid costs for City review/approval prior to commencing work per City Specifications.
51. That developer shall construct all mitigation improvements as outlined in the Final Environmental Impact Report pertaining to sanitary sewers approved with this project.
52. That prior to opening day of the second phase of development, developer shall upgrade the Sanitary Sewer Lift Station at Lacey Blvd. and 9-1/4 Avenue per the requirements of the EIR.

Water System Requirements:

53. That the developer shall install a minimum 12 inch diameter water main and appurtenances along the SR 43 frontage of the Development in conformance with City Water Master Plan requirements. A fire hydrant or blow-off assembly shall be installed at the end of the main line.
54. That the developer shall furnish and install appropriate cross connection/ backflow preventer assemblies for all services provided, including fire service lines.
55. That all backflow preventer assemblies shall be tested and approved prior to being placed in service by a certified technician with a copy of test results being provided to the City Utility Department.
56. That ALL proposed Water services to the development parcels shall be installed prior to construction of Lacey Blvd. paving improvements

57. That developer shall construct all mitigation improvements as outlined in the Final Environmental Impact Report pertaining to water systems approved with this project.

Development Impact Fees:

58. That development is subject to impact fees in accordance with the Development Agreement, which will fund improvements to mitigate impacts from the proposed project. All fees are payable prior to issuance of building permits, unless approved otherwise by City Engineer

Refuse Requirements:

59. That Developer shall submit to Refuse Superintendent locations of all refuse bins for approval prior to development of each parcel/pad.

THEREFORE, BE IT RESOLVED, that the City Council of the City of Hanford hereby approves Tentative Parcel Map 2013-05. Passed and adopted at a special meeting of the City Council of the City of Hanford duly called and held on July 24, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss
CITY OF HANFORD)

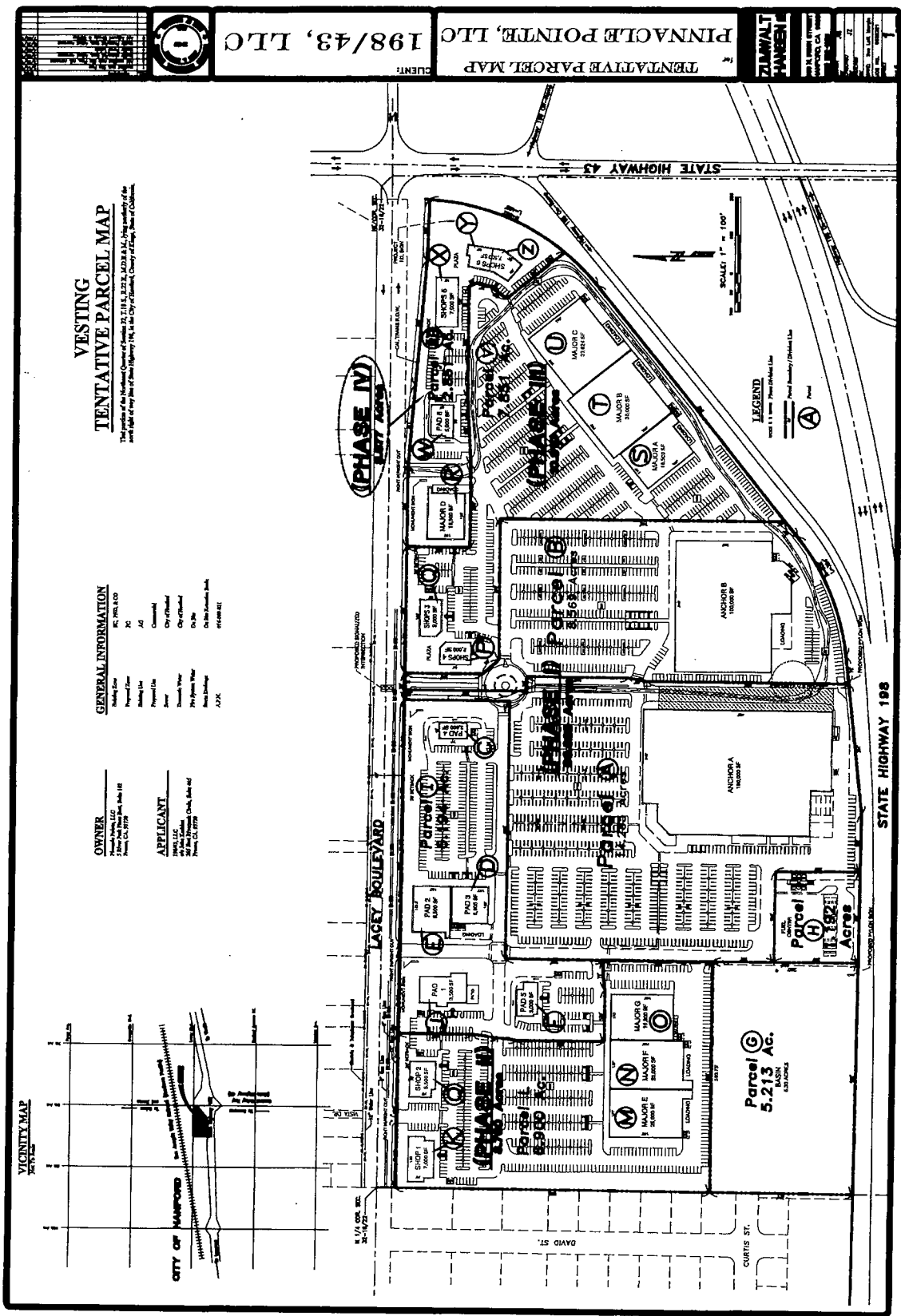
I, Jennifer Gomez, City Clerk of the City of Hanford, do hereby certify the foregoing Resolution was duly passed and adopted at a special meeting of the City Council of the City of Hanford held on the 24th day of July 2014.

Date: _____

APPROVED: _____
 Mayor

ATTEST: _____
 Jennifer Gomez
 City Clerk

ATTACHMENT 1



ORDINANCE NO. 14-06

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HANFORD
APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF HANFORD AND
198/43, LLC, GOVERNING THE DEVELOPMENT OF A COMMERCIAL CENTER AT THE
SOUTHWEST CORNER OF LACEY BOULEVARD AND STATE HWY 43**

The City Council of the City of Hanford does ordain as follows:

Section 1: That certain Development Agreement (the "198/43, LLC Development Agreement") by and between the City of Hanford and 198/43, LLC, pertaining to that certain commercial center ("198/43 project") located at the southwest corner of Lacey Boulevard and State HWY 43, APN 016-060-021, which property is more particularly described in said 198/43, LLC Development Agreement, is attached hereto as Exhibit "1" and is hereby incorporated by reference.

Section 2: The City Council of the City of Hanford certified an Environmental Impact Report for the 198/43 project ("EIR"), made related findings pursuant to the provisions of the California Environmental Quality Act ("CEQA"), a Mitigation, Monitoring and Reporting Plan ("MMRP") was prepared, and a statement of overriding considerations was made for Air Quality, Noise, Transportation/Traffic, and Farmland Conversion impacts.

Section 3: The City Council hereby finds that the 198/43, LLC Development Agreement is consistent with the Hanford General Plan and the Planned Unit Development No. 2013-02, and that the Planning Commission, after a public hearing on July 8, 2014, determined that the 198/43, LLC Development Agreement:

1. Is consistent with the objectives, policies, general land uses, and programs specified in the general plan and any applicable specific plan;
2. Is compatible with the uses authorized in, and the regulations prescribed for, the land use district in which the real property is located;
3. Is in conformity with the public convenience and general welfare and good land use practices;
4. Will not be detrimental to the public health, safety, and general welfare;

5. Will not adversely affect the orderly development of property or the preservation of property values;

6. Will provide sufficient benefit to the City to justify entering into the development agreement; and

7. That the proposed project does not include a subdivision, as defined in Government Code Section 66473.7, which applies to any residential subdivision; and

8. That the 198/43, LLC Development Agreement ensures compliance with the mitigation measures identified in the EIR.

Section 4: The Mayor and the City Clerk are authorized and directed to execute the 198/43, LLC Development Agreement on behalf of the City of Hanford after the effective date of this ordinance. Pursuant to Government Code Section 65868.5, the Clerk of the City Council shall record a copy of the 198/43, LLC Development Agreement with the Office of the County Recorder no later than ten (10) days after this ordinance takes effect.

Section 5: The 198/43, LLC Development Agreement indicates that the estimated cost to construct improvements identified as the Lacey/43 Improvements is five million, four hundred thousand dollars. Since the Lacey/43 Improvements will involve a State highway, approval of certain aspects of the improvements must be obtained from the California Department of Transportation ("Caltrans"). Discussions with Caltrans regarding the Lacey/43 Improvements continue, and a revision of the design plans for such improvements may be necessary. As a result, the City Council of the City of Hanford hereby grants the City of Hanford's Public Works Director discretionary approval authority over the design plans for the Lacey/43 Improvements and all other improvements that are required as conditions of approval for the project and/or mitigation measures identified in the EIR. A formal amendment of the 198/43 Development Agreement and an ordinance approving the same will be unnecessary for changes to design plans approved by the Public Works Director.

Section 6: A revision of the Lacey/43 design plans may result in a change in the construction costs for the Lacey/43 Improvements. The City Council of the City of Hanford hereby authorizes the City's reimbursement of the developer for the cost of the Lacey/43 Improvements as long as: (i) the total cost does not exceed twenty percent (20%) of the five million, four hundred thousand dollar estimate identified in the 198/43, LLC Development Agreement; and (ii) the total cost amount is approved by the City Manager and the City's Director of Public Works. City Council approval will be required, however, if the total adjusted cost of the Lacey/43 Improvements will exceed the five million, four hundred thousand dollar estimated cost by more than twenty percent (20%).

Section 5: This ordinance shall take effect thirty (30) days after its passage, and shall be published once in the Hanford Sentinel within fifteen (15) days after its passage or a summary of this ordinance shall be published in the Hanford Sentinel in a manner consistent with the requirements of the California Government Code. Passed and adopted at a regular meeting of the City Council of the City of Hanford duly called and held on August __, 2014, by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

APPROVED

GARY PANNETT,
MAYOR of the City of Hanford

ATTEST:

JENNIFER GOMEZ
CITY CLERK
STATE OF CALIFORNIA)
COUNTY OF KINGS) ss
CITY OF HANFORD)

I JENNIFER GOMEZ, City Clerk of the City of Hanford, do hereby certify the foregoing ordinance was duly introduced at a special meeting of the City Council of the City of Hanford on the 24th day of July, 2014, and it was duly passed and adopted at a regular meeting of the City council of the City of Hanford held on the ____ day of August, 2014.

JENNIFER GOMEZ
CITY CLERK

OFFICIAL BUSINESS
DOCUMENT ENTITLED TO FREE
RECORDING
Government Code Section 6103

RECORDING REQUESTED BY:

City Clerk

City of Hanford
317 N. Douty Street
Hanford, CA 93230

WHEN RECORDED RETURN TO:

City of Hanford
317 N. Douty Street
Hanford, CA 93230
Attn: City Clerk

SPACE ABOVE THIS LINE RESERVED FOR RECORDERS USE

DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF HANFORD

AND

198/43, LLC

Table of Contents

Section 1.	Incorporation of Recitals.....	4
Section 2.	Definitions.....	4
Section 3.	Description of the Property.....	5
Section 4.	Ownership of the Property.....	5
Section 5.	Interest of Developer.....	6
Section 6.	Project Description, Objectives, and Location.....	6
Section 7.	Tentative Map.....	6
Section 8.	Relationship of City and Developer.....	6
Section 9.	Costs.....	6
Section 10.	Agreement Runs with the Land.....	6
Section 11.	Effective Date and Termination for Failure of Condition Precedent.....	7
Section 12.	Purpose of this Agreement.....	7
Section 13.	Recordation of Agreement.....	8
Section 14.	Development Commencement Date and Term of Agreement.....	8
Section 15.	Planned Land Use and Zoning.....	9
Section 16.	Application of Subsequently Enacted Standards.....	9
Section 17.	Police Power and Taxing Power.....	10
Section 18.	[Reserved].....	10
Section 19.	Existing Lacey Boulevard and Other Public Improvements.....	10
Section 20.	SR 43/Lacey Boulevard Intersection Relocation and Lacey Boulevard Realignment.....	11
Section 21.	On Site Surface Water Retention.....	14
Section 22.	Fees.....	15
Section 23.	Notice of Completion.....	15
Section 24.	Uniform Codes are Applicable.....	16
Section 25.	Final Inspection.....	16
Section 26.	Developer Obligations.....	17
Section 27.	City Processing and Review.....	17
Section 28.	Approval of Subsequent Development and Land Use Applications.....	18
Section 29.	Application Fees, Taxes, and Assessments.....	18
Section 30.	Amendment and Termination.....	19
Section 31.	Term of Project Approvals.....	20
Section 32.	Annual City Review of this Agreement.....	20
Section 33.	Default.....	21
Section 34.	Estoppel Certificate.....	21

Section 35.	Encumbrances on the Property.....	22
Section 36.	Mortgage Protection and Certain Rights of Cure.....	22
Section 37.	Prevailing Wage Compliance.....	23
Section 38.	Severability.	23
Section 39.	Venue.	23
Section 40.	Attorney Fees and Costs.	24
Section 41.	Transfers and Assignments.	24
Section 42.	Compliance with the State Subdivision Map Act.	25
Section 43.	Required Insurance.	25
Section 44.	Indemnification.	28
Section 45.	California Tort Claims Act.	29
Section 46.	Agreement is Entire Understanding and Conflict with Other Documents.....	29
Section 47.	Execution in Counterparts.....	30
Section 48.	Notarized Signatures.....	30
Section 49.	Notices.	30
Section 50.	Captions.	31
Section 51.	Numbers and Gender.	31
Section 52.	Mandatory and Permissive.....	31
Section 53.	Attorney Preparation.....	31
Section 54.	Authority.....	31
Section 55.	Exhibits and Attachments.	31

DEVELOPMENT AGREEMENT

This Development Agreement, hereinafter referred to as "**Agreement**," is hereby made and entered into on the ____ day of _____, 2014, by and between the City of Hanford, a California municipal corporation, hereinafter referred to as "**City**," and 198/43, LLC, a California limited liability company, hereinafter referred to as "**Developer**," as it pertains to the commercial development of property located at Highways 198 and 43 in the City of Hanford. City and Developer are sometimes collectively referred to herein as "**Parties**" and individually as "**Party**."

RECITALS

A. Pinnacle Pointe, LLC, a California limited liability company, hereinafter referred to as "**Pinnacle Pointe**," is currently the landowner of approximately fifty-eight (58) acres of real property located generally at Highways 198 and 43 in the City of Hanford, hereinafter referred to as the "**Property**," which is more particularly described in Exhibit "A," which is attached hereto and incorporated herein by reference.

B. It is Developer's intent to develop the Project as Planned Commercial Shopping Center containing up to 499,000 square feet of retail and related uses, with approximately 2,783 on-site parking spaces on the Property, which area City and Developer have agreed shall have a maximum square footage as identified in the **Site Plan Review**, of up to 499,000 square feet of improvements, hereinafter referred to as the "**Project**."

C. Developer intends to develop the Property into twenty-eight (28) parcels in four (4) phases, with Costco Wholesale Corporation, a Washington corporation ("**Costco**"), as its major retailer, owning and occupying Parcel A and H of the Tentative Map.

D. On or prior to the Effective Date of this Agreement, Pinnacle Pointe shall record the below referenced Tentative Map, subdividing the Property into 28 parcels (Parcel A-BB). Immediately thereafter, Pinnacle Pointe will transfer Parcels A and H to Costco ("**Costco Parcels**") and the balance of the Parcels to Developer ("**Developer Parcels**"). Pinnacle Pointe has reached agreement with Costco whereby, upon satisfaction of conditions stated in the agreement, Costco will acquire the Costco Parcels from Pinnacle Pointe and develop the Costco Parcels consistent with the Conditions of the Tentative Map.

E. The first phase of the Project ("**Phase One**"), which includes the Costco Parcels, will include up to 275,000 square feet of retail space and related improvements and up to 1,500 on-site parking spaces.

F. Developer will be required to construct certain off-site public improvements, which are conditions of regulatory approval of the Project, including the development approvals described in these Recitals. Such improvements will include sewer and water lines, street improvements and traffic control measures that will provide benefits to City, Developer, and other property owners near the Property who may wish to develop their properties in the future.

G. Developer desires to develop the Property consistent with this Agreement and the following entitlements, permits, approvals and actions that have been enacted or that are contemplated by the City Council, referred to collectively as “**Entitlements.**”

(1) Certification of the Final Environmental Impact Report (“**FEIR**”), Adoption of California Environmental Quality Act Findings, Statement of Overriding Considerations and Mitigation Monitoring and Reporting Programs by City Council Resolution _____ on _____, 2014;

(2) Approval of Developer’s Planned Unit Development Application including all conditions of approval contained therein pursuant to City Council Resolution _____ on _____, 2014, attached hereto as Exhibit “**B**”;

(3) Approval of Developer’s General Plan Amendment and Rezone Application No. GPA 2011-01 and RZ 2011-01 thereby changing the general plan designation from Service Commercial, Planned Highway Development and Open Space to Planned Commercial and zoning the Property, Planned Commercial, consistent with the General Plan Amendment (“**General Plan Amendment**” and “**Zoning**” respectively);

(4) Approval of Tentative Parcel Map No. TPM 2013-05 (“**Tentative Map**”) by Council Resolution _____ on _____, a copy of which the Resolution approving the Tentative Map is attached hereto in Exhibit “**C**”;

(5) Approval of that Sales Tax Incentive Agreement (“**Sales Tax Incentive Agreement**”) in relation to the development of this Project by the City Council on _____, 2014.

H. It is the intent of the Parties to condition the effectiveness of this Agreement on the recordation of a Grant Deed whereby Pinnacle Pointe transfers all right, title and interest in and to Parcels A and H to Costco.

I. The California Legislature, in Section 65864 of the Government Code, has found that the lack of certainty in the approval of development projects can result in a waste of resources, escalate the development, and discourage investment in and commitment to comprehensive planning which would make maximum efficient utilization of resources at the least economic cost to the public.

J. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the California Legislature adopted Government Code Section 65864 et seq., hereinafter referred to as “**Development Agreement Statute,**” which authorizes any city, county, or city and county to enter into a development agreement with an applicant for a development project establishing certain development rights in the property which is the subject of a development project application.

K. The Planning Commission of the City of Hanford, serving as City's planning agency for the purpose of development agreements, reviewed this Agreement pursuant to Government Code Section 65867 and Chapter 16.44 of the Municipal Code and recommended approval of this Agreement to the City Council.

L. In accordance with the Development Agreement Statute, City has adopted Chapter 16.44 of the Municipal Code ("**Enabling Resolution**"), incorporated herein by reference, establishing rules, regulations, procedures, and requirements, including fees, for consideration of development agreements.

M. In adopting the Enabling Resolution, City found that under appropriate circumstances, development agreements will strengthen the public planning process, encourage private participation in comprehensive planning by providing a greater degree of certainty in that process, reduce the economic costs of development, allow for the orderly planning of public improvements and services and the allocation of costs therefor in order to achieve the maximum utilization of public and private resources in the development process, and assure, to the extent feasible, that appropriate measures to enhance and protect the environment of City are achieved.

N. City further found that the public safety, health, convenience, comfort, prosperity, and general welfare will be furthered by the adoption of the Enabling Resolution in order to provide a mechanism and procedure for the enactment of development agreements to accomplish the foregoing purposes and aims and the realization of the benefits to be derived therefrom, and all Entitlements are consistent with the General Plan and Zoning Ordinance.

O. City finds and determines that it will be in the best interest of City and that the public health, safety, and welfare will be served by entering into this Agreement.

P. City finds that a planned commercial shopping center, with Costco as an anchor, will contribute to the economic growth of City.

Q. City further finds that due to the large scope of the Project, estimated length of time for full Project build out, and unforeseen future market conditions, Developer desires this Agreement, which will impact multiple aspects of the Project, in order to ensure the Project is financially viable and marketable now and in the future.

R. In order to ensure certain dedications, commitments, standards, and to facilitate economic growth and the successful completion and full build out of the Project, City is willing to enter into this Agreement. City, by electing to enter into this Agreement, acknowledges that the obligations of City shall survive beyond the term or terms of the present City Council and that such action will serve to bind City and future City Councils to the obligations thereby undertaken. By approving this Agreement, the City Council has elected to exercise certain governmental powers at the time of entering into this Agreement rather than deferring its actions to some undetermined future date. The terms and conditions of this Agreement have undergone

extensive review by both City and the City Council and have been found to be fair, just and reasonable, and City has concluded that the pursuit of the Project will serve the best interests of its citizens, and public health, safety and welfare will be served by entering into this Agreement.

S. All procedures of the California Environmental Quality Act (“CEQA”) have been met with respect to the Project and this Agreement by the approval of City Council Resolution No. _____ adopted on _____, 2014, which certifies Environmental Impact Report No. SCH 2012061013.

NOW, THEREFORE, CITY AND DEVELOPER HEREBY AGREE AS FOLLOWS:

Section 1. Incorporation of Recitals.

The foregoing preamble, recitals, exhibits and all defined terms set forth above are hereby incorporated by this reference into this Agreement, as if set forth herein in full.

Section 2. Definitions.

“AB 1600” means the Mitigation Fee Act (Government Code Sections 66000-66025).

“AB 1600 Capital Facilities Fees” or “Capital Facilities Fees” means City’s capital facility programs and resulting fee schedule.

“Agreement” means this Development Agreement.

“Approval Date” means the date upon which the City approves the Entitlements.

“City” means the City of Hanford, California, a municipal corporation.

“Commercial Unit” means each separate legal parcel together with all improvements thereon. For example Parcel A, together with all Costco improvements shall constitute a separate Commercial Unit; or, Parcel H, together with all Costco improvements shall constitute a separate Commercial Unit.

“Commercial Unit Owner” means the owner of the fee interest, the lessee of a ground lease interest, or the holder by any other mean that empowers such fee owner, lessee or holder to exercise the right to entitle and construct improvements on the particular Commercial Unit. In this regard the Developer may be a Commercial Unit Owner, but no Commercial Unit Owner shall be the Developer unless the rights and obligations are expressly assigned to and assumed by such successor as a successor Developer in accordance with Section 41 of this Agreement.

“Developer” means 198/43, LLC, a California limited liability company.

“Development Commencement Date” is defined in Section 14 of this Agreement.

“Effective Date” is defined in Section 11 of this Agreement.

“Effective Standards” means the ordinances, resolutions, rules, policies and regulations adopted by the City Council in effect and applicable to the Property on the Approval Date, including the adopting ordinances that govern the permitted uses of land, the density and intensity of use, the timing of development, and the design, improvement, construction standards, the General Plan, the zoning ordinance and all other ordinances, codes, rules, and regulations of City establishing subdivision standards, impact or development fees and building standards (but only to the extent of the Zoning Ordinance), and other such regulations that are not inconsistent with this Agreement or the Entitlements, all as may from time to time be amended in accordance with the terms and conditions of this Agreement. Effective Standards do not include design and/or construction requirements for public improvements or improvements to be acquired by a public entity, and non-land use regulations, including, without limitation, citywide taxes, citywide fees, and citywide assessments, except where such items are explicitly addressed by this Agreement or the Entitlements.

“Entitlements” shall mean those entitlements, permits and approvals listed above in Paragraph G of the Recitals, any and all of which may be amended from time to time in compliance with this Agreement

“Landowner” means, at the time this Agreement is approved by City, Pinnacle Pointe, LLC, a California limited liability company; and, upon the Effective Date, 198/43, LLC.

“Project” is defined in Recital B and further described in Section 6 of this Agreement.

“Property” is defined in Recital A to this Agreement.

“Site Plan Review” means Site Plan Review No. _____ approved by the City on _____, 2014 .

“Tentative Map” is defined in Recital G. (4) to this Agreement.

Section 3. Description of the Property.

The Property, which is the subject of this Agreement, is legally described and illustrated in the Tentative Map, attached hereto as Exhibit “C.”

Section 4. Ownership of the Property.

Developer hereby represents that Pinnacle Pointe is the legal owner of the Property which is the subject of this Agreement at the time City approved the terms and conditions of this Agreement; and, that Developer will become the legal owner of the Developer Parcels upon the

recording of a Grant Deed transferring all right, title and interest in Developer Parcels from Pinnacle Pointe to Developer.

Section 5. Interest of Developer.

Developer represents that by virtue of its agreement to acquire the Developer Parcels from Pinnacle Pointe, it has an equitable interest in the Property sufficient to be bound by this Agreement.

Section 6. Project Description, Objectives, and Location.

The Project is a multi-phase planned commercial shopping center located on approximately fifty-nine (59) acres north of Highway 198, west of Highway 43 and south of East Lacey Boulevard in the City of Hanford. The Developer proposes to produce a planned commercial development with Costco as its anchor on Phase One of the four (4) phase project.

Section 7. Tentative Map.

The Project is subject to conditions of approval of Tentative Map set forth in the Resolution attached hereto as Exhibit "C" ("**Conditions of Approval**").

Section 8. Relationship of City and Developer.

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

Section 9. Costs.

Nothing in this Agreement is intended, nor shall it be construed, as a waiver by City of any fees to which Developer or any end user of land comprising the Project is obligated to pay.

Section 10. Agreement Runs with the Land.

Upon its Effective Date, this Development Agreement shall apply to the land area and parcels as described herein and when recorded with the Kings County Recorder shall run with the land and transfer all rights and obligations herein to future land owners until the expiration or earlier termination date of this Agreement as outlined herein or released pursuant to the terms of this Agreement. Except as otherwise provided herein, including, without limitation, by Section 25 hereof, the burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the parties of this Agreement, in accordance with the provisions of Section 65868.5 of the California Government Code.

Section 11. Effective Date and Termination for Failure of Condition Precedent.

a. The effectiveness of this Agreement, including all of the rights, obligations, covenants and conditions are predicated and conditioned upon the recordation of a Grant Deed transferring all right, title and interest in the Costco Parcels from Pinnacle Pointe to Costco ("**Effective Date**"). Pinnacle Pointe shall record the Grant Deed no later than the second anniversary of the "Final Approval" (as defined herein) of Entitlements, unless the transfer of Costco Parcels is delayed because of a challenge to any Entitlement, including this Development Agreement; any litigation affecting the Entitlements, including this Development Agreement; a building moratorium affecting the development of the Property consistent with the Entitlements; or, a force majeure or other act of God, which adversely affects the development of the Property in a manner consistent with the Entitlements. For purposes of this Development Agreement, "**Final Approval**" shall not be deemed to have occurred until the City Council has approved the Entitlements and all periods within which anyone or anything may appeal or otherwise challenge the Entitlements have expired. In the event the Grant Deed is not timely recorded, this Development Agreement shall automatically become null, void and ineffective because the condition precedent to its effectiveness was not timely achieved. In such event, neither party shall have any obligation under this Development Agreement. To be clear, termination of this Development Agreement for failure to satisfy the condition precedent (conveyance of Parcels A and H to Costco) within the time prescribe will not affect any pending applications for Entitlements or building or other permits for the Costco Parcels.

b. The Close of Escrow shall be conditioned upon the following:

(1) Costco shall have obtained approval of all required permits in order to commence construction of the Parcel A and H improvements.

(2) The City has acquired all of the ROW Property, as defined in Section 20 A below; or the Hanford City Council has approved a Resolution of Necessity authorizing the City to exercise its power of eminent domain in order to acquire all ROW Property.

Section 12. Purpose of this Agreement.

A. Developer Objectives. In accordance with the legislative findings set forth in the Development Agreement Statute, and with full recognition of City's policy of judicious restraints on its police powers, Developer wishes to obtain reasonable assurances that the Project may be developed in accordance with the existing land use regulations subject to the terms of this Agreement. In the absence of this Agreement, Developer would have no assurance that it can complete the Project for the uses and the density and intensity of development set forth in this Agreement. This Agreement, therefore, is necessary to assure Developer that the Project will not be (i) reduced in density, intensity or use, or (ii) subjected to new rules, regulations, ordinances or official policies or delays, including, but not limited to building moratoriums, which are not permitted by this Agreement.

B. Mutual Objectives. Development of the Project in accordance with this Agreement will provide for the orderly development of the Project in accordance with the objectives set forth in the General Plan. Moreover, a development agreement for the Project will eliminate uncertainty in planning for and securing orderly development of the Project, facilitate installation of necessary improvements, and otherwise achieve the goals and purposes for which the Development Agreement Statute was enacted. The Parties believe that facilitating the orderly development of the Project will provide public benefits to City, including without limitation: increased tax revenues, installation of off-site public infrastructure improvements, and job creation. Additionally, although development of the Project in accordance with this Agreement will restrain City's land use or other relevant police powers, this Agreement provides City with sufficient reservation of authority during the term hereof to remain responsible and accountable to its residents. In exchange for these and other benefits to City, Developer will receive assurance that the Project may be developed during the term of this Agreement in accordance with the existing land use regulations.

Section 13. Recordation of Agreement.

No later than ten (10) days after the Effective Date, the City Clerk shall cause this Agreement to be recorded in the Official Records of the County of Kings, State of California pursuant to Section 65868.5 of the California Government Code.

Section 14. Development Commencement Date and Term of Agreement.

A. The parties acknowledge that Developer cannot, at this time, predict when or the rate at which phases of the Property will be developed. Such decisions depend upon numerous factors which are not within the control of Developer, such as market orientation and demand, interest rates, absorption, completion and other similar factors. Since the California Supreme Court held, in *Pardee Construction Company v. City of Camarillo* (1984) 37 Cal. 3d 465, 208 Cal.Rptr. 228, 690 P.2d 701, that the failure of the parties to provide for the timing of development resulted in a later adopted initiative restricting the timing of development to prevail over such parties' agreement, it is the Parties' intent to cure that deficiency by acknowledging and providing that Developer and Commercial Unit Owners shall have the right to develop the Property in such order and at such rate and at such times as Developer deems appropriate within the exercise of Developer's objective reasonable business judgment, subject only to any timing or phasing requirements set forth in the Entitlements. Any City ordinance, whether adopted by initiative or otherwise, limiting the rate or timing of development of the Property shall be deemed in conflict with the Entitlements and therefore shall not be applicable to the development of the Property.

B. Notwithstanding the foregoing, Developer shall commence Development within one hundred eighty (180) calendar days of the Effective Date, hereinafter referred to as the "**Development Commencement Date**," provided Developer has obtained approval of all necessary improvement plans, the delay of which shall not be solely the fault of Developer. For

purposes of this Agreement, commencement of Development shall be deemed to have occurred upon Developer's commencement of construction of the public improvements required hereunder.

C. The term (duration) of this Agreement shall commence on the Approval Date and shall expire on the tenth (10th) year anniversary of the Approval Date unless terminated, modified or extended as set forth herein. The term of this Agreement has been established by the Parties as a reasonable estimate of the time required to carry out the Project, develop the Property and obtain the public benefits of the Project. The term of this Agreement shall be tolled for the duration of any litigation or referendum affecting or otherwise challenging the approval of this Agreement, act of God or other natural disaster, affecting or otherwise impacting the ability of Developer to fulfill its obligations under this Agreement.

Section 15. Planned Land Use and Zoning.

The termination of this Agreement, either by failure of the condition precedent to its effectiveness (Section 11), or expiration of its term (Section 14 C), shall have no impact on, and in no way change, modify, terminate or revert, City's _____, 2014, approval of General Plan Amendment and Rezone Application Nos. GPA 2011-01 and RZ 2011-01.

Section 16. Application of Subsequently Enacted Standards.

The City may apply to the Project only such later enacted or modified rules, regulations and policies which are not in conflict with those in effect on the Approval Date and the application of which would not prevent development of the Project, except when such later enacted or modified rules, regulations and policies:

A. Are consistent with the then-current version of the California Building Code as published by the California Building Standards Commission and as modified and adopted by City; or

B. Are subsequent City-wide changes to construction or technical design standards or specifications for public improvements which are reasonably and directly related to durability or longevity of the public improvements; or

C. Are changes in City laws, regulations, plans, or policies, the terms of which are specifically mandated and required by changes in state or federal law or regional application thereof; or

D. Are necessary to avoid placing the individuals working in or frequenting the Project or the surrounding area, or both, in a condition dangerous to their health or safety, or both; or

E. Are otherwise unambiguously and expressly authorized in this Agreement; or

F. Are the subject of City-wide services that are applicable to all commercial properties within City.

With respect to Subsection E above, nothing in this Agreement shall be construed to be in derogation of City's police power to protect public health and safety.

Section 17. Police Power and Taxing Power.

City, through the exercise of either its police power or its taxing power, whether by direct City Council action or initiative, or referendum by City's electorate, shall not, except as otherwise provided herein, establish, enact or impose any additional conditions, dedications, fees, and other exactions, policies, standards, laws or regulations which relate or apply, directly or indirectly, to the Project except as provided in this Agreement. Nothing herein prohibits the Project from being subject to a: (i) City-wide bond issue; (ii) City-wide special or general tax; or (iii) special assessment for the construction and maintenance of a City-wide facility as may be voted on by the electorate or otherwise enacted, provided that such tax, assessment or measure is City-wide in nature, and does not discriminate against the Property, and does not distinguish between developed and undeveloped parcels.

Section 18. [Reserved]

Section 19. Existing Lacey Boulevard and Other Public Improvements

A. Abandonment and Relinquishment of Existing Right of Way. Commensurate with Developer's completion of the Lacey/43 Improvements described in Section 20 below and City's acceptance of such improvements, City will commence proceedings to abandon that portion of existing Lacey Boulevard ("**Existing Lacey ROW**") as shown on the attached Exhibit "**D.**" Said abandonment shall be effective no sooner than the completion of the Lacey Boulevard realignment but no later than one hundred eighty (180) days of the completion of the Lacey Boulevard realignment. If City has obtained control of the small triangular parcel located near the Lacey/43 intersection ("**Caltrans Parcel**") shown on Exhibit "D," which the State of California Department of Transportation ("**Caltrans**") has indicated that it will relinquish to the City, by the time City commences abandonment proceedings for the Existing Lacey ROW, City will also abandon the Caltrans parcel. The Existing Lacey ROW and the Caltrans Parcel are hereinafter collectively referred to as "**Abandoned Property**").

B. Upon the Development Commencement Date, Developer shall, at its initial cost and expense and prior to the issuance of a Certificate of Occupancy for the structure on the Costco Parcels from which Costco will operate its retail establishment, underground all improvements associated with the existing above-ground utility poles identified in Exhibit "E" attached hereto including, without limitation, poles, wires, and appurtenances, that currently exist along the frontage of existing Lacey Boulevard ("**Underground Work**"). Such Underground Work will be done in accordance with all applicable statutes, regulations, and ordinances then in effect.

C. Developer will construct and implement all mitigation measures identified in the FEIR for the Project at the times specified therein; provided however, Developer will not be responsible for the collection of impact and mitigation fees from other developers.

Section 20. SR 43/Lacey Boulevard Intersection Relocation and Lacey Boulevard Realignment.

A. Relocation. Caltrans will require the relocation of the existing intersection of Lacey Boulevard and Highway 43 (“**Lacey/43 Intersection**”) to the north and the corresponding realignment of sections of Lacey Boulevard east and west of Highway 43. The relocation of the Lacey/43 Intersection and the realignment of Lacey Boulevard shall collectively be referred to hereinafter as “**the Lacey/43 Improvements.**” The real property necessary for the completion of the Lacey/43 Improvements shall hereinafter be referred to as the “**ROW Property.**” The Lacey/43 Improvements shall be in addition to any other mitigation measures and conditions that City may establish with respect to the improvement of Lacey Boulevard. A conceptual drawing of the Lacey/43 Improvements and the location thereof are attached hereto as Exhibit “F,” which is incorporated herein by reference.

B. Design. Developer shall, at its initial cost and expense, undertake the design and construction work for the Lacey/43 Improvements. Developer will, at least ninety (90) calendar days prior to the commencement of construction of the Lacey/43 Improvements, present to City the final design, specifications, and itemized list of estimated costs for the Lacey/43 Improvements, which will be subject to City’s review and approval. Developer will not commence construction of the Lacey/43 Improvements without first obtaining City’s approval. Following City’s approval of the design, specifications, and itemized list of estimated costs for the Lacey/43 Improvements, Developer will not authorize any change orders for such work unless Developer first obtains the approval of City’s Public Works Director.

C. Acquisition of Right of Way. The Parties acknowledge that Developer is unable to negotiate the voluntary acquisition of all ROW Property. It shall be the City’s obligation to obtain the ROW Property. City may elect to engage a third party right-of-way consultant to obtain the necessary ROW Property. For purposes of the acquisition of the ROW Property, reference in this Subsection C. to City shall also include the City-retained right-of-way consultant. In furtherance of the assemblage of the ROW Property, Developer has deposited with City amounts necessary to begin pre-condemnation proceedings, including obtaining all necessary appraisals supporting any offer to purchase the ROW Property, as required by the California Code of Civil Procedure governing City’s power of eminent domain. For purposes of this Agreement, the appraised value of the ROW Property shall be the value identified by the appraisal performed by Simon Company for City. In the event that City is unsuccessful in negotiating the voluntary sale of the ROW Property, City agrees to consider presenting a resolution of necessity to the City Council, the adoption of which is the sole and absolute discretion of the Hanford City Council, in order to acquire the ROW Property through its power of eminent domain.

D. Pinnacle Pointe ROW. The Parties further acknowledge that a portion of the ROW Property is owned and controlled by Pinnacle Pointe (“**Pinnacle Pointe ROW**”). Pinnacle Pointe agrees to dedicate the Pinnacle Pointe ROW to the City upon City’s assemblage of the balance of the ROW Property. In consideration of Pinnacle Pointe’s dedication of the above described ROW, City shall grant to Pinnacle Pointe the Abandoned Property (to the extent that City controls the Abandoned Property) as described in Section 19 above, reserving, if necessary, underground utility easements for existing public and private utilities. If it is necessary for City to reserve underground utility easements, such utility easements shall be subject to review and approval by Developer and by any Commercial Unit Owner impacted by the reservation, which shall not be unreasonably withheld. In the event that City is unable to grant to Pinnacle Pointe the City-controlled Abandoned Property within one hundred eight (180) days of the completion of the realigned Lacey Boulevard, City shall compensate Pinnacle Pointe for the Pinnacle Pointe ROW Property dedicated to City, as described above, at the appraised value. In the event that City is unable to obtain control of the Caltrans Parcel or cause Caltrans to transfer ownership thereof to Pinnacle Pointe, neither Developer nor Pinnacle Pointe will be entitled to any compensation.

E. Remnant Parcels. City anticipates that in the acquisition of the ROW Property, City will acquire remnant parcels of real property, both on the north and south side of the ROW Property, excluding remnant parcels east of Highway 43, identified in Exhibit “G” (“**Remnant Parcels**”). In the event that City has acquired such Remnant Parcels, Pinnacle Pointe shall have the first right of refusal to purchase the Remnant Parcels from the City at the appraised value. If Pinnacle Pointe does not wish to purchase the Remnant Parcels, the Remnant Parcels will be declared surplus property and disposed of accordingly.

F. Commencement of Construction. Upon possession of all of the ROW Property and City’s approval of all necessary plans and issuance of all necessary permits from all necessary governmental agencies, Developer shall commence construction thereof, consistent with development plans approved by the City. Developer will complete, at its sole initial cost but subject to the reimbursement provisions contained herein, the Lacey/43 Improvements within twenty-four (24) months after the date on which City issues a Certificate of Occupancy for the structures on Parcel A and H from which Costco will operate its retail establishments.

G. Developer Default/Lien. In the event that Developer fails to timely complete the Lacey/43 Improvements, requiring City to step in to complete such improvements, this Development Agreement shall serve as a lien on the Developer’s Parcels to secure any and all costs incurred by City to cure Developer’s default.

H. Estimated Cost of Completion. For purposes of establishing Developer’s Warranty, pursuant to Subsection I below, of the estimated cost (all labor, materials, and equipment costs associated with such work) of the Lacey/43 Improvements is FIVE MILLION, FOUR HUNDRED THOUSAND DOLLARS (\$5,400,000.00) (“**Estimated Cost of Completion: Lacey/43 Improvements**”). This Estimated Cost of Completion may be adjusted

from time to time based upon the itemized list of costs approved by City pursuant to Subsection B. above “**Final Cost of Completion: Lacey/43 Improvement**”).

I. Warranty of Improvements. Developer will warrant the Lacey/43 Improvements for a period of one (1) year from the recording of the Notice of Completion referenced in Section 23 below and shall, at its sole cost and expense, remedy any defect discovered during such period. Upon recording of the Notice of Completion, Developer shall deposit with City Ten percent (10%) of the total Final Cost of Completion: Lacey/43 Improvements which shall be retained as a public improvement warranty for the one (1) year period following the recording of the Notice of Completion. In the alternative, Developer may provide City with warranty security that is equal to ten percent (10%) of the City-approved cost of the Lacey/43 Improvements, which security is reasonably acceptable to City, and will have a term of one (1) year from the date of the recording of the Notice of Completion for the Lacey/43 Improvements.

J. Reimbursing Developer for Lacey/43 Improvements.

(1) Periodic Payment. Upon Developer’s commencement of the Lacey/43 Improvements, Developer shall invoice the City on a monthly basis for the cost of labor and materials incurred by Developer in the development and construction of the Lacey/43 Improvements (“**Developer’s Monthly Invoice**”). Developer’s Monthly Invoice shall include true and correct copies of the following documents (collectively “**Supporting Material**”) relating to the Lacey/43 Improvement work: (i) invoices issued by all contractors and suppliers associated with such work; and (ii) executed unconditional lien releases from all such contractors and suppliers reflecting amounts received by each contractor and supplier. Within thirty (30) calendar days of receipt of Developer’s Monthly Invoice, City shall reimburse Developer the full amount stated therein. City’s obligation to make such Periodic Payments is conditioned upon the City’s inspection of the improvements for which Developer seeks reimbursement and upon proof, satisfactory to the City, of Developer’s payment to contractors and suppliers.

(2) Developer’s Final Invoice. Following completion of the Lacey/43 Improvements and dedication of the same to City and other government agencies having jurisdiction over the ROW Property, Developer will submit a final invoice, requesting payment from City for all unpaid and reimbursable costs and expenses with true and correct copies of the Supporting Material relating to the Lacey/43 Improvement work. (“**Developer’s Final Invoice**”). Within thirty (30) calendar days of City’s receipt thereof, and all required Supporting Material, City will pay to Developer the sum of: (i) Developer’s Final Invoice; (ii) change orders approved by City pursuant to Subsection B above; and (iii) fifteen percent (15%) of the sum of Developer’s Monthly Invoices, Developer’s Final Invoice, and change orders, if any. The fifteen percent (15%) payment component shall reimburse Developer for its engineering fees, permit fees, construction surveying, geotechnical fees, project management fees, and all other non-construction costs associated with the Lacey/43 Improvements. City will also reimburse Developer for twenty-five percent (25%) of Developer’s cost to install the traffic signal at the Project’s primary entrance (“**Lacey/Entry Traffic Signal**”); Developer will invoice City separately for such work, which will be accompanied by Supporting Material. Developer will

not be entitled to any mark-up of the costs associated with the Lacey/Entry Traffic Signal. Reimbursement hereunder will be limited to the cost of the following improvements: curb and gutter, pavement, striping, signal work required at Lacey Boulevard, earthwork for roadway construction, and median curb for a standard 84 foot wide ROW at the west end, a 100 foot ROW transition from the 84 foot ROW to the west side of the signal at the Project's main entrance, a 110 foot ROW from just west of said signal to Highway 43, and streets lights, to the extent required, on the north side of the realigned Lacey Boulevard. Reimbursement work will also include the pavement and grading on the east side of Highway 43 to connect Lacey Boulevard back to the existing alignment. No reimbursement will be made hereunder for utility relocations, drive approaches on the south side of the realigned Lacey Boulevard, sidewalk on the south side of Lacey Boulevard, paving outside of above noted ROW design standards, landscape and hardscape in median islands, including conduits, and any other work not collected for in City's impact fee program.

Section 21. On Site Surface Water Retention.

A. Developer shall, at its sole cost and expense, develop an onsite surface water retention facility to accommodate all of the surface water draining from the Property and the adjacent street, excluding the north side of Lacey Boulevard from the middle of the Project's signalized intersection east to SR 43 ("**Surface Water Retention Facility**").

B. The Surface Water Retention Facility is designed and sized to accommodate only surface water from the Project site, Lacey Boulevard frontage (excluding the north side of Lacey Boulevard from the middle of the Project's signalized intersection east to SR 43), and the Pinnacle Pointe property north of existing Lacey Boulevard. Surface water draining from existing Lacey Boulevard and the relocated Lacey Boulevard (for purposes of this Section 21, collectively referred to as "**Lacey Boulevard**") may inadvertently include surface water from properties not owned or controlled by Developer or Pinnacle Pointe. City acknowledges that current City standards require such parcels to retain all surface water on site and be graded such that all surface water drains away from public streets. City further acknowledges that the realignment of Lacey Boulevard, pursuant to this Agreement, will create a swale on the north side of the realigned Lacey Boulevard that will collect surface water from the middle of the Project's signalized intersection east to SR 43, acting as a temporary basin, until such time as properties on the north side of the realigned Lacey Boulevard are developed.

C. City agrees that, when a property fronting the north side of Lacey Boulevard from the Project's western boundary east to SR 43 ("**Northern Property**") is developed in the future, City will require that such property to be developed in accordance with City's then-existing policies and standards (including the City of Hanford Storm Drainage Master Plan, as may be amended). City shall not require a Northern Property owner to modify, improve, create, or construct onsite drainage improvements until such property is developed. When a developer/owner of a Northern Property applies to City for City's approval of any land use entitlement, City will, if required by law, provide notice of the proposed project to Developer and Commercial Unit Owners. Likewise, if Developer or a Commercial Unit Owner submits a

request for notice relating to projects proposed for a Northern Property, City will provide notice to Developer or such Commercial Unit Owner if required by law. City's obligations set forth in this Section 21 shall survive the termination and/or expiration of this Agreement.

D. Through this Section 21, the parties neither increase nor reduce the City's immunity from liability that it enjoys as a government agency.

Section 22. Fees.

A. AB 1600 Capital Facilities Fees.

(1) The Capital Facilities Fees reflected in the attached Exhibit "H," which is incorporated herein by reference, will be payable for development occurring within the Project during the term of this Agreement.

(2) The City's then-current Capital Facilities Fees shall apply to all development within the Project for which Capital Facilities Fees have not been paid prior to the expiration or termination of this Agreement. Prepayment of Capital Facilities may occur only if allowed under the City's then-current practices.

B. Fee Deferral Program. Notwithstanding anything to the contrary in this Agreement, Developer and City may agree to defer the payment of any development fees pursuant to any then-existing City program that permits fee deferral.

C. Revision of Ministerial Fees. This Agreement shall not be construed to limit the authority of City to charge processing fees for land use approvals, building permits as they relate to plumbing, mechanical, electric or fire code permits, or other similar permits and entitlements which are in force and effect on a City-wide basis at the time those permits are applied for.

D. Limitations. The provisions contained in this Section 22 shall be applicable to Developer only and not subsequent Commercial Unit Owners unless said benefits are assigned and assumed, in writing, by such subsequent Commercial Unit Owners.

Section 23. Notice of Completion.

Developer shall execute, acknowledge and record in the manner provided by law, a Notice of Completion for the public infrastructure improvements and/or other public improvements required as conditions to this Agreement and the Entitlements within ten (10) calendar days after City's Department of Public Works provides written notice to the Developer that the public infrastructure improvements and/or other public improvements required as a condition to this Agreement and/or the Entitlements have passed final inspection. Upon completion of the public infrastructure improvements or other public improvements, Developer's Engineer shall supply to City one Mylar set of "as built drawings" and an electronic version of same in a format satisfactory to the City Engineer. These drawings shall be certified on each

page by a Registered Civil Engineer as being “as built drawings,” pursuant to Business and Professions Code Section 6735.6 as may be amended from time-to-time.

Section 24. Uniform Codes are Applicable.

The Project, and all structures located therein, shall be constructed in full compliance with the Uniform Building, Mechanical, Electrical, Fire, and Plumbing Codes as adopted by City and the State of California in Title 24 of the California Code of Regulations. These Regulations and Uniform Codes are amended from time to time, and the Project shall at all times comply fully with the most-recent version of the Uniform Codes and Regulations adopted by City; Developer acknowledges that City may adopt one or more updated versions of the Uniform Codes and Regulations during the term of this Agreement and that the Project will be subject to such modified versions, as adopted by City. Developer acknowledges that, as of the Effective Date, those codes identified in City Ordinance 13-08, which is incorporated herein by reference, shall govern.

Section 25. Final Inspection.

After completion of each Commercial Unit in the Project, City shall provide the Commercial Unit Owner with a final inspection for that Commercial Unit (a “**Final Inspection**”). The Final Inspection is conclusive determination that the obligations of the Developer and the Commercial Unit Owner under this Agreement have been met for that Commercial Unit.

Promptly after Final Inspection of any Commercial Unit, City shall furnish the Commercial Unit Owner with a Certificate of Completion for that Commercial Unit upon written request therefor by that Commercial Unit Owner. Such Certificate of Completion shall be in such form as to permit it to be recorded in the Office of the County Recorder of Kings County.

A Certificate of Completion shall be, and shall so state, conclusive determination the obligations under this Agreement have been satisfied with respect to that Commercial Unit in full compliance with the terms hereof. After issuance of such Certificate of Completion, any party then owning or thereafter purchasing, leasing or otherwise acquiring any interest in the Commercial Unit covered by said Certificate of Completion shall not (because of such ownership, purchase, lease or acquisition) incur any obligation or liability under this Agreement. Except as otherwise provided herein, after the issuance of a Certificate of Completion for the Commercial Unit, neither City nor any other person shall have any rights, remedies or controls with respect to the Commercial Unit that it would otherwise have or be entitled to exercise under this Agreement as a result of a default in or breach of any provision of this Agreement.

City shall not unreasonably withhold any Certificate of Completion. If City refuses or fails to furnish a Certificate of Completion for the Commercial Unit after written request from the Commercial Unit Owner, City shall, within ten (10) days after receipt of such written request, provide the Commercial Unit Owner with a written statement of the reasons City refused or failed to furnish a Certificate of Completion. The statement shall also contain City's opinion of the action the Commercial Unit Owner must take to obtain a Certificate of Completion. If City

shall have failed to provide such written statement within said ten (10) day period after such written request for the Certificate of Completion, the Commercial Unit Owner shall be deemed entitled to the Certificate of Completion.

Section 26. Developer Obligations.

In consideration of City entering into this Agreement, Developer agrees and acknowledges as follows:

A. That an express condition to City's issuance of any permits to or for the benefit of the Project shall be the financing and construction of those public infrastructure improvements, which are required through this Agreement or any of the Entitlements, on such terms and at such times as City, in its sole discretion, deems reasonably necessary and appropriate in order to provide public infrastructure service to the Project;

B. That City's execution of this Agreement is a material consideration for Developer's acceptance of, and agreement to comply with, the foregoing. Developer shall only make those dedications, and otherwise be subject to those conditions and exactions that are expressly set forth in this Agreement, the Entitlements and the Effective Standards; and

C. That the Developer's agreement to perform, and Developer's performance of, the obligations of Developer under this Agreement are a material consideration for City's acceptance of, and agreement to comply with, the terms of this Agreement.

Section 27. City Processing and Review.

A. City shall allow the uses that are permitted by this Agreement and the vested components. City shall be obligated to accept for processing and review all applications for Entitlements, and other discretionary and/or ministerial approvals relevant to this Project, upon payment by the Developer or Commercial Unit Owner (as the case may), as provided in Sections B and C below. . Such applications will be processed in compliance with statutory and Hanford Municipal Code provisions.

B. Obtaining required permits specific to a Commercial Unit is the sole and absolute obligation of the particular Commercial Unit Owner.

C. Obtaining permits required for the Project generally, as opposed to a Commercial Unit, is the sole and absolute obligation of the Developer.

D. Notwithstanding any other provisions contained herein to the contrary and provided that City is operating in good faith hereunder, the City's failure to meet any of the time lines set forth in this Agreement shall not be deemed to be a breach of this Agreement by City; and, although the City's failure to meet such time lines shall not relieve Developer of any obligations under this Agreement, the time to complete such Developer obligation shall be extended by an amount of time equal to the delay caused by City's failure to meet such timelines.

Notwithstanding the foregoing, nothing in this Section 27 or this Development Agreement is intended to relieve the Developer from completing any mitigation measures within the period required by the Project's Environmental Impact Report.

Section 28. Approval of Subsequent Development and Land Use Applications.

Nothing in this Agreement shall prevent City from denying or conditionally approving any subsequent discretionary land use permit or authorization for any property or properties located within the boundaries of the Project on the basis of such new or modified ordinances, resolutions, rules, regulations, or official policies, except that such subsequent discretionary actions shall be subject to any conditions, terms, restrictions, procedures, and requirements as expressly set forth herein.

The Parties acknowledge that refinement and further development of the Project may require subsequent development approvals and may demonstrate that changes are appropriate and mutually desirable in the Entitlements. In the event the Developer finds that a change in the Entitlements is necessary or appropriate, the Developer shall, in accordance with then-existing City policy, apply for a Subsequent Development Approval to effectuate such change. If approved, any such change in the Entitlements shall be incorporated herein as an addendum to this Agreement and may be further changed from time to time as provided in this Section.

Unless otherwise required by law, as determined in City's reasonable discretion, a change to the Entitlements shall be deemed "minor" and not require an amendment to this Agreement. Notwithstanding the foregoing, the Site Plan Review may be modified from time to time as necessary to accommodate development. Such Site Plan Review modification shall occur in accordance with the then-applicable provisions of City's Municipal Code.

Section 29. Application Fees, Taxes, and Assessments.

Except as otherwise provided in this Agreement, City and Developer agree that the planning, building permit, AB 1600 Capital Facilities Fees, and other applicable miscellaneous fees associated with development occurring within the Project, shall be paid in accordance with the City's then-existing policies.

Any subsequently enacted City-wide taxes, which become effective after the Effective Date of this Agreement, shall apply to the Project, provided that the application of such taxes to property within the Project is prospective. By so agreeing, Developer does not waive its rights to challenge the legality of any such taxes in court.

Nothing in this Agreement shall be construed to relieve any property within the Project from assessments levied against the Property by City pursuant to any statutory authority for the assessment of property to pay for public infrastructure and/or landscaping maintenance or services which benefits properties located within the Project.

Section 30. Amendment and Termination.

The amendment or termination provisions for this Agreement are outlined below as follows:

A. Amendment due to conflict with State or Federal laws. In the event that State or Federal laws or regulations enacted after the Effective Date of this Agreement prevent or preclude compliance with one or more provisions of this Agreement, or require changes in plans, maps, or permits approved by City, City and Developer shall meet and confer in good faith in a reasonable attempt to amend this Agreement to comply with such new Federal or State law or regulation; any term or provision contained herein that is inconsistent with any new Federal or State law shall have no effect. Any such proposed amendment of this Agreement shall be subject to the review and approval by the City Council.

B. Amendment by Mutual Consent. This Agreement may be amended in writing from time to time by mutual consent of Developer and City in accordance with the provisions of State Law and City ordinances. City may, without limitation, reasonably withhold its approval of an amendment in instances in which an amendment would be inconsistent with City's General Plan or an ordinance, or in which a proposed amendment is not in City's best interest. Amendments to this Agreement shall not affect any rights or obligations of any Commercial Unit for which a Final Inspection has been issued or any rights or obligations of the Commercial Unit Owner thereof.

C. Amendments Shall Comply with Government Code. Amendments to this Agreement shall comply with the requirements of Government Code Section 65868, as may be amended.

D. Recording of Amendments. Any amendment to this Agreement shall be recorded with the Kings County Recorder.

E. Termination by Mutual Consent. Except as otherwise permitted herein, this Agreement may be terminated in whole or in part by the written mutual consent of the Parties or their successors-in-interest, in accordance with the requirements of applicable City ordinances and State Law. If not terminated prior to the expiration of the term hereof, this Agreement shall automatically terminate upon the expiration of the ten (10) year term or any approved extension thereof. Such termination shall not affect any rights previously confirmed to any Commercial Unit or Commercial Unit Owner thereof, by the issuance Final Inspection relating to such Commercial Unit.

F. Termination for Non-Compliance and Non-Performance. The City Council may terminate this Agreement on its own motion by giving thirty (30) calendar days written notice if Developer, or any successors-in-interest as Developer, fails to reasonably comply with any of the provisions, terms, and requirements of this Agreement. Developer, or any such successors-in-

interest, shall have the right to cure any non-compliance or non-performance items during the thirty (30) calendar day grace period, or any mutually agreed to extension thereof, as outlined below in Section 33 of this Agreement, and shall provide satisfactory evidence to the City Manager that such non-compliance or non-performance items have been cured. Such termination shall not affect any rights previously confirmed to any Commercial Unit or Commercial Unit Owner thereof, by the issuance Final Inspection relating to such Commercial Unit.

Section 31. Term of Project Approvals.

City and Developer agree that the term of the Tentative Map, and any conditional use permits, variances, and any other Project approval shall automatically be extended for the full term of this Agreement.

Section 32. Annual City Review of this Agreement.

A. Except as provided in Subsection F below, City shall conduct an annual compliance review to ensure Developer is complying with all the terms and provisions of this Agreement. The annual compliance review shall be conducted on or about July 1 of each year this Agreement is in effect.

B. Developer, on or before June 1 of each year during the term of this Agreement, shall meet with the head of City's Community Development Department and provide the information requested by such person to demonstrate Developer's compliance with the terms of this Agreement. The head of City's Community Development Department shall review the information submitted by Developer and shall prepare a staff report to the City Council for its consideration, in accordance with the requirements of City's Municipal Code. The City Council, after a public hearing, shall determine on the basis of substantial evidence whether the Developer has, for the period under review, demonstrated good faith compliance with the terms and conditions of this Agreement. The failure of any review or annual review of the Agreement to occur shall not terminate, void, make voidable, or otherwise adversely affect this Agreement.

C. City shall deposit in the mail, email, or fax to the Developer a copy of all staff reports and related exhibits concerning contract performance at least seven (7) calendar days prior to the public hearing on such periodic review. Developer shall be permitted an opportunity to be heard orally or in writing regarding its performance under this Agreement before the City Council and, if the matter is referred to the Planning Commission, before said Planning Commission.

D. If City determines after the hearing on the basis of substantial evidence that Developer has not complied in good faith with the terms and conditions of this Agreement, City shall provide written notice thereof to Developer in accordance with Section 33 below.

E. Costs reasonably incurred by City in connection with the annual review of this Agreement shall be paid by Developer according to City's Schedule of Fees in effect at the time

of the annual Agreement review. If no City Schedule of Fees is in effect at the time of the annual review of this Agreement, reimbursement of costs to City by Developer shall be on a time and materials basis.

F. This Section 32 does not apply to any Commercial Unit for which a Final Inspection has been completed confirming that all obligations under this Agreement have been met with respect to that particular Commercial Unit.

Section 33. Default.

A. In addition to any other rights or remedies, either Party may institute legal proceedings for mandamus, specific performance or other injunctive or declaratory relief to enforce this Agreement. In no event shall City be liable for damages for any breach or violation of this Agreement.

B. In addition, upon the occurrence of an event of default by either City or Developer, the non-defaulting Party shall serve written notice of such default upon the defaulting Party. Said notice shall specify the nature of the alleged failure. If the default is not cured by the defaulting Party within thirty (30) calendar days after service of such notice of default, or longer period if reasonably necessary, the non-defaulting Party may then commence any legal or equitable action to enforce its rights under this Agreement; provided, however, that if City and Developer meet in good faith and agree in writing that the default cannot be cured within such thirty (30) day period, the non-defaulting Party shall refrain from any such legal or equitable action so long as the defaulting Party begins to cure such default within such thirty (30) day period, and diligently pursues such cure to satisfactory completion. Failure to give notice shall not constitute a waiver of any default.

C. Any Default under this Agreement shall not constitute a default with respect to a Commercial Unit that has received a Final Inspection.

Section 34. Estoppel Certificate.

A. Either City or Developer may, at any time, and from time to time, give written notice to the other Party, and any Commercial Unit Owner may give such notice to either or both City and Developer, requesting such notified Party certify in writing as follows: (i) that this Agreement is in full force and effect and is a binding obligation of the Parties; (ii) that this Agreement has not been amended or modified either orally or in writing, or if so amended or modified, identifying the amendments or modifications, and (iii) to the knowledge of the certifying Party the requesting Party is not in default in its performance of its obligations under this Agreement, or if in default, to describe therein the nature and extent of any such defaults. The Party receiving a request hereunder shall execute and return such certificate within thirty (30) calendar days following the receipt thereof, or such longer period as may reasonably be agreed to by the Parties. The City Manager shall be authorized to execute any certificate requested by Developer or any successors-in-interest, including, without limitation, any

Commercial Unit Owner. If the certifying Party fails to execute and deliver such statement to the requesting party within such time, the requesting party shall submit a second request in which the City or Developer, as applicable, and the certifying Party shall have ten (10) business days to execute and deliver to the requesting party a statement certifying the above listed information.

B. For any estoppel certificates requested by Developer, City may charge a fee directly related to the actual cost to review the request, investigate the facts and performance of Developer, and prepare the certificate. Said fee shall be paid by Developer to City before City releases the executed certificate.

Section 35. Encumbrances on the Property.

The Parties hereto agree that this Agreement shall not prevent or limit the Developer or any Commercial Unit Owner, in any manner, at the Developer's or such Owner's sole and absolute discretion, from encumbering the Property or any portion thereof or any improvements thereon with any mortgage or deed of trust securing financing with respect to the construction, development, use or operation of the Project or the particular Commercial Unit. City acknowledges that a mortgagee may request certain modifications to this Agreement, and City agrees, upon request, from time to time, to meet with Developer and/or any representatives of such mortgagee to negotiate in good faith any such requested modification to this Agreement, provided the proposed modification is consistent with the overall intent of the Project and Entitlements and with any agreements between City and the Developer and Developer will pay to City a fee equal to all costs incurred by City in connection with such request for modification. Notwithstanding anything contained in this Section to the contrary, the decision on whether to accept and approve any requested modification of this Agreement rests within the reasonable judgment and discretion of City. Any mortgagee and its successors and assigns shall be entitled to the rights and privileges set forth in this Section.

Section 36. Mortgage Protection and Certain Rights of Cure.

A. This Agreement shall be superior and senior to any lien placed upon the Property, excluding tax liens recorded by the Federal Government, State of California, or Kings County, or any portion thereof after the date of recording of this Agreement, including the lien for any deed of trust or mortgage, regardless of whether such deed of trust or mortgage was recorded prior to or subsequent to the recording of this Agreement. City shall have no obligation to agree to subordinate this Agreement to any deed of trust or mortgage. Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish, or impair the lien of any mortgage made in good faith and for value, but all applicable terms and conditions contained in this Agreement shall be binding upon and effective against any person or entity, including any deed of trust beneficiary or mortgagee who acquires title to the Property, or any portion thereof, by foreclosure, trustee sale, deed in lieu of foreclosure, or otherwise.

B. If City receives notice from a mortgagee, or a Commercial Unit Owner, requesting a copy of any notice of default given Developer hereunder, and specifying the address for service thereof, then City shall deliver to such mortgagee, concurrently with service thereon to Developer, any notice given to Developer with respect to any claim made by City that Developer has committed an event of default. Each mortgagee shall have the right, during the same period available to Developer, to cure or remedy, or to commence to cure or remedy, the event of default claimed as set forth in the notice to Developer from City. City, through action of the City Manager, may, but shall not be required to, extend the thirty (30) calendar day cure period outlined in Section 33 of this Agreement for not more than an additional sixty (60) calendar days upon written request of Developer or any mortgagee.

Section 37. Prevailing Wage Compliance.

A. In regard to public improvements that Developer is required to construct or install under this Agreement as a condition of approval of the overall Project, Developer shall comply with all state and federal labor laws, including without limitation, those requiring the payment of prevailing wage, if applicable. In accordance with California Labor Code Section 1720(c)(2), or any successor statute, such compliance shall require Developer to pay prevailing wages in connection with the construction of and installation of all public improvements for which Developer is receiving payment or other consideration hereunder.

B. Developer agrees that the public funds and other consideration that Developer is receiving with respect to the overall Project from City, the State of California, or any other political subdivision of the State (including money, the equivalent of money or other payment out of public funds or other value or consideration within the scope of California Labor Code Section 1720(b) ("**Public Funding**")) will not exceed the cost of the public works, as defined in California Labor Code Section 1720, that are required as Conditions of Approval for the Project. City shall maintain no proprietary interest in the overall Project.

C. City makes no representations or warranties as to the applicability of prevailing wage requirements with respect to the Project or any portion thereof.

Section 38. Severability.

The unenforceability or invalidity, as determined by a court of competent jurisdiction, of any sections, provisions, covenants, conditions, or terms of this Agreement shall not render the remaining provisions, sections, covenants, terms or conditions of this Agreement unenforceable or invalid, and the remaining sections and provisions of this Agreement shall continue to be in full force and effect.

Section 39. Venue.

This Agreement shall be interpreted and enforced under the applicable laws of the State of California, and the applicable ordinances of the City of Hanford. Any lawsuit filed by either

City or Developer relative to this Agreement shall be filed with the California Superior Court for the County of Kings, if in state court, or the United States District Court for the Eastern District of California (Fresno), if in federal court.

Section 40. Attorney Fees and Costs.

If either City or Developer initiates any lawsuit to enforce or interpret the terms and conditions of this Agreement, the prevailing Party shall be entitled to recover reasonable attorney fees and costs, in addition to any other relief, as determined by the court, to which it may be entitled, which shall be determined by the court in such proceedings, or in a separate action brought for that purpose.

Section 41. Transfers and Assignments.

A. Developer shall have the right under this Agreement to assign its rights, interests, and obligations hereunder, and they may be transferred, sold, or assigned in conjunction with the transfer, sale, or assignment of all or a portion of the Property at any time during the term of this Agreement. However, no transfer, sale, or assignment of all or any portion of the rights, interests or obligations hereunder shall occur without the prior written notice to City and approval by the City Council, which approval shall not be unreasonably withheld or delayed. The City Council shall consider and decide the matter after written notice is provided to the City Manager by Developer, and receipt by the City Council of all necessary documents, certifications, and any other information reasonably required by the City Council to decide the matter. Approval by the City Council shall be for the purposes of: (i) providing written notice to City; (ii) assuring that all obligations of Developer are allocated as between Developer and the proposed purchaser, transferee, or assignee if any obligations are being retained by Developer; (iii) assuring City that the proposed purchaser, transferee, or assignee is capable of satisfactorily performing the obligations of Developer or of a Commercial Unit Owner hereunder, as applicable; and (iv) assuring City that if only a portion of the rights, interests, and obligations hereunder are being transferred, sold, or assigned, said transfer, sale, or assignment will not interfere with the orderly development of the Project as established herein.

B. If Developer seeks to transfer, sell, or assign all or a portion of the rights, interests, and obligations of Developer hereunder, Developer's assignee shall execute a document, in a form similar to that attached hereto as Exhibit "I", ("**Assignment and Assumption Agreement**") through which Developer and assignee acknowledge which of Developer's responsibilities are being assumed by assignee and which retained by Developer. Upon the City Council's approval of an assignment, Developer shall, except as otherwise provided herein and/or except for obligations expressly retained by Developer, be released from its obligations under this Agreement with respect to the portion of the Property being transferred, sold, or assigned. Developer will remain responsible under this Agreement to the extent that Developer's responsibilities are not assigned to and assumed by an assignee or successor-in-interest of Developer.

C. The conditions and covenants set forth in this Agreement and incorporated herein shall run with the land, and the benefits and burdens shall, except as otherwise provided herein, bind and inure to the benefit of all successors-in-interest to the Parties in accordance with the provisions of Section 65868.5 of the California Government Code. Each and every purchaser, assignee, or transferee of an interest in the Property, or any portion thereof, shall be obligated and bound by the terms and conditions of this Agreement, and shall be the beneficiary hereof and a Party hereto, but only with respect to the Property, or such portion thereof, sold, assigned, or transferred to it. Any such purchaser, assignee, or transferee shall observe and fully perform all duties and obligations of Developer contained in this Agreement, as such duties and obligations pertain to the portion of the Property sold, assigned, or transferred to it.

D. Developer shall have the right to retain specified rights, interests, and obligations under this Agreement. Therefore, Developer may withhold from a sale, transfer, or assignment specified rights, interests, and obligations. The purchaser, transferee, or assignee shall have no interests, rights, or obligations with respect to the subject retained rights, interests, and obligations of Developer, and this Agreement shall remain applicable to Developer with respect to such retained rights, interests, and/or obligations.

E. The Property will be developed in phases. Within each Phase there are any number of Commercial Units which may be separately owned. Upon approval by the City of any above described Assignment and Assumption Agreement, the assignee shall be responsible only for the obligations specifically assumed by the Commercial Unit Owner as applicable to the particular Commercial Unit or obligations expressly made applicable by this Agreement to a Commercial Unit or to a Commercial Unit Owner with respect to that owner's particular Commercial Unit, and the assignee shall not be liable for the obligations to the extent retained by Developer, assumed by any other assignees or subsequent owners, or applicable to other Commercial Units. Furthermore, any Default under this Agreement shall not constitute a default with respect to a Commercial Unit that has received a Final Inspection.

Section 42. Compliance with the State Subdivision Map Act.

Developer, and any approved successors-in-interest, transferees, purchasers, or assignees shall fully comply with all the provisions of the current State Subdivision Map Act (Section 66410, et seq. of the Government Code) as it pertains to the subdivision of property within the boundaries of the Project site or within the portion of the Project site owned by the particular successor-in-interest.

Section 43. Required Insurance.

City and Developer acknowledge that Developer is not a general contractor; does not have any employees; and will not be completing any of the works of improvement described in this Agreement. Developer shall engage a licensed General Contractor who shall be responsible for all development and construction of the Project and hiring and managing of subcontractors and material suppliers (hereinafter referred to as "**General Contractor**"). Developer shall

ensure that the General Contractor maintains all insurance requirements set forth below and it shall be Developer's responsibility to supply to City all appropriate evidence of City required insurance:

A. Minimum Scope and Limits of Insurance. At all times that the General Contractor is designing, engineering, or constructing any improvements that will become public improvements, General Contractor shall take out and maintain, or shall have maintained, insurance policies with coverage at least as broad as follows:

- (1) Commercial General Liability (**CGL**): Insurance Services Office (ISO) Form CG 0001 1207 covering CGL on an "occurrence" basis, including products-completed operations, personal and advertising injury, with limits no less than \$2,000,000 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 \$4,000,000.
- (2) Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Developer has no owned autos, hired (Code 8), and non-owned autos (Code 9), with a limit no less than \$1,000,000 per accident for bodily injury and property damage.
- (3) Workers' Compensation: as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with a limit of no less than \$1,000,000 per accident for bodily injury or disease. General Contractor's insurance policies shall be "occurrence" policies and not "claims-made" coverage.

General Contractor may maintain an Umbrella policy in conjunction with the insurance policies referenced above. In such case, General Contractor shall be deemed to have satisfied the insurance requirements of this contract as long as: (i) the coverage limits of the Umbrella policy and of the underlying liability policy(ies), when combined, satisfy each of the per occurrence and aggregate requirements identified in this Subsection A.; and (ii) coverage under the Umbrella policy is as broad as and includes all incidents and events covered by the underlying insurance that it supplements.

B. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by City. City may require the General Contractor 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. Alternatively, City may require the General Contractor to provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigations, claim administration, and defense expenses within the retention.

C. Other Insurance Provisions. The policies are to contain, or be endorsed to contain, the following provisions:

(1) General Liability and Automobile Liability Coverages.

- (a) City and its officers, officials, employees, and volunteers 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 Developer including materials, parts, or equipment furnished in connection with such work or operations; products used by the Developer; or automobiles owned, leased, hired or borrowed by the Developer. General liability coverage can be provided in the form of an endorsement to the Developer'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 coverage shall contain no special limitations on the scope of protection afforded to City, its officers, officials, employees or volunteers.
- (b) For any claims related to this Agreement, the General Contractor's insurance coverage shall be primary insurance and non-contributory with respect to City and its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by City and/or its officers, officials, employees, or volunteers shall be in excess of the General Contractor
- (c) Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to City, its officers, officials, employees or volunteers.
- (d) The General Contractor'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.

D. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

E. Verification of Coverage. Developer shall furnish City with original certificates and amendatory endorsements or copies of General Contractor's policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Developer's obligation to provide them. City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

F. Waiver of Subrogation. Developer shall ensure that General Contractor grants to City and its officers, officials, employees, and volunteers a waiver of any right to subrogation which any insurer of said General Contractor may acquire against City and/or its officers, officials, employees, and volunteers by virtue of the payment of any loss under such insurance. Developer shall ensure that General Contractor agrees to obtain endorsements necessary to effect this waiver of subrogation, and agrees that this provision applies regardless of whether or not City has received a waiver of subrogation endorsement from the insurer.

G. Special Risks or Circumstances. City reserves the right to modify the insurance requirements contained in this Agreement, including, without limitation, coverage limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances, including the length of this Agreement's term.

Section 44. Indemnification.

A. Indemnity.

(1) Except to the extent caused by the intentional misconduct or negligent acts, errors or omissions of City or one or more of City's officials, employees, agents, attorneys, and contractors (collectively, the "**City Affiliated Parties**") Developer agrees to indemnify, defend and hold harmless City and its elected or appointed officials, officers, employees, agents, representatives, independent contractors and volunteers (collectively the "**Indemnified Parties**") from and against all claims, demands, actions, injuries, liabilities, losses, costs or damages, direct or indirect, and any and all attorneys' fees and other expenses which the Indemnified Parties, or any of them, may sustain or incur as a consequence of or in any way related to Developer's negligence, recklessness, or willful misconduct or its failure to perform or comply with any of its obligations or responsibilities contained in this Agreement, including, without limitation, the design and construction of infrastructure improvements required pursuant to this Agreement or the Entitlements.

(2) Developer's obligation to indemnify Indemnified Parties for claims arising from Developer's simple negligence shall not survive the expiration or termination of this Agreement. Developer's obligation to indemnify Indemnified Parties for claims arising from Developer's gross negligence or willful misconduct shall, however, survive expiration or termination of this Agreement.

(3) Nothing in this Section 44 shall be construed to mean that Developer shall defend, indemnify, release or hold harmless the Indemnified Parties from any claims of personal injury, death or property damage arising from, or alleged to arise from: (i) maintenance or repair by Indemnified Parties of the infrastructure improvements for which City is responsible; or (ii) the Indemnified Parties' negligence or willful misconduct.

(4) Following the execution of an Assignment and Assumption Agreement in connection with a transfer concerning less than the entire Property, successor Developers of the resulting portions of the Property shall be severally, but not jointly, liable for "Developer's"

obligations under this Section 44 only to the extent that such obligations relate to their respective portions of the Property and are assumed in the respective Assignment and Assumption Agreement.

B. Attack of Proceedings. To the fullest extent permitted by law, Developer shall defend, indemnify, and hold harmless the Indemnified Parties, and each of them, from any claim, action, or proceeding against the Indemnified Parties, or any of them, to attack, set aside, void, or annul an approval of City of this Agreement, the FEIR, Entitlements, Tentative Map or any other approval required for development of the Project.

C. Effect of Insurance. Developer's obligation to defend, indemnify and hold the Indemnified Parties, and each of them, harmless under the provisions of this Section is not limited to or restricted by any requirement in this Agreement for Developer to procure and maintain a policy of insurance.

D. Defense of Claim. If any such claim, action, or proceeding is brought against the Indemnified Parties, or any of them, Developer shall, at City's election, defend City at Developer's sole expense by counsel satisfactory to City or, upon demand, pay any and all of City's legal fees should City elect to utilize its own legal counsel.

E. Notice of Claim. City shall promptly notify Developer of any claim, action, or proceeding against the Indemnified Parties, or any of them, relating to the performance, or omission to perform, any term or condition of this Agreement. The Indemnified Parties shall cooperate fully in the defense of such claim, action, or proceeding.

Section 45. California Tort Claims Act.

Notwithstanding any term or condition of this Agreement, the provisions of the California Tort Claims Act (Division 3.6 (commencing at section 810) of Title 1 of the Government Code) are not waived by City and shall apply to any claim against City arising out of any acts or conduct by any Party under the terms and conditions of this Agreement.

Section 46. Agreement is Entire Understanding and Conflict with Other Documents.

A. This Agreement, and the exhibits and attachments hereto, shall constitute the entire understanding and agreement of both Developer and City with respect to the subject matters contained herein; provided however, it is not the Parties' intent to amend or otherwise modify through this Agreement any other document or agreement by and between Developer and City. Likewise, this Agreement does not amend or otherwise modify any Entitlement set forth in another document.

B. In the event of a conflict between this Agreement and any other document setting forth the Entitlements, the terms and requirements of that other document will apply. To the maximum extent possible, the terms of this Agreement and of other documents relating to the Project will be interpreted in a complementary manner.

Section 47. Execution in Counterparts.

This Agreement may be executed in counterparts. Each such counterpart shall be deemed an original, but all such executed counterparts together shall constitute one and the same instrument.

Section 48. Notarized Signatures.

All signatures of representatives of City and Developer approving this Agreement shall be duly acknowledged by a Notary Public commissioned in the State of California.

Section 49. Notices.

Except as otherwise provided herein, all notices under this Agreement will be in writing and will be given by personal delivery; or by registered or certified U.S. mail, postage prepaid, return receipt requested; or by facsimile if transmitted by a machine that produces a transmission report verifying the date and time of transmission and the telephone number to which transmitted, and a confirming hard copy is mailed to the recipient; or by overnight delivery service that issues a receipt and addressed to the appropriate party as the address set forth below. Notice given (a) by personal delivery will be effective upon delivery, (b) by mail will be effective upon receipt or three (3) calendar days after the postmark date, whichever is earlier; (c) by facsimile will be effective on the date shown on the transmission receipt; and (d) by overnight service will be effective on the date of receipt:

For City:

City of Hanford
Attn: City Manager
319 N. Douty Street
Hanford, CA 93230
Telephone: (559) 585-2516
Email:
dpyle@ci.hanford.ca.us

For Developer:

198/43, LLC
Attn: John Kashian
265 E River Park Circle
Suite 465
Fresno, CA 93720
Telephone: (559)437-4812
Email:
jkashian@caddispropertiesllc.com

For Pinnacle Pointe:

Pinnacle Pointe, LLC
Attn: Rick Telegan
5 River Park Place East,
Suite 102
Fresno, CA 93720
Telephone: (559) 434-0334
Email:
Fresno3rdM@aol.com

Any notice to be delivered to Developer and Pinnacle Pointe, notifying Developer and Pinnacle Pointe of the date, time and place of a hearing wherein the City will consider a discretionary development application, as referenced in Section 21, shall be delivered to Developer and Pinnacle Pointe by email, not less than forty-eight (48) hours prior to the date and time set for such consideration.

Section 50. Captions.

Headings or captions to the provisions of this Agreement are solely for the convenience of the Parties, are not part of this Agreement, and shall not be used to interpret or determine the validity of this Agreement. Any ambiguity in this Agreement shall not be construed against the drafter, but rather the terms and provisions hereof shall be given a reasonable interpretation as if both Parties had in fact drafted this Agreement.

Section 51. Numbers and Gender.

In this Agreement, the neuter gender includes the feminine and masculine, and the singular includes the plural, the word "person" includes corporations, partnerships, firms or associations, wherever the context so requires.

Section 52. Mandatory and Permissive.

"**Shall**," "**will**," and "**agrees**" are mandatory. "**May**" is permissive.

Section 53. Attorney Preparation.

Each party hereto represents and warrants that each of them has read, knows, and understands the contents of this Agreement and has executed this document knowingly, willingly, and voluntarily, and has been represented by counsel throughout the negotiations resulting in this Agreement. The Parties intend and agree that the provisions of this Agreement shall be interpreted fairly and evenly by the courts, and shall not be interpreted strictly for or against any Party hereto.

Section 54. Authority.

All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, estates or firms represented or purported to be represented by such entity(s), person(s), estate(s) or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Each Party to this Agreement further represents that by entering into this Agreement, such Party is not, and shall not be, in breach of the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

Section 55. Exhibits and Attachments.

The following documents are referred to in this Agreement and are attached hereto and incorporated herein:

1. Exhibit "A" – Legal Description
2. Exhibit "B" - Council Resolution Approving PUD
3. Exhibit "C" –Council Resolution Approving Tentative Map
4. Exhibit "D" – Partial Lacey Abandonment
5. Exhibit "E" – Illustration Utility Poles on Existing Lacey to be Undergrounded
6. Exhibit "F" – Lacey/43 Improvements
7. Exhibit "G" – Remnant Parcels
8. Exhibit "H" – Capital Facilities Fees
9. Exhibit "I" – Assignment and Assumption Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

[Signatures Contained on Following Page]

CITY OF HANFORD

By: _____
GARY PANNETT
Mayor

Date _____

Attest:

By: _____
JENNIFER GOMEZ
City Clerk

Date _____

Approved as to Form:

GRISWOLD, LaSALLE, COBB,
DOWD & GIN, L.L.P., City Attorney

By: _____
TY N. MIZOTE

Date _____

198/43, LLC

a California limited liability company

By: Its Managing Partner,

CADDIS PROPERTIES, LLC,
a California limited liability company

JOHN KASHIAN, President and CEO

Date: _____

Approved as to Form:

POWELL AND POOL, LLP, Attorneys for Developer

By: _____
MICHAEL SLATER

Date: _____

LANDOWNER CONSENT:

Pinnacle Pointe, LLC, the current landowner of the Property and member of 198/43 LLC, the Developer, has reviewed and hereby approves, and otherwise consents to the terms and conditions of this Agreement.

PINNACLE POINTE, LLC,
a California limited liability company

By: _____ Date: _____
RICK TELEGAN, Manager

By: _____ Date: _____
LEE J. KOLLIGIAN, Manager

Exhibit "A"

The land referred to is situated in the City of Hanford, County of Kings, State of California, and is described as follows:

THE NORTHEAST QUARTER OF SECTION 32, TOWNSHIP 18 SOUTH, RANGE 22 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE CITY OF HANFORD, COUNTY OF KINGS, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT TOWNSHIP PLAT APPROVED MARCH 31, 1855; EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE STATE OF CALIFORNIA FOR HIGHWAY PURPOSES BY DEED RECORDED JANUARY 26, 1962, IN BOOK 799 AT PAGE 889, OF OFFICIAL RECORDS.

EXCEPTING THEREFROM ANY PORTION OF THE ABOVE DESCRIBED PROPERTY LYING WITH THE LAND CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED IN BOOK 570 PAGE 505 OF OFFICIAL RECORDS OF KINGS COUNTY, CALIFORNIA.

ALSO EXCEPTING THEREFROM ANY OF THE ABOVE DESCRIBED LAND LYING SOUTHERLY OF THE NORTHERLY LINE OF THAT PORTION OF SAID LAND CONVEYED TO THE STATE OF CALIFORNIA FOR HIGHWAY PURPOSES BY DEED RECORDED JANUARY 26, 1962, IN BOOK 799, AT PAGE 889, OF OFFICIAL RECORDS.

TOGETHER WITH THAT PORTION OF THE NORTHEAST QUARTER OF SAID SECTION 32, TOWNSHIP 18 SOUTH, RANGE 22 EAST, MOUNT DIABLO BASE AND MERIDIAN AS DESCRIBED IN THAT CERTAIN DEED FROM THE STATE OF CALIFORNIA TO MARY P. SILVA, A WIDOW AND OLIMPIA B. FAGUNDES, AN UNMARRIED WOMAN, AS JOINT TENANTS, RECORDED MAY 18, 1962 IN BOOK 808 AT PAGE 571 OF OFFICIAL RECORDS OF KINGS COUNTY, CALIFORNIA DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 32 WITH THE SOUTHLINE OF THE NORTH 50 FEET OF SAID SECTION 32; THENCE (1), ALONG SAID SOUTH LINE, SOUTH 89°37'22" EAST, A DISTANCE OF 1886.66 FEET; THENCE (2), SOUTH 85°03'33" EAST, A DISTANCE OF 540.44 FEET; THENCE (3) SOUTH 87°49'25" EAST, A DISTANCE OF 159.26 FEET; THENCE (4), SOUTH 4°44'49" WEST, A DISTANCE OF 20.24 FEET; THENCE (5), SOUTHERLY ALONG A TANGENT CURVE CONCAVE WESTERLY WITH A RADIUS OF 602 FEET, THROUGH AN ANGLE OF 6°47'58", AN ARC DISTANCE OF 71.44 FEET TO THE SOUTHERLY BOUNDARY OF THE LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED DECEMBER 3, 1953 IN BOOK 570 AT PAGE 505 OF OFFICIAL RECORDS OF KINGS COUNTY, CALIFORNIA; THENCE ALONG SIDE SOUTHERLY BOUNDARY, THE FOLLOWING COURSES: (6) FROM A TANGENT WHICH BEARS NORTH 40°44'06" WEST, NORTHWESTERLY ALONG A CURVE CONCAVE SOUTHWESTERLY WITH A RADIUS OF 175 FEET, THROUGH AN ANGLE OF 39°48'41", AN ARC DISTANCE OF 121.60 FEET; (7) NORTH 80°32'47" WEST, A DISTANCE OF 235.69 FEET; (8) NORTH 89°37'22" WEST, A DISTANCE OF 2167.34 FEET; (9) SOUTH 30°23'23" WEST, A DISTANCE OF 87.75 FEET TO THE WEST LINE OF SAID SECTION 32; THENCE (10), ALONG SAID WEST LINE, NORTH 0°18'36" EAST, A DISTANCE OF 128.64 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION.

ALSO TOGETHER WITH THE RIGHT TO USE THE WELL, PUMP, AND ANY CONNECTING PIPELINE TO IRRIGATE SAID LAND FROM THE LAND OWNED BY ELSIE LAVARIO, A SINGLE WOMAN NOT BEING CONVEYED TO HEREIN.

APN: 016-060-021-000

EXHIBIT “B”

Council Resolution Approving PUD

EXHIBIT “C”

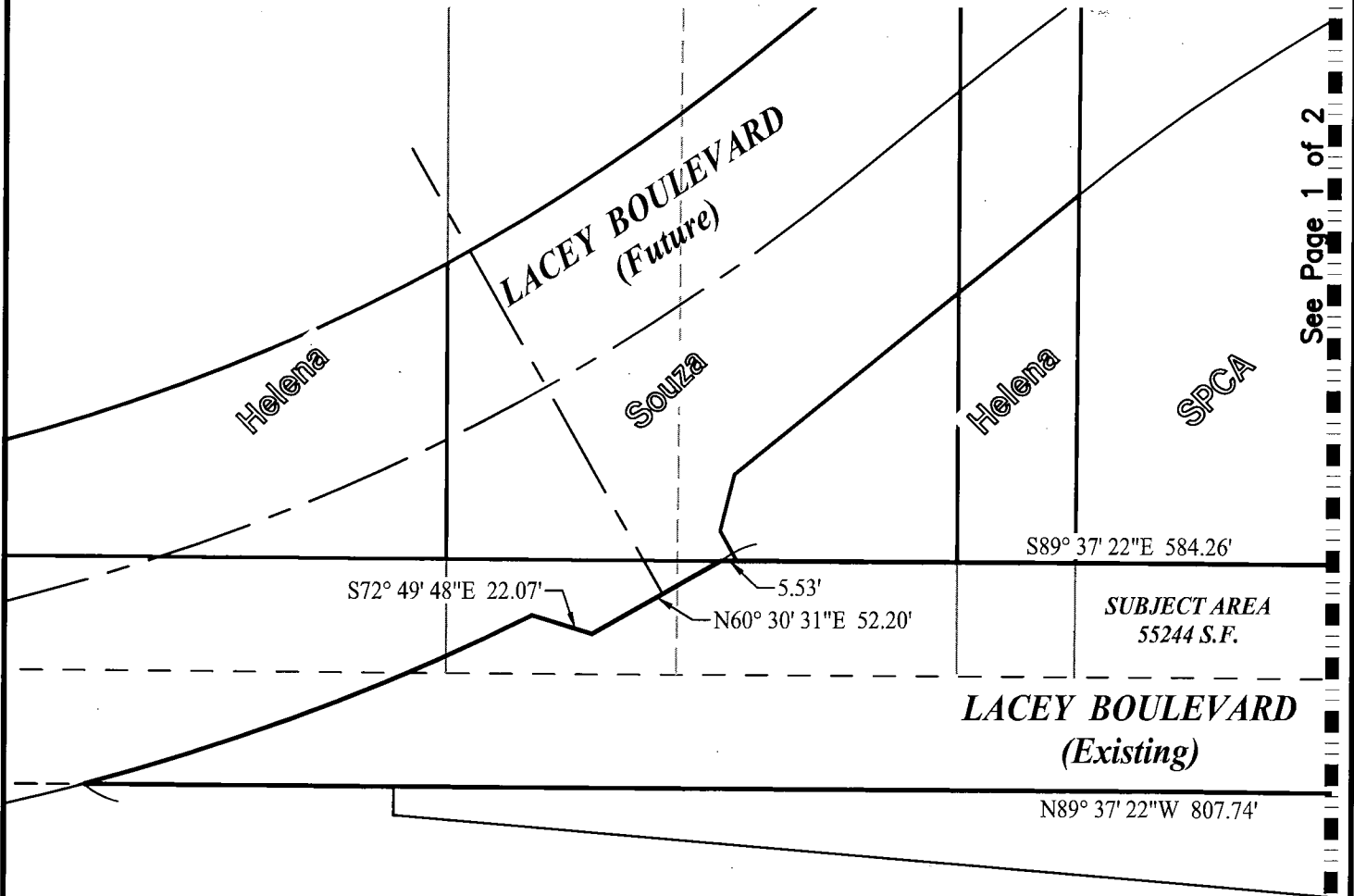
Council Resolution Approving Tentative Map



SCALE 1" = 60'

EXHIBIT D-1

BOUNDARY PER PRELIMINARY TITLE REPORT
BY CHICAGO TITLE COMPANY #042315075
DATED NOVEMBER 26, 2013.



CML ENGINEERS

**ZUMWALT
HANSEN &**

LAND SURVEYORS

609 N. Irwin St.
Hanford, CA 93232
Office: (559) 582-1056
Fax: (559) 584-4143

Partial Lacey Boulevard Abandonment & Relinquishment Exhibit

Job No. 0632322
Drawn By: JTB
Checked By: JZ
Indexed By:
Date: 06/19/2014

Sheet No.

1 of 3



EXHIBIT D-2

BOUNDARY PER PRELIMINARY TITLE REPORT
BY CHICAGO TITLE COMPANY #042315075
DATED NOVEMBER 26, 2013.

SCALE 1" = 60'

See Page 2 of 2

Pinnacle
Pt.

S89° 37' 22"E 584.26'

SUBJECT AREA
55244 S.F.

LACEY BOULEVARD
(Existing)

N89° 37' 22"W 807.74'

80.00'
S0° 22' 38"W

Highway 43

CML ENGINEERS

**ZUMWALT
HANSEN &**

LAND SURVEYORS

609 N. Irwin St.
Hanford, CA 93232
Office: (559) 582-1056
Fax: (559) 584-4143

Partial Lacey Boulevard Abandonment & Relinquishment Exhibit

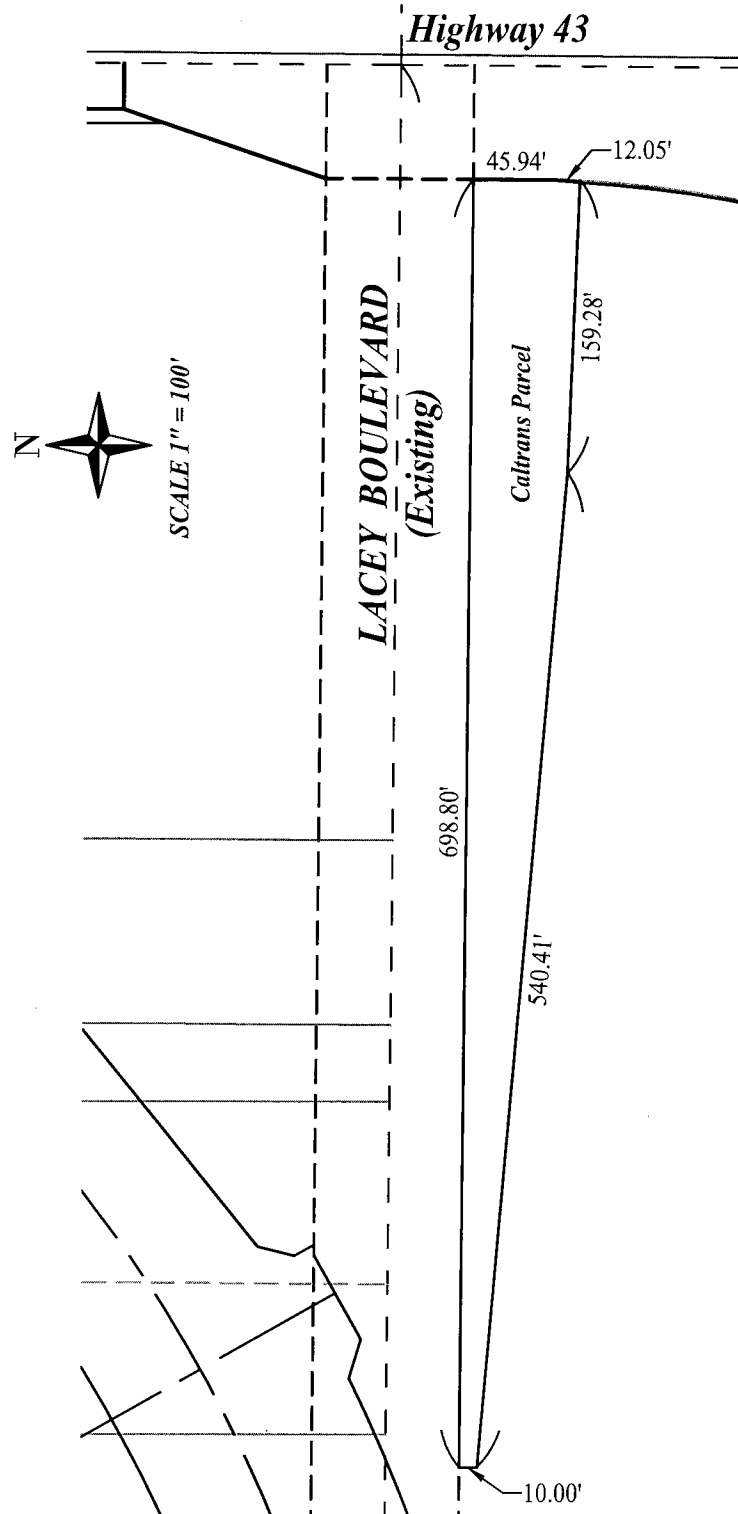
Job No. 0632322
Drawn By: JTB
Checked By: JZ
Indexed By:
Date: 06/19/2014

Sheet No.

2 of 3

EXHIBIT D-3

BOUNDARY PER PRELIMINARY TITLE REPORT
BY CHICAGO TITLE COMPANY #042315075
DATED NOVEMBER 26, 2013.



CML ENGINEERS
ZUMWALT
HANSEN &
LAND SURVEYORS

609 N. Irwin St.
Hanford, CA 93232
Office: (559) 582-1056
Fax: (559) 584-4143

**Partial Lacey Boulevard
Abandonment & Relinquishment
Exhibit**

Job No. 0632322
Drawn By: JTB
Checked By: JZ
Indexed By:
Date: 06/19/2014

Sheet No.

3 of 3

BOUNDARY PER PRELIMINARY TITLE REPORT
BY CHICAGO TITLE COMPANY #042315075
DATED NOVEMBER 26, 2013.



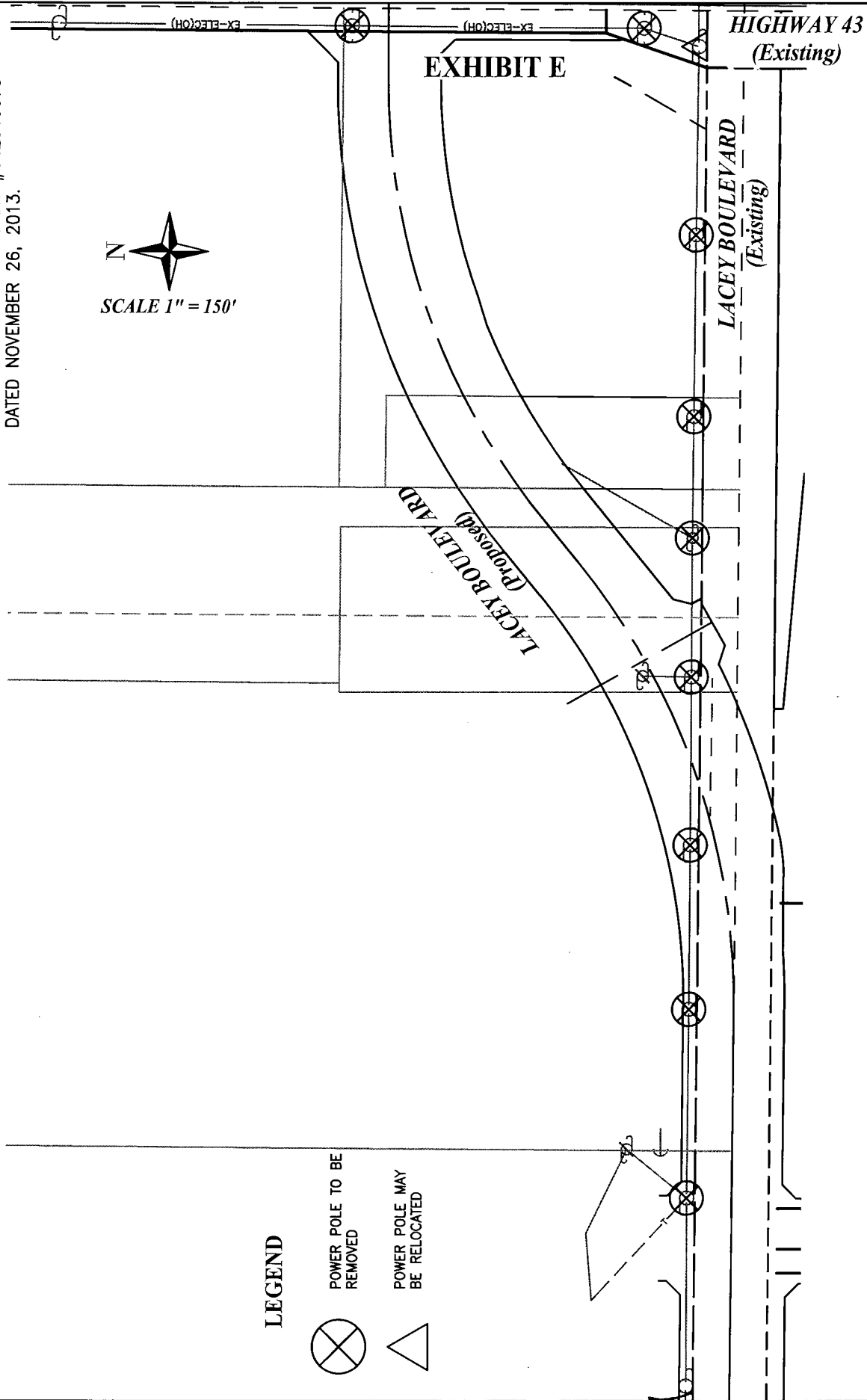
LEGEND



POWER POLE TO BE
REMOVED



POWER POLE MAY
BE RELOCATED



Sheet No.

1 of 1

Job No. 0632322

Drawn By: JTB

Checked By: JZ

Indexed By:

Date: 06/19/14

**Lacey Boulevard
Power Pole Removal and
Power Line Undergrounding
Exhibit**

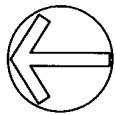
609 N. Irwin St.
Hanford, CA 93232
Office: (559) 582-1056
Fax: (559) 584-4143

CIVIL ENGINEERS

ZUMWALT

HANSEN &

LAND SURVEYORS



SCALE 1" = 200'

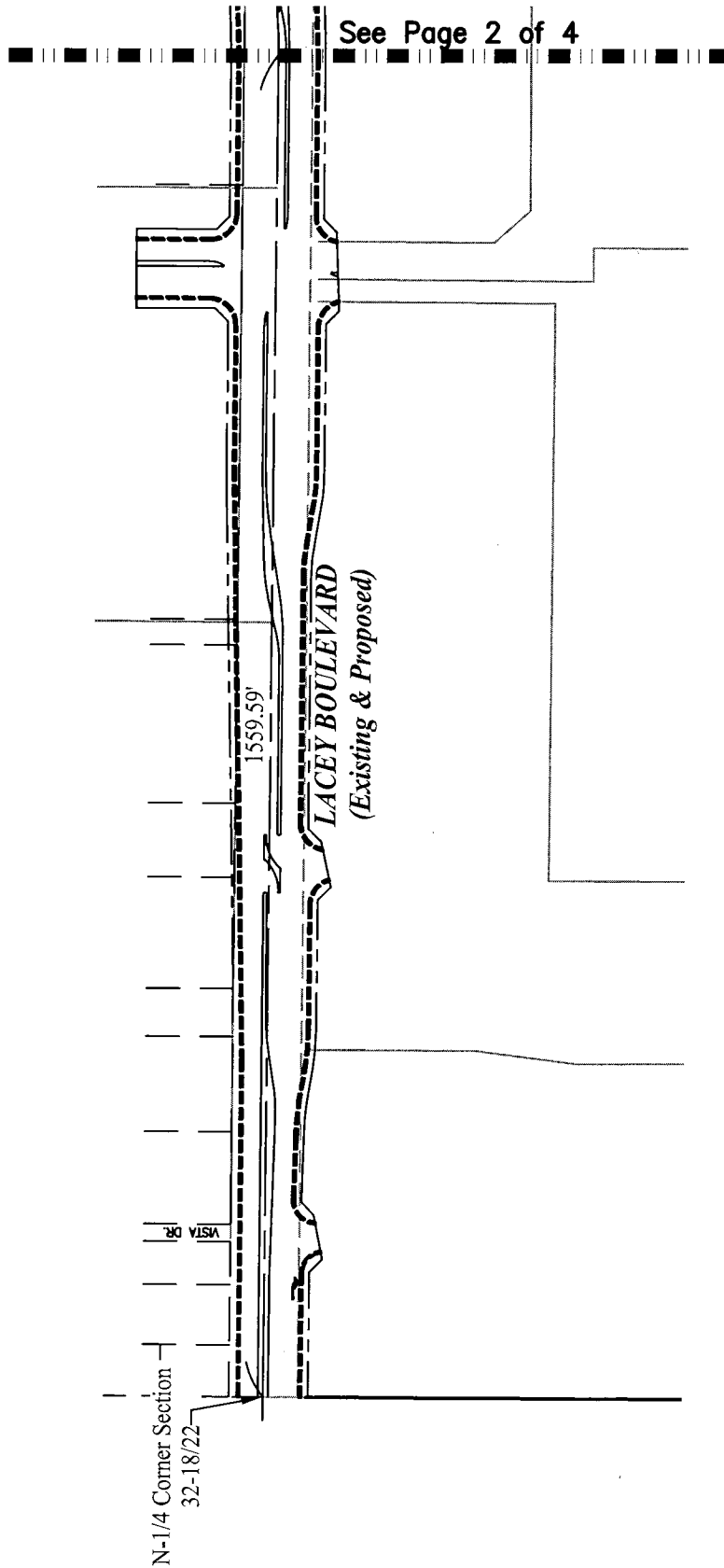


EXHIBIT F-1

Sheet No.

1 of 4

Job No. 0632322

Drawn By: JTB

Checked By: JZ

Indexed By:

Date: 06/19/14

Lacey Boulevard / Highway 43 Improvements Exhibit

609 N. Irwin St.
Hanford, CA 93232
Office: (559) 582-1056
Fax: (559) 584-4143

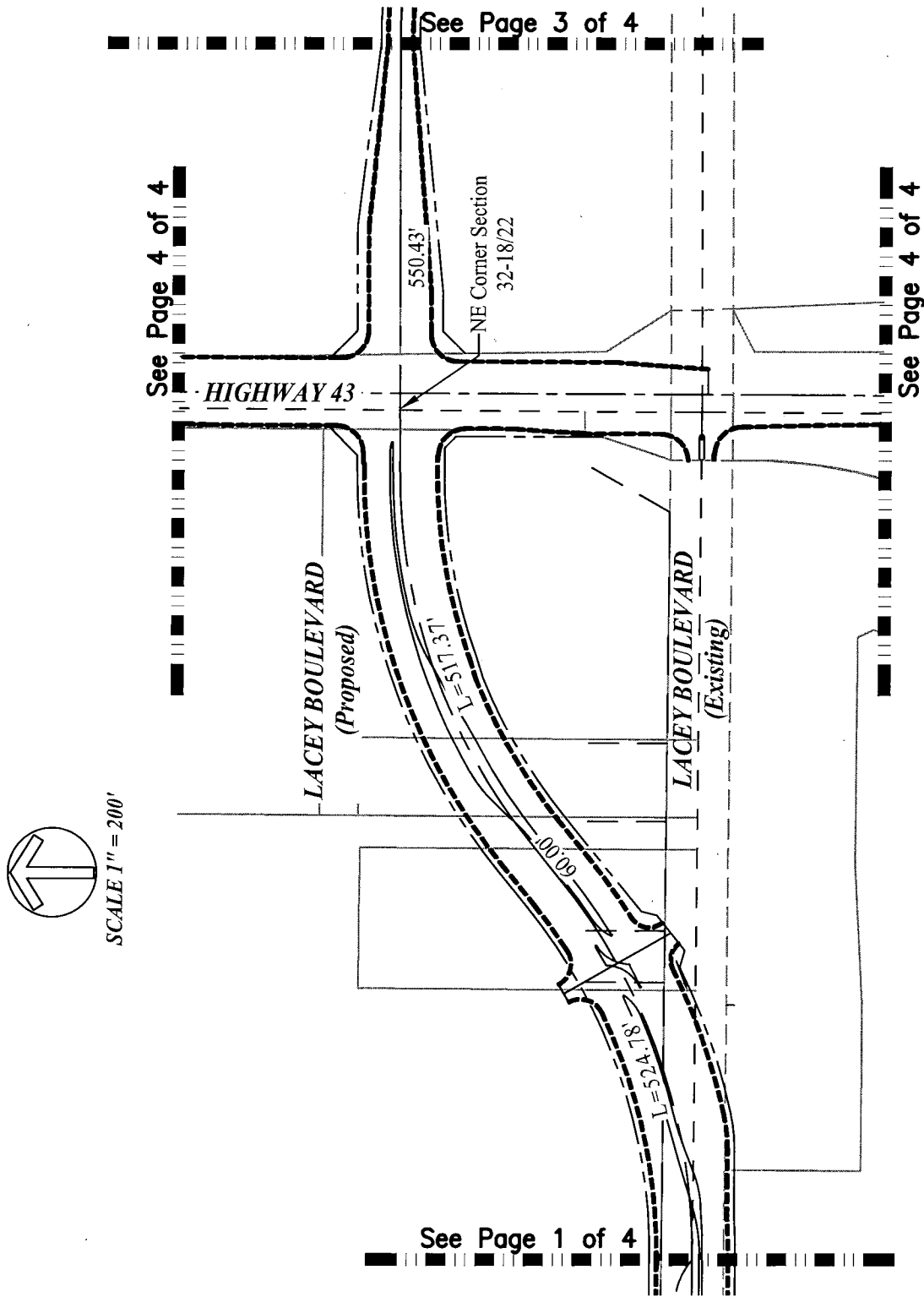
CIVIL ENGINEERS

ZUMWALT

HANSEN &

LAND SURVEYORS

EXHIBIT F-2



Sheet No.
2 of 4

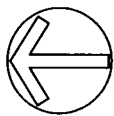
Job No. 0632322
 Drawn By: JTB
 Checked By: JZ
 Indexed By:
 Date: 06/19/14

Lacey Boulevard / Highway 43 Improvements Exhibit

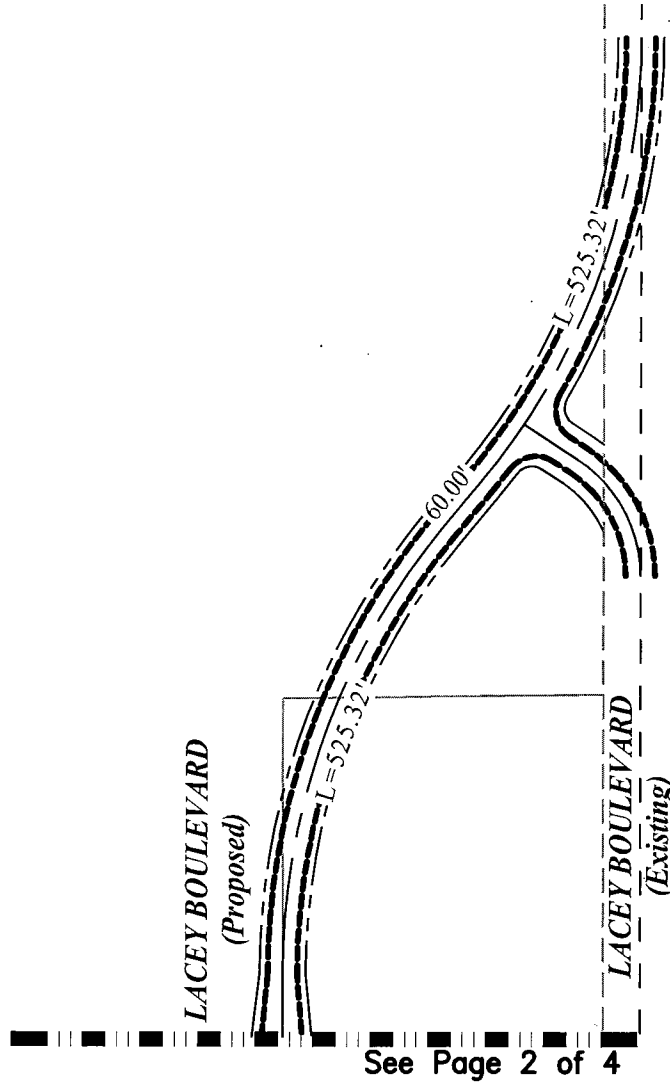
609 N. Irwin St.
 Hanford, CA 93232
 Office: (559) 582-1056
 Fax: (559) 584-4143

Civil Engineers
ZUMWALT
HANSEN &
LAND SURVEYORS

EXHIBIT F-3



SCALE 1" = 200'



Sheet No.

3 of 4

Job No. 0632322

Drawn By: JTB

Checked By: JZ

Indexed By:

Date: 06/19/14

Lacey Boulevard / Highway 43
Improvements Exhibit

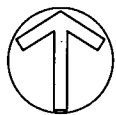
609 N. Irwin St.
Hanford, CA 93232
Office: (559) 582-1056
Fax: (559) 584-4143

Civil Engineers

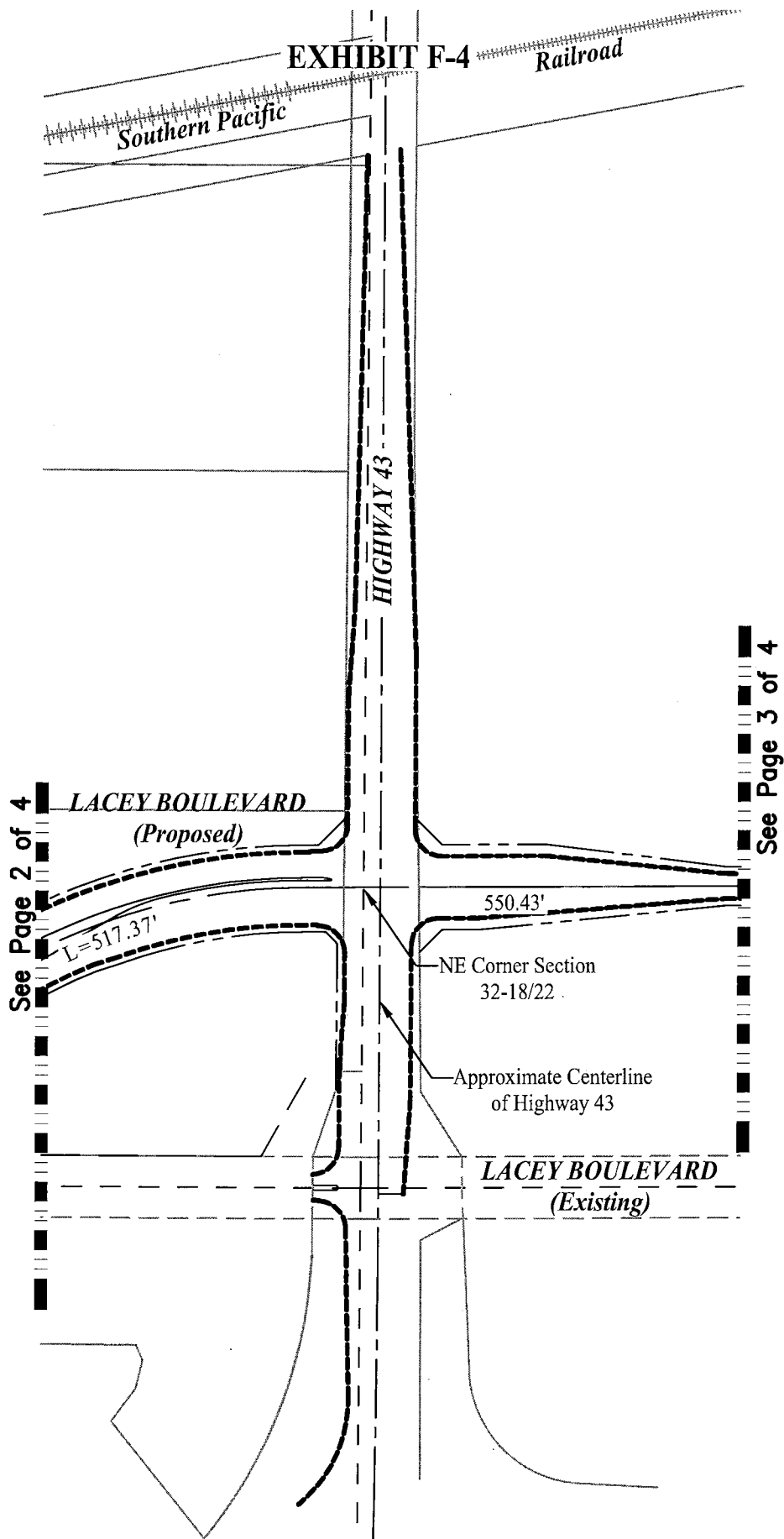
ZUMWALT

HANSEN &

LAND SURVEYORS



SCALE 1" = 200'



Job No. 0632322
Drawn By: JTB
Checked By: JZ
Indexed By: _____
Date: 06/19/14

Sheet No.
4 of 4

Lacey Boulevard / Highway 43
Improvements Exhibit

609 N. Irwin St.
Hanford, CA 93232
Office: (559) 582-1056
Fax: (559) 584-4143

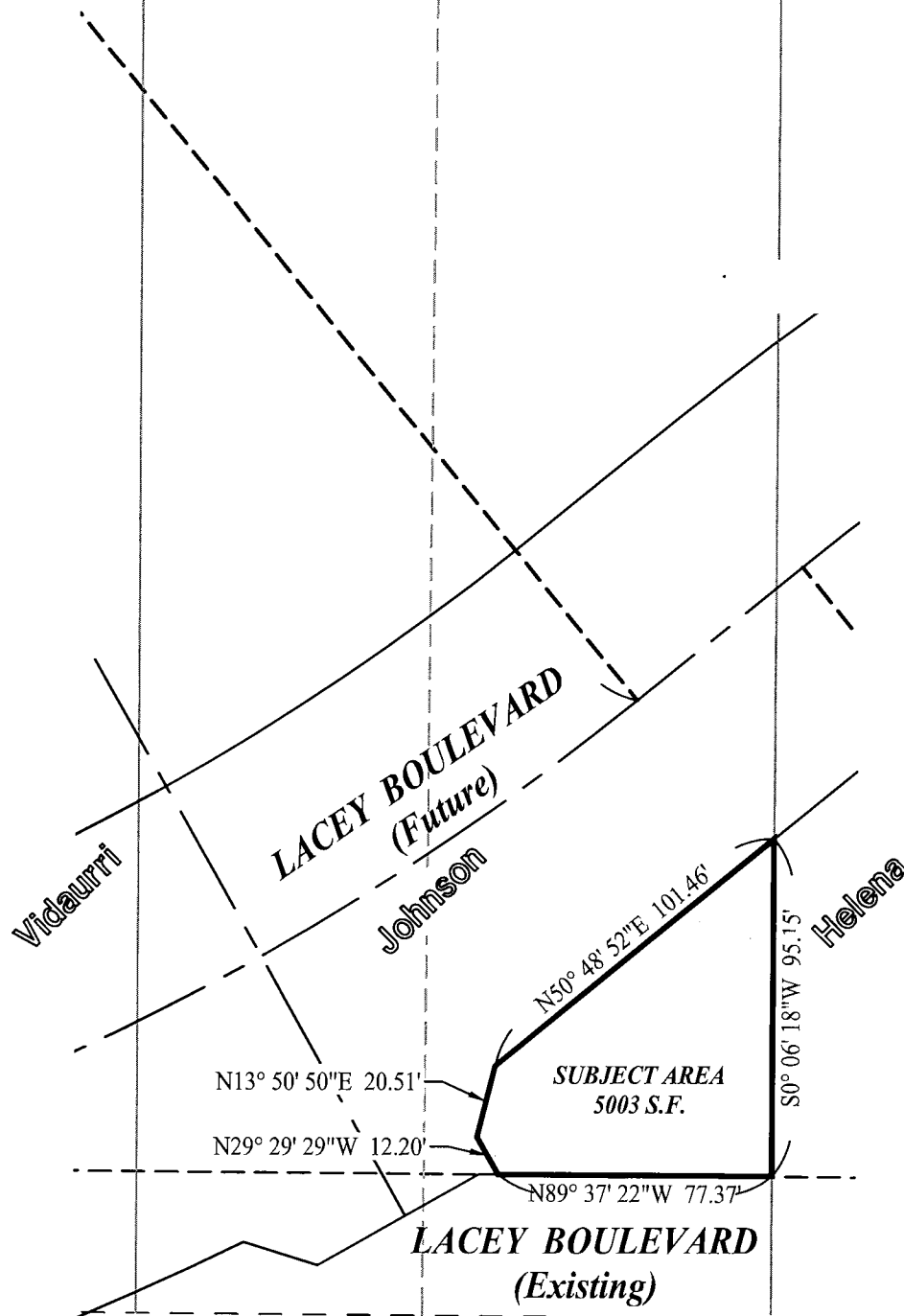
Civil Engineers
ZUMWALT
HANSEN &
Land Surveyors



SCALE 1" = 50'

EXHIBIT G-1

BOUNDARY PER PRELIMINARY TITLE REPORT
BY CHICAGO TITLE COMPANY #042315075
DATED NOVEMBER 26, 2013.



A.P.N. 014-251-051

CML ENGINEERS
ZUMWALT
HANSEN &
LAND SURVEYORS

609 N. Irwin St.
Hanford, CA 93232
Office: (559) 582-1056
Fax: (559) 584-4143

Remnant Parcels
Exhibit

Job No. 0632322
Drawn By: JTB
Checked By: JZ
Indexed By:
Date: 06/19/2014

Sheet No.

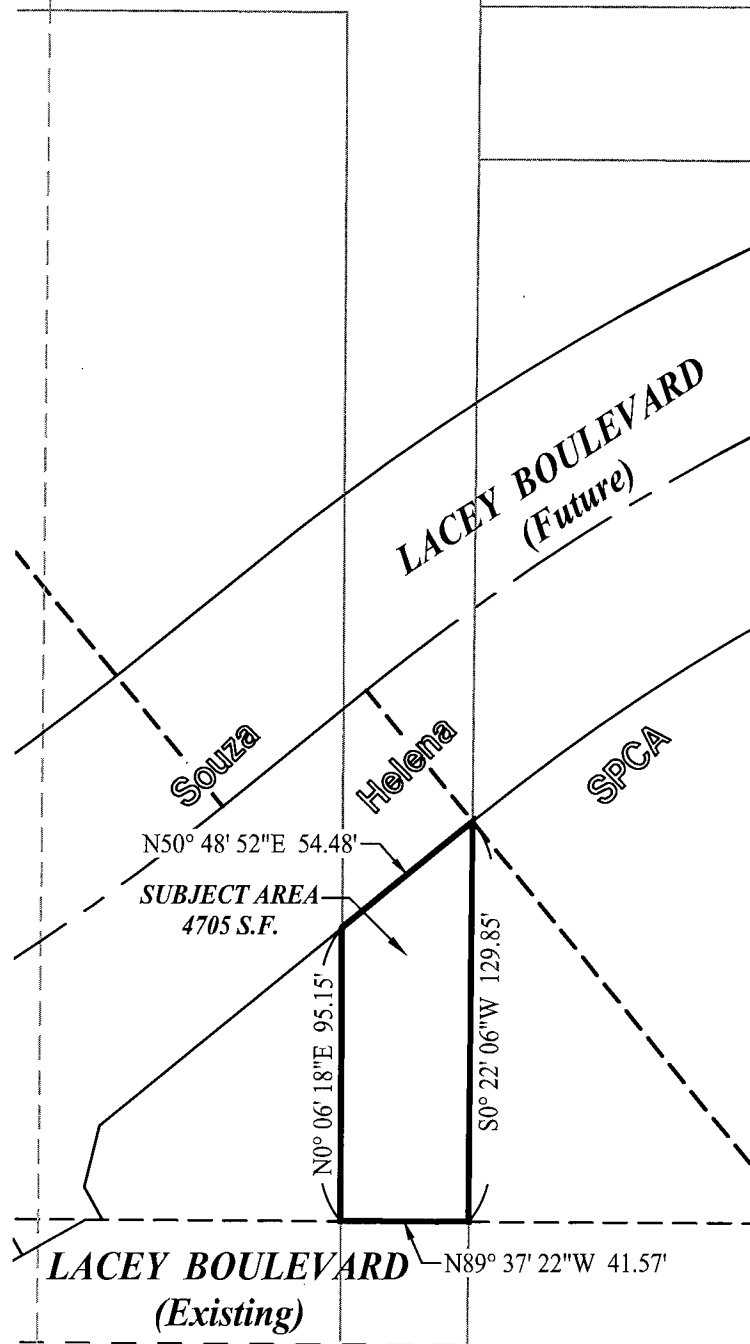
1 of 3



SCALE 1" = 60'

EXHIBIT G-2

BOUNDARY PER PRELIMINARY TITLE REPORT
BY CHICAGO TITLE COMPANY #042315073
DATED NOVEMBER 26, 2013.



A.P.N. 014-251-049

CIVIL ENGINEERS

**ZUMWALT
HANSEN &**

LAND SURVEYORS

609 N. Irwin St.
Hanford, CA 93232
Office: (559) 582-1056
Fax: (559) 584-4143

**Remnant Parcels
Exhibit**

Job No. 0632322
Drawn By: JTB
Checked By: JZ
Indexed By:
Date: 06/19/2014

Sheet No.

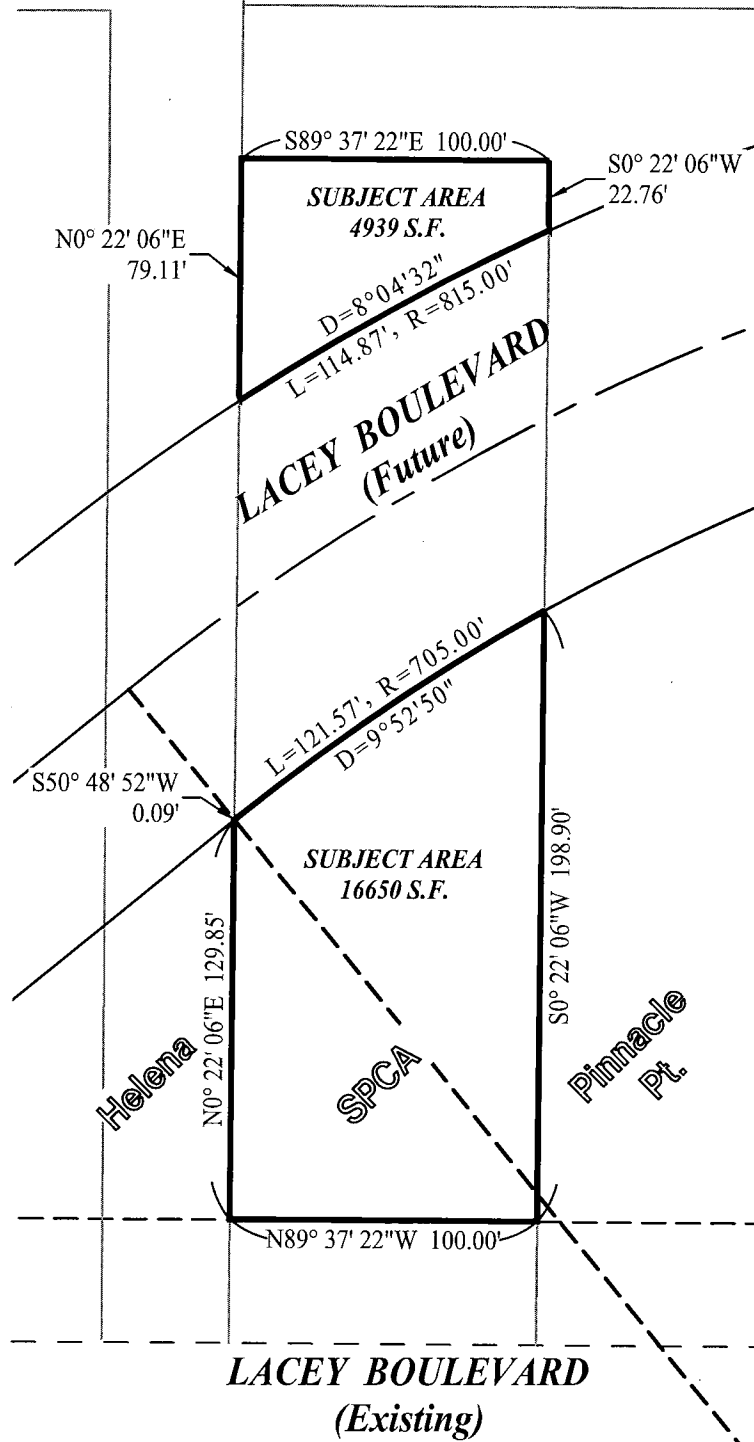
2 of 3



SCALE 1" = 60'

EXHIBIT G-3

BOUNDARY PER PRELIMINARY TITLE REPORT
BY CHICAGO TITLE COMPANY #042315065
DATED NOVEMBER 26, 2013.



A.P.N. 014-251-023

CML ENGINEERS
ZUMWALT
HANSEN &
LAND SURVEYORS

609 N. Irwin St.
Hanford, CA 93232
Office: (559) 582-1056
Fax: (559) 584-4143

Remnant Parcels
Exhibit

Job No. 0632322
Drawn By: JTB
Checked By: JZ
Indexed By:
Date: 06/19/2014

Sheet No.

3 of 3

Exhibit “H” – Capital Facilities Fees

Costco Parcels:

Fire Impact Fee:	\$0.1923 / SF	
Police Impact Fee:	\$0.3671 / SF	
Water Impact Fee:	\$0.8542 / SF	
Wastewater Impact Fee:	\$0.9365 / SF	
9 th Avenue Benefit District Fee:	\$1,337.60 / AC	
Traffic Impact Fee:	\$7,816.37 / 1,000 SF	
Refuse and Recycling Impact Fee:	Rear-load refuse truck	\$73.02/cu.yd./week
	Rear-load dumpster cost:	1cu.yd. = \$341.66
		2cu.yd. = \$409.48;
		3cu.yd. = \$502.75

Total Refuse and Recycling Development Impact Fee is contingent on projected service needs.

Developer Parcels:

Fire Impact Fee:	\$0.5688 / SF	
Police Impact Fee:	\$0.3671 / SF	
Water Impact Fee:	\$1.0372 / SF	
Wastewater Impact Fee:	\$1.1372 / SF	
9 th Avenue Benefit District Fee:	\$1,337.60 / AC	
Traffic Impact Fee:	\$11,018.41 / 1,000 SF	
Refuse and Recycling Impact Fee:	Rear-load refuse truck	\$73.02/cu.yd./week
	Rear-load dumpster cost:	1cu.yd. = \$341.66
		2cu.yd. = \$409.48;
		3cu.yd. = \$502.75

Total Refuse and Recycling Development Impact Fee is contingent on projected service needs.



AGENDA STAFF REPORT

MEETING DATE: 7/24/2014

AGENDA SECTION: 1. B.

SUBJECT:

Public Works: Conduct a public hearing and, by separate motions, adopt resolutions establishing the impact fees for 14-43-R Fire Protection and 14-44-R Transportation facilities.

RECOMMENDATION:

That the City Council conduct a public hearing and, by separate motions, adopt resolutions establishing the impact fees for each of the listed facilities: 14-43-R Fire Protection and 14-44-R Transportation facilities.

BACKGROUND:

The City Municipal Code provides the City Council with the authority to consider and adjust impact fees as necessary to include projects that may not have been considered when the impact fee program was developed.

The new development proposed at the southwest corner of Lacey Boulevard and State Route 43 has triggered some cumulative impacts to intersections with State Route 43 that were not originally considered with the implementation of the impact fee program.

1. Fire Station 5 on the east side of Hanford was not in the impact fee program and needs to be added as a mitigation measure of the proposed development so when the development occurs, they pay their fair share of their impact to the City facilities.
2. The Intersection of State Route 43 and Lacey Boulevard needs to be relocated to provide adequate separation between Lacey Boulevard and the westbound off-ramp of State Highway 198. This relocation includes a relocation of Lacey Boulevard approximately 1200 feet west. This project was not originally included in the impact fee program and needs to be added as a mitigation measure of the proposed development so when the development occurs, they pay their fair share of their impact to the City facilities.
3. The Intersection of State Route 43 and Grangeville Boulevard needs to have lanes added and the signal modified appropriately to allow for increased traffic volumes in the cumulative 2035 analysis. This project was not originally included in the impact fee program and needs to be added as a mitigation measure of the proposed development so when the development occurs, they pay their fair share of their impact to the City facilities.
4. The Intersection of State Route 43 and 10th Avenue needs to have a signal installed to allow for increased traffic volumes in the cumulative 2035 analysis. This project was not originally included in the impact fee program and needs to be added as a mitigation measure of the proposed development so when the development occurs, they pay their fair share of their impact to the City facilities.

Each of these projects are of a citywide nature and therefore inclusion into the impact fee program is appropriate and necessary.

Notice of this public hearing was made in the Hanford Sentinel. Notice of the hearing and copies of this information was also mailed to the Building Industry Association (BIA) of Tulare and Kings County.

FISCAL IMPACT:

Funds collected through the Development Impact Fee Program are used to support expansion of City services and infrastructure.

ATTACHMENTS:

Description

- 📎 Fire Impact Fee Report
- 📎 Transportation Impact Fee Report
- 📎 Resolution 14-43-R Fire
- 📎 Resolution 14-44-R Transportation

Fire Protection Impact Fee Update

7/24/14

Estimated Funding Needs 11/98	\$1,859,000.00
Fees Collected to 1/31/04	\$134,585.67
Interest Earned to 12/31/03	\$7,024.26
Fees Collected 2/1/04 to 12/31/13	\$462,807.84
Interest Earned 1/1/04 to 12/31/13	\$72,647.56
Total Funds Accumulated	\$677,065.33
Balance Necessary	\$1,181,935
Constuction Cost Index Increase 1/99-12/13	61.47%

PROJECTED FUNDING NEEDS

Balance = \$1,908,470

Include Cost for Fire Station #5 \$3,875,000

TOTAL PROJECTED FUNDING NEED \$5,783,470

Percentage Fee I = 203.04%

	Current Fee 100%	Revised Fee + 203.04% 100%
Commercial / SF	\$ 0.1972	\$ 0.5976
Industrial / SF	\$ 0.0197	\$ 0.0597
MF Residential	\$ 146.64	\$ 444.38
SF Residential	\$ 166.63	\$ 504.96

Transportation Impact Fee Costco Development (70%)

Calculated By: **John Doyel**

Date: **9/11/13**

COSTCO BUILDING

A. Transportation Impact Fee: (City Ordinance No. 90-09 & Resolution No. 06-27-R)

Fee =	150000 s.f. *	0 Per Unit =	\$0.00
		\$7,782.40 Per 1000 s.f. =	\$1,167,360.00

SHOPPING CENTER

A. Transportation Impact Fee: (City Ordinance No. 90-09 & Resolution No. 06-27-R)

Fee =	319000 s.f. *	0 Per Unit =	\$0.00
		\$7,534.30 Per 1000 s.f. =	\$2,403,441.70

FAST FOOD

A. Transportation Impact Fee: (City Ordinance No. 90-09 & Resolution No. 06-27-R)

Fee =	13500 s.f. *	0 Per Unit =	\$0.00
		\$40,127.14 Per 1000 s.f. =	\$541,716.39

HIGH TURNOVER RESTAURANT

A. Transportation Impact Fee: (City Ordinance No. 90-09 & Resolution No. 06-27-R)

Fee =	16000 s.f. *	0 Per Unit =	\$0.00
		\$16,411.02 Per 1000 s.f. =	\$262,576.32

Totals	\$4,375,094.41
---------------	-----------------------

RESOLUTION NO. 14-43-R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD ADJUSTING THE FIRE PROTECTION IMPACT FEE

At a special meeting of the City Council of the City of Hanford duly called and held on July 24, 2014 at 6:00 p.m. on said day, it was moved by Council Member _____, and seconded by Council Member _____, and duly carried that the following resolution be adopted:

WHEREAS, Section 15.45.020 of the Hanford Municipal Code provides that the Fire Protection Impact Fee may be adjusted by resolution of the City Council of the City of Hanford; and

WHEREAS, the development of a shopping center at the southwest corner of Lacey Boulevard and Highway 43 has cumulative impacts that are of a citywide nature and require the addition of Station 5 to the current Fire Protection Impact Fee; and

WHEREAS, Pursuant to the provisions and findings of City Council Resolution 04-22-R adopted April 20, 2004 and City Council Resolution 14-12-R, adopted April 1, 2014, the established Fire Protection Impact Fee is:

Residential

Single Family	\$166.63/Unit
Multi-Family	\$146.64/Unit
Commercial	\$0.1972/Square Foot
Industrial	\$0.0197/Square Foot

and with the addition of the proposed projects, the Fire Protection Impact Fee will be increased, effective October 1, 2014, as follows:

Residential

Single Family	\$504.96/Unit
Multi-Family	\$444.38/Unit
Commercial	\$0.5976/Square Foot
Industrial	\$0.0597/Square Foot

NOW, THEREFORE, in accordance with the provisions of Section 15.45.080 of the Hanford Municipal Code BE IT RESOLVED that effective October 1, 2014, the City of Hanford Fire Protection Impact Fee shall be as follows:

Residential

Single Family \$504.96/Unit

Multi-Family \$444.38/Unit

Commercial \$0.5976/Square Foot

Industrial \$0.0597/Square Foot

Passed and adopted at a special meeting of the City Council of the City of Hanford, held on the 24th day of July 2014, by the following votes:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

APPROVED: _____
Gary Pannett, Mayor

ATTEST: _____
Jennifer Gomez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF KINGS)ss
CITY OF HANFORD)

I, JENNIFER GOMEZ, City Clerk of the City of Hanford, do hereby certify the foregoing Resolution was duly passed and adopted by the City Council of the City of Hanford at a special meeting thereof held on the 24th day of July, 2014.

Dated: _____

Jennifer Gomez, City Clerk

RESOLUTION NO. 14-44-R

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD
ADJUSTING THE TRANSPORTATION IMPACT FEE**

At a special meeting of the City Council of the City of Hanford duly called and held on July 24, 2014 at 6:00 p.m. on said day, it was moved by Council Member _____, and seconded by Council Member _____, and duly carried that the following resolution be adopted:

WHEREAS, Section 15.48.020 of the Hanford Municipal Code provides that the Transportation Impact Fee may be adjusted by resolution of the City Council of the City of Hanford; and

WHEREAS, the development of a shopping center at the southwest corner of Lacey Boulevard and Highway 43 has cumulative impacts that are of a citywide nature and require the addition of projects to the current Transportation Impact Fee along State Highway 43 and the intersections of Lacey Boulevard, Grangeville Boulevard, and 10th Avenue; and

WHEREAS, Pursuant to the provisions and findings of City Council Resolution 07-29-R adopted May 15, 2007 and City Council Resolution 14-30-R adopted June 26, 2014, the established Transportation Impact Fee is:

ALL LAND USES EXCEPT COMMERCIAL AND INDUSTRIAL	\$273.52/tripend
COMMERCIAL AND INDUSTRIAL USES	\$232.492/tripend

and with the addition of the applicable proposed projects, the Transportation Impact Fee will be increased, effective October 1, 2014, as follows:

ALL LAND USES EXCEPT COMMERCIAL AND INDUSTRIAL	\$314.63/tripend
COMMERCIAL AND INDUSTRIAL USES	\$267.436/tripend

NOW, THEREFORE, in accordance with the provisions of Section 15.48.070 of the Hanford Municipal Code BE IT RESOLVED that effective October 1, 2014 the City of Hanford Transportation Impact Fee shall be as follows:

ALL LAND USES EXCEPT COMMERCIAL AND INDUSTRIAL	\$314.63/tripend
COMMERCIAL AND INDUSTRIAL USES	\$267.436/tripend

Passed and adopted at a special meeting of the City Council of the City of Hanford, held on the 24th day of July, 2014, by the following votes:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

APPROVED: _____
Gary Pannett, Mayor

ATTEST: _____
Jennifer Gomez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF KINGS)ss
CITY OF HANFORD)

I, JENNIFER GOMEZ, City Clerk of the City of Hanford, do hereby certify the foregoing Resolution was duly passed and adopted by the City Council of the City of Hanford at a special meeting thereof held on the 24th day of July, 2014.

Dated: _____

Jennifer Gomez, City Clerk



AGENDA STAFF REPORT

MEETING DATE: 7/24/2014

AGENDA SECTION: 2. A.

SUBJECT:

Adopt Resolution 14-41-R approving Sales Tax Sharing Agreement between the City of Hanford and Pinnacle Pointe LLC. Resolution 14-41-R

RECOMMENDATION:

Staff recommends that the City Council adopt Resolution 14-41-R approved a Sales Tax Agreement between the City of Hanford and Pinnacle Pointe LLC.

BACKGROUND:

The City of Hanford adopted a Sales Tax Incentive program in 2011, which was later amended in 2012. The program allows large retailers that are not currently located in the City of Hanford too apply for the program. The retailer must generate at least \$23,000,000 per year in sales tax.

The City Council has the sole authority to approve a sales tax agreement. The proposed Sales Tax Incentive Agreement between the City of Hanford and Pinnacle Pointe LLC is summarized as follows:

- **Term:** 10 yrs. beginning on the first day of the first full fiscal quarter following signature of Agreement.
- **Extensions:** No automatic extensions of 10 yr. term.
- **Maximum Payment Amt.:** \$2,000,000. Pinnacle Pointe LLC could receive less than \$2,000,000 if Costco fails to generate sufficient sales tax over the 10 yr. term.
- **Payment Threshold:** Costco must generate \$5,750,000 per quarter in sales tax in order for Pinnacle Pointe LLC to receive payment for that quarter.
- **Payment Amount:** If sales tax threshold reached, City pays to Pinnacle Pointe LLC one-half of the sales tax that City receives from Costco sales. If there is a problem with receipt of tax money (e.g., Costco underpays or State wrongfully withholds), City only pays to Pinnacle Pointe LLC one-half of what City receives.
- **Payment Deadlines:** City to pay Pinnacle Pointe LLC within 60 days of the later of: (i) receipt of tax money for a quarter; or (ii) receipt of sales tax reconciliation report from Board of Equalization for that quarter.
- **Increased Sales Tax Rate:** Payments to Pinnacle Pointe LLC calculated based upon City's existing "base" sales tax rate. Pinnacle Pointe LLC will receive no portion of additional sales tax generated by any City sales tax measure that supplements base sales tax.
- **Costco Opening Requirement:** Costco's store must open on or before January 1, 2016. City can terminate if deadline is missed.
- **Public Improvements:** Pinnacle Pointe will apply sales tax money that it receives toward public improvements required for the shopping center project.

FISCAL IMPACT:

Costco will generate substantial sales tax revenue. For the ten year life of the agreement, the City will receive fifty percent of the City's portion of the sales tax revenue and fifty percent will be payable to Pinnacle Pointe LLC., with a maximum of \$2 million payable to Pinnacle Pointe LLC. If Costco fails to meet the sales number described above, all the City's portion of the sales tax will remain with the City.

ATTACHMENTS:

Description

- ☐ CC Resolution 14-41-R Sales Tax Sharing Agreement
- ☐ Categorical Exemption

RESOLUTION 14-40-R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD APPROVING A SALES TAX SHARING AGREEMENT BETWEEN THE CITY OF HANFORD AND PINNACLE POINTE LLC.

At a special meeting of the City Council of the City of Hanford duly called and held on July 24, 2014, at 6:00 p.m., it was moved by Council Member _____, and seconded by Council Member _____, and duly carried, that the following resolution be adopted:

WHEREAS, the Pinnacle Pointe LLC is the property owner of the real property, APN 016-060-021; and,

WHEREAS, an request for a sales tax agreement was submitted by Pinnacle Pointe LLC for the sales tax generated from a future Costco development; and

WHEREAS, the City council of the City of Hanford adopted a Sales Tax Incentive Program in 2011, later revised in 2012; and,

WHEREAS, the proposed request meets the requirements outlined in the Sales Tax Incentive Program; and,

WHEREAS, the City Council of the City of Hanford, at a special meeting on July 24, 2014, reviewed the request for a sales tax agreement and a draft of the agreement, Attachment 1; and,

WHEREAS, Pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) guidelines, the project is exempt from environmental review. Notice of Exemption 2014-10 has been prepared for the project in accordance with CEQA; and,

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Hanford finds the project to be consistent with the General Plan and the Sales Tax Incentive Program.

THEREFORE, BE IT RESOLVED, that the City Council of the City of Hanford hereby approves a Sales Tax Sharing Agreement between the City of Hanford and Pinnacle Pointe LLC and authorizes the Mayor to execute the Agreement, Attachment 1. Passed and adopted at a special meeting of the City Council of the City of Hanford duly called and held on July 24, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss
CITY OF HANFORD)

I, Jennifer Gomez, City Clerk of the City of Hanford, do hereby certify the foregoing Resolution was duly passed and adopted at a special meeting of the City Council of the City of Hanford held on the 24th day of July 2014.

Date: _____

APPROVED: _____
 Mayor

ATTEST: _____
 Jennifer Gomez
 City Clerk

ATTACHMENT 1

AGREEMENT

* * * * *

ARTICLE 1.

PARTIES AND EFFECTIVE DATE

1.1 Parties. This Sales Tax Incentive Agreement (“**Agreement**”) is entered into by and between the CITY OF HANFORD, a municipal corporation (“**City**”), and PINNACLE POINTE, LLC, a California limited liability company (“**Company**”). Company’s offices are currently located at 5 River Park Place East, Ste. 102, Fresno, CA 93720. City’s offices are located at 319 N. Douty St., Hanford, CA 93230.

1.1.1 City and Company are sometimes individually referred to herein as “**Party**” and collectively as “**Parties**.”

1.1.2 This Agreement shall be binding upon and shall inure to the benefit of City and Company and their respective successors and assigns.

1.2 Effective Date. This Agreement will become effective on the date on which it is signed by the appropriate authorities of both City and Company (the “**Effective Date**”).

ARTICLE 2.

RECITALS

2.1 Company intends to develop that certain real property (the “**Property**”) more particularly described in the attached Exhibit “A,” which is incorporated herein by reference.

2.2 Company has held discussions with a business whose retail sales are likely to exceed the Threshold Amount (defined below) (“**Retailer**”) under which Company will sell a portion of the Property, which is identified as Parcel A of Phase I of the site plan attached hereto as Exhibit “B” and incorporated herein by reference, to Retailer and Retailer will construct a new one hundred fifty thousand (150,000) +/- square foot retail store at the Property (the “**Store**”).

2.3 It is estimated that Retailer will employ approximately one hundred (100) full-time and one hundred (100) part-time employees at the Store.

2.4 City adopted a development stimulus policy that includes a sales tax incentive program (“**Program**”) as a component. Through the Program, City may pay inducements to entities based on a percentage of the Local Sales Tax Revenues (as defined below) generated for City by new business’ taxable sales occurring within City, as more fully described herein.

2.5 Company desires to participate in the Program in order to receive reimbursement for the costs it will incur for public improvements associated with the development of the Property for the benefit of City and Company, along with other parcels. The improvements are identified in the attached Exhibit "C," which is incorporated herein by reference.

2.6 City, in consideration for Company contributing the public improvements set forth in the attached Exhibit "C" and causing Retailer to establish a retail store at the Property and the Local Sales Tax Revenues to be paid by Retailer, is willing to provide City Payments (as defined herein) to Company.

2.7 City Payments for each Fiscal Quarter will be amounts paid from any legally available source of funds and shall be equal to a percentage of the Local Sales Tax Revenues (as defined herein) generated in City by Retailer and received by City during such Fiscal Quarter. The manner by which City Payments shall be calculated is described hereinbelow.

2.8 The Store will provide significant public benefits to City, in that the Local Sales Tax Revenues to be paid by Retailer will represent a substantial and significant source of additional public revenue for City, which may be used by City for the funding of necessary public services and facilities, including, without implied limitation, public safety services and facilities. Establishment of the Store within City will also provide a benefit to City's residents in the form of new employment opportunities.

2.9 Company and City wish to enter into this Agreement for the purposes described above.

ARTICLE 3.

DEFINITIONS

3.1 Definitions. Unless the context otherwise requires, the terms defined in this Article 3 shall for all purposes hereto, and of any amendment hereof, and of any opinion or report or other document mentioned herein or therein, have the meanings defined herein. The following definitions are to be equally applicable to both the singular and plural forms of any of the terms defined herein.

3.1.1 "Agreement" shall have the meaning set forth in Section 1.1 hereinabove.

3.1.2 "Business Day" means a day which is not a Saturday, Sunday or legal holiday on which banking institutions in the State or City are closed.

3.1.3 "City Payment" means, for each Fiscal Year in which Retailer operates the Store, the amount calculated in the manner identified hereinbelow and which shall be paid to Company.

3.1.4 “Effective Date” shall have the meaning set forth in Section 1.2 hereinabove.

3.1.5 “Fiscal Quarter” means one (1) calendar year quarter during the Term and commencing on January 1, April 1, July 1, or October 1, and ending on, as applicable, the immediately following March 31, June 30, September 30, or December 31. As an example, the Fiscal Quarter commencing January 1 shall end on the immediately following March 31, the Fiscal Quarter commencing on April 1 shall end on the immediately following June 30, and so on.

3.1.6 “Fiscal Year” means July 1 through June 30.

3.1.7 “Local Sales Tax Revenues” means the monies paid by Company upon taxable sales and uses attributable to the Store’s operations and allocated and paid to City under the California Uniform Local Sales and Use Tax Law (Part 1.5, Division 2 of the California Revenue and Taxation Code), subject to the limitations identified hereinafter.

In the event City’s Sales Tax rate increases after the Effective Date, the new rate will be divided into two (2) components for purposes of this Agreement: (i) a base component representing City’s one percent (1%) Sales Tax rate that exists as of the Effective Date (“**Base Rate**”); and (ii) a component representing the portion of City’s increased Sales Tax rate in excess of the Base Rate (“**Supplemental Component**”). Local Sales Tax Revenues will be limited to City’s Sales Tax revenues from the Store’s operations that are attributable to the Base Rate. Local Sales Tax Revenues do not include any amounts paid by Retailer that are attributable to the Supplemental Component.

Local Sales Tax Revenues shall not include: (i) Penalty Assessments; (ii) any Sales Tax or portion thereof levied by, collected for, allocated to, or retained by the State of California, the County of Kings or a district or any entity (including an allocation to a statewide or countywide pool) other than City; (iii) any Sales Tax-related administrative or processing fee charged by the SBE, the County, or any other government entity other than City; (iv) any Sales or Use Tax subject to any sharing, rebate, offset or other charge imposed pursuant to any applicable provision of federal, state or local (except City’s) law, rule, or regulation to the extent such Sales or Use Taxes are not received and retained by City; (v) any Sales Tax attributable to any transaction not consummated within the Term; or (vi) any Sales Tax (or other funds measured by Sales Tax) required by the State of California to be paid over to another public entity (including the State or County of Kings) or set aside and/or pledged to a specific use other than for deposit into or payment from City’s general fund, including retroactively. Items excluded from Local Sales Tax Revenues shall be allocated between the Base Rate and Supplemental Component on a pro rata basis (e.g., if City increases its Sales Tax rate by fifty percent (50%) to one and one-half percent (1.5%), excluded items will be allocated two-thirds (2/3) to the Base Rate and one-third (1/3) to the Supplemental Component) unless otherwise required by State law or other applicable authority.

Without limiting the generality of the foregoing, City and Company acknowledge that as of the Effective Date of this Agreement, the California Legislature previously adopted certain legislation commonly known as the "Triple Flip" which diverts to the State of California up to one-quarter (1/4) of the Sales and Use Tax Revenue which would otherwise be payable to City pursuant to the Sales Tax and Use Tax Law as it existed prior to enactment of the above-referenced legislation. City and Company acknowledge that such legislation causes a reduction of up to approximately twenty-five percent (25%) of the Local Sales Tax Revenues which would otherwise be attributable to Sales and that such reduction will cause a corresponding effect. Furthermore, City acknowledges that it is possible that the legislation described above, or some alternative legislation (whether or not similar to the "Triple Flip"), may be enacted and effective during one or more subsequent years during the Term and may materially and negatively impact the amount of Local Sales Tax Revenues and, accordingly, City Payments. City does not make any representation, warranty or commitment concerning the future actions of the California Legislature with respect to the allocation of Sales Taxes to City. Company agrees that it is undertaking its obligations under this Agreement after having considered, and is expressly assuming the risk of, the possibility of such legislation and its resultant impact on City Payments.

The foregoing paragraph notwithstanding, City acknowledges that the California Legislature may provide for the payment to City of other revenues for the specific purpose of offsetting any losses in Local Sales and Use Tax Revenues resulting from the enactment of legislation of the type described in the immediately preceding paragraph. City agrees that should the California Legislature provide for such offsetting revenues, then, for purposes of this Agreement and the computation of any City Payments which may become due to Company hereunder, any such offsetting revenues which are: (i) specifically intended to offset the loss of sales tax revenues to City and such intent is explicitly stated in the legislation affecting such offset (and/or the legislative history relating thereto); (ii) actually received by City; and (iii) not subject to any restrictions on use beyond those which are otherwise generally applicable to sales tax revenues received by California municipalities, will be deemed to be Local Sales Tax Revenues within the meaning of this Agreement, limited to the extent that such revenues actually offset the local sales tax revenues (including both current Local Sales Tax Revenues and prior period Local Sales Tax Revenues).

If the Sales and Use Tax Law is further amended, terminated or rescinded, and Local Sales Tax Revenues are calculated in an alternate manner or are replaced or partially replaced by an alternate revenue stream (i) arising from the retail sale, storage, use or other consumption of tangible personal property by Company from or at the Store; or (ii) designated as being a replacement for Local Sales Tax Revenues previously generated by the retail, sale, storage, use or other consumption of tangible personal property from or at the Store, Local Sales Tax Revenues shall also mean those revenues actually paid or caused to be paid by Company and ultimately collected for City in the alternate manner of calculation or the alternate revenue stream, as long as City receives its portion of such revenues and has the legal right under State law to retain and control the disposition of substantially all of its portion thereof, provided that such revenues shall only be considered Local Sales Tax revenues to the extent that they actually offset the loss of Local Sales Tax Revenues (including both current Local Sales Tax Revenues and prior period Local Sales Tax Revenues).

3.1.8. “Open for Business” means open to the general public or, in the case of a membership club, open to its members in a manner substantially similar to other retail stores in Central California.

3.1.9 “Penalty Assessments” means penalties, assessments, collection costs and other costs, fees or charges resulting from late or delinquent payment of Sales or Use Tax and which are levied, assessed or otherwise collected from Retailer as a result of sales occurring at the Store.

3.1.10 “Retail Sales” means all sales of tangible personal property, which occur at the Store, to any person or entity which is subject to the Sales and Use Tax Law and that generates Local Sales Tax Revenues.

3.1.11 “SBE” means the California State Board of Equalization, and any successor agency.

3.1.12 “Sales and Use Tax Law” means: (i) Part 1.5 of Division 2 of the California Revenue and Taxation Code, commencing with Section 7200, as may be amended, and any successor law thereto; (ii) any legislation allowing City or other public agency with jurisdiction in City to levy any form of sales and use tax on the Store’s operations; and (iii) regulations of the SBE and other binding rulings and interpretations relating to (i) and (ii) hereof.

3.1.13 “Sales Tax” means all sales and use taxes at the rates levied by City under the authority of the California Sales and Use Tax Law as of the Effective Date, excluding any Sales Tax that is to be refunded to Retailer because of an overpayment of Sales Tax.

3.1.14 “Store” means the Retailer warehouse club retail store that Company will cause to locate and operate at the Property.

3.1.15 “Term” shall mean that period commencing as of the first day of the first full Fiscal Quarter and ending on the tenth (10th) year anniversary of such date, unless earlier terminated as provided by this Agreement.

3.1.16 “Threshold Amount” means Retail Sales of \$5,750,000.00 in a Fiscal Quarter.

ARTICLE 4.

GENERAL TERMS

4.1 Location and Operation of Store within City.

4.1.1. As a condition of receiving City Payments, Company will construct improvements outlined in the attached Exhibit “C” that will benefit the City and Company and

will cause Retailer to establish and operate the Store at the Property. As a condition of receipt of City Payments, the Store must be Open for Business no later than January 1, 2016, and must generate Retail Sales in excess of the Threshold Amount in any particular Fiscal Quarter.

4.1.2 As a further condition of Company's receipt of City Payments, Retailer must maintain a retail sales tax permit for the Store with the SBE and file with the SBE sales reports for all Retail Sales occurring at the Store.

4.2 City Payment.

4.2.1 Calculation. As consideration for Company's construction of the improvements set forth in the attached Exhibit "C" and the establishment and continued operation of the Store at the Property, City shall pay Company the City Payment if Retail Sales for a Fiscal Quarter are greater than the Threshold Amount. Each City Payment shall be one-half (1/2) of Local Sales Tax Revenues for each Fiscal Quarter during which the Threshold Amount is attained.

4.2.2. Deadline for Payment. City Payment for a Fiscal Quarter during which the Threshold Amount is attained will be made within sixty (60) calendar days following the later of: (i) the receipt by City of the quarterly final reconciliation reports from the SBE relating to such Fiscal Quarter occurring within the Term; or (ii) City's actual receipt of the Local Sales Tax Revenues for the Fiscal Quarter.

4.2.3 Payment Cap and Automatic Termination.

4.2.3.1 This Agreement shall automatically terminate when City Payments total TWO MILLION and NO/100 DOLLARS (\$2,000,000.00) ("**Maximum Rebate Amount**").

4.2.3.2 In the event a City Payment for a Fiscal Quarter would cause the total of all City Payments made to Company to exceed the Maximum Rebate Amount, the final City Payment shall be limited to the amount that would cause the total of all City Payments to equal the Maximum Rebate Amount.

4.2.3.3 If there is an overpayment by City that causes the total of all City Payments to exceed the Maximum Rebate Amount, Company shall refund to City the overage within thirty (30) calendar days of Company's receipt of City's request for repayment.

4.2.3.4 This Agreement shall cease to be effective upon the earlier of the following events: (i) expiration of the term identified in Section 3.1.14; or (ii) Company's receipt of a City Payment that causes the total City Payments received by Company hereunder to equal the Maximum Rebate Amount. The term hereof, as identified in Section 3.1.14 hereinabove, shall not be automatically extended in the event this Agreement expires before City Payments to Company total the Maximum Rebate Amount.

4.2.4 Conditions Precedent to City Payment. City's obligations under this Section 4.2 to render a City Payment are contingent upon the satisfaction of the following conditions precedent for such Fiscal Quarter:

- (i) City's receipt of Local Sales Tax Revenue; and
- (ii) Satisfaction of the conditions identified in Section 4.1 above.

4.2.5 Adequate Consideration.

4.2.5.1 Each City Payment due and payable shall constitute the total payment to Company for the Fiscal Quarter to which it relates, and shall be paid by City for and in consideration of Company constructing the public improvements set forth in the attached Exhibit "C" and for causing Retailer to establish and operate the Store at the Property during such Fiscal Quarter. The Parties have determined and agreed that City Payment due and payable during each Fiscal Quarter represents fair consideration to Company for its covenants and obligations hereunder.

4.2.5.2 Both City and Company expressly acknowledge and agree that Company will receive no compensation under this Agreement other than City Payment. Company will not be entitled to any reimbursement or other compensation from City for any costs incurred by Company in performing, preparing to perform or continuing its obligations under this Agreement for the term of the Agreement.

4.2.6 Recapture of City Payments.

4.2.6.1 If, at any time during or after the Term of this Agreement, the SBE determines that all or any portion of the Local Sales Tax Revenues received by City were improperly allocated and/or paid to City (an "**improper allocation**"), and if SBE requires repayment of, offsets against future Sales Tax payments, or otherwise recaptures from City those improperly allocated and/or paid Local Sales Tax Revenues, then Company shall, within thirty (30) calendar days after written demand from City, repay all City Payments (or applicable portions thereof) theretofore paid to Company which are attributable to such repayment, offset or recaptured Local Sales Tax Revenues. If Company fails to make such repayment within thirty (30) calendar days after City's written demand, then: (i) such obligation shall accrue interest from the date of City's original written demand at the then maximum legal rate imposed by the California Code of Civil Procedure on prejudgment monetary obligations, compounded monthly, until paid; and (ii) City may deduct the amount owed by Company, including accrued interest, from any future City Payment due hereunder.

4.2.6.2 City and Company agree that, should the SBE question the correctness of the allocation or determine that there has been an improper allocation to City, City shall defend such allocation in all SBE administrative proceedings unless City, in good faith, determines that an improper allocation occurred. For purposes of this Section, administrative proceedings include all SBE meetings, conferences, and appeals before SBE Board Members.

Company will cooperate fully with City and its attorneys, and shall have the right to be present at and participate in all SBE administrative proceedings. The reasonable costs incurred by City and Company in connection with SBE administrative proceedings will be shared and borne fifty percent (50%) by Company and fifty percent (50%) by City. In the event that the amount of Local Sales Tax Revenue received by City, less City Payment at the time of initiation of such proceeding, is not sufficient to pay City's share of such costs, Company agrees that it will advance the funds necessary to pay City's share of such costs and allow City to repay Company out of future Local Sales Tax Revenue. Notwithstanding the foregoing payment of reasonable costs, costs incurred by Company that are included in the sum of the reasonable costs shall be limited to attorneys' fees and costs.

4.2.7 Supplemental City Payments. If SBE determines that an insufficient amount in Local Sales Tax Revenue was paid to the City during the term of this Agreement and the City receives a supplemental payment, City will, within thirty (30) calendar days of its receipt of such supplemental payment pay one-half (1/2) of such amount to Company if the supplemental payment relates back to a Fiscal Quarter during which the Threshold Amount was attained; provided however, no such supplemental payment shall be made to Company if Company has already received the Maximum Rebate Amount.

4.2.8 Audit of Books and Records. City shall, once per calendar year and upon no less than seventy-two (72) hours prior written request from Company, make available to Company and/or its designees (including its accountants and/or attorneys) City's books and records relating to the calculation and determination of the amounts payable hereunder; provided however, nothing herein shall be deemed to abridge or constitute a waiver of City's evidentiary rights and privileges arising pursuant to any provision of law or require the City to disclose information that is protected, privileged, confidential, proprietary, or non-disclosable under state or federal law. Company shall bear the costs of its own auditors, experts and other consultants it may engage to complete its investigation of the City's books and records.

4.3 Event of Default.

4.3.1 Each of the following shall constitute an "Event of Default":

(i) Failure by a Party to comply with and observe any of the conditions, terms, or covenants set forth in this Agreement, if such failure remains uncured within thirty (30) days after written notice of such failure from the non-defaulting Party to the defaulting Party in the manner provided herein, or, with respect to a default that cannot be cured within thirty (30) days, if the defaulting Party fails to commence such cure within such thirty (30) day period or thereafter fails to diligently and continuously proceed with such cure to completion; however, if a different period, notice requirement, or remedy is specified under any other Section of this Agreement, then the specific provision shall control;

(ii) Any representation or warranty contained in this Agreement or in any application, financial statement, invoice, certificate, or report submitted pursuant to this Agreement proves to have been incorrect in any material respect when made.

4.3.2 In the event of a default by Company that cannot be cured within thirty (30) days of its receipt of a written notice from City, City may withhold City Payments until the default is cured. When the default is fully cured, in City's reasonable judgment, City will pay to Company, without interest, all City Payments that were withheld during the cure period. If Company commences to cure the default but fails to complete such efforts and this Agreement is terminated by City in accordance with Section 4.7 hereinbelow, City will have no obligation to pay to Company any portion of City Payments that were withheld as a result of Company's default.

4.4 Rights and Remedies; Rights and Remedies Not Exclusive. Unless prohibited by law or otherwise provided by a specific term of this Agreement, the rights and remedies of Company and City under this Agreement are nonexclusive and all remedies hereunder may be exercised individually or cumulatively.

4.4.1 Rights not Granted under Agreement. This Agreement is not, and shall not be construed to be, a statutory development agreement under Government Code Section 65864 *et seq.*, or a disposition and development agreement under Health and Safety Code Section 33000 *et seq.* This Agreement is not, and shall not be construed to be, an approval of or an agreement to issue permits or a granting of any right or entitlement by City concerning any project, development, construction by Company in City. This Agreement does not and shall not be construed to exempt Company in any way from the requirement to obtain permits and/or other discretionary or non-discretionary approvals, including, without limitation, an amendment of City's General Plan to modify the Property's zoning designation, as may be necessary for the development of the Property. Likewise, this Agreement does not exempt Company from compliance with the California Environmental Quality Act; City makes no representations or warranties as to the certification of any Environmental Impact Report that may be required for the development of the Property. This Agreement does not, and shall not be construed to, exempt Company or Retailer from the application and/or exercise of City's power of eminent domain or its police power, including, but not limited to, the regulation of land uses and the taking of any actions necessary to protect the health, safety and welfare of its citizenry.

4.5 No Financial Assistance. Except as set forth in Section 4.7 below, Company covenants and agrees for the period beginning on the Effective Date and continuing until and including the termination of this Agreement, Company will not directly or indirectly solicit or accept any Financial Assistance (as defined below) from any other public or private person or entity, to the extent such Financial Assistance is given for the purpose of causing or would result in either relocation or closure of the Store or termination of this Agreement. For purposes of this Section 4.5, the term "**Financial Assistance**" means any direct or indirect payment, subsidy, rebate, or other similar or dissimilar monetary or non-monetary benefit including, without implied limitation, payment of land subsidies, relocation expenses, public financings, property or sales tax relief or rebates, relief from public improvement obligations, and payment for public improvements to or for the benefit of Company. This section shall not be interpreted to prohibit Company's receipt of funds generated from the sale of Community Facilities District bonds that

may the finance the construction of public improvements associated with the Property or from the receipt of reimbursement payments from City under other agreements.

4.6 Sole Compensation. Both City and Company expressly acknowledge and agree that Company will receive no compensation under this Agreement other than City Payments.

4.7 Termination.

4.7.1 In the event of a failure by a Party to comply with its obligations hereunder, and a failure by the Party to cure such default, the non-defaulting Party shall have the right by written notice to Company to terminate this Agreement as of the date when the defaulting Party's right to cure such default expires.

4.7.2 This Agreement shall automatically terminate in the event a court of competent jurisdiction determines that Local Sales Tax Revenues were improperly received by City. If said court of competent jurisdiction orders City to pay such improperly received Local Sales Tax Revenues as damages to a third party, and Company received City Payments attributable to such improperly received Local Sales Tax Revenues, Company shall repay all City Payments attributable to such improperly received Local Sales Tax Revenue to City within thirty (30) calendar days after written demand by City. This obligation to repay City Payments attributable to improperly received Local Sales Tax Revenue shall apply irrespective of whether Company is in default under this Agreement. Should Company owe money to City at the time this Agreement is terminated, City may offset such amounts owed to City against amounts payable by City to Company.

4.7.3 Upon the termination of this Agreement, all executory obligations that accrue or arise subsequent to the date of termination shall also terminate, but, except as otherwise provided herein, obligations that have accrued or arisen prior to such termination shall remain in full force and effect. Without limiting the generality of the foregoing, no termination of this Agreement shall discharge Company from any obligation to refund to City any City Payment(s) as required by any provision of this Agreement.

4.8 City and Company Representations and Warranties. All of the foregoing representations and warranties are made according to City's and Company's actual knowledge as of the Effective Date, without having undertaken any independent inquiry or investigation for the purpose of making such representation or warranty and without any duty of inquiry or investigation.

4.8.1 City Representations and Warranties.

4.8.1.1 City is a California municipal corporation and general law city and has full legal right, power and authority to enter into this Agreement and to carry out and consummate all transactions contemplated hereby and thereby, and by proper action, City has duly authorized the execution and delivery of this Agreement.

4.8.1.2 The representatives of City executing this Agreement are fully authorized to execute the same pursuant to official action taken by City.

4.8.1.3 This Agreement has been duly authorized, executed and delivered by City and, assuming due execution and delivery by Company, constitutes the legal, valid and binding agreement of City, enforceable against City in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws in effect from time to time relating to or affecting the enforcement of creditor's rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

4.8.1.4 The execution and delivery of this Agreement, the consummation of the transactions on the part of City contemplated and the fulfillment of or compliance by City 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 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 City, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions on the part of City contemplated by this Agreement or the financial condition, assets, properties or operations of City.

4.8.1.5 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 actual knowledge of City, threatened against or affecting City or the assets, properties or operations of which, if determined adversely to City 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 upon the financial condition, assets, properties or operations of City, and 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 and adversely affect the consummation of the transactions contemplated by this Agreement or the financial conditions, assets, properties or operations of City.

4.8.1.6 City and its appointed and elected officials, officers, employees, agents, contractors, consultants, and representatives and Company and its officers, employees, agents, consultants and representatives agree to maintain the confidentiality of the terms of the Agreement, except where required by law. Company acknowledges and understands that City is subject to various statutes and regulations that dictate government transparency; as a result, City will disclose the provisions of this Agreement and the negotiation thereof as required by State law.

4.8.2 Company's Representations and Warranties.

4.8.2.1 Company has full legal right, power and authority to enter into this Agreement and to carry out and consummate all transactions contemplated hereby and, thereby, and by proper action Company has duly authorized the execution and delivery of this Agreement.

4.8.2.2 The representatives of Company executing this Agreement are fully authorized to execute the same pursuant to official action taken by Company.

4.8.2.3 This Agreement has been duly authorized, executed and delivered by Company and, assuming due execution and delivery by Company, constitutes the legal, valid and binding agreement of Company, enforceable against Company in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws in effect from time to time relating to or affecting the enforcement of creditor's rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

4.8.2.4 The execution and delivery of this Agreement, the consummation of the transactions on the part of Company contemplated and the fulfillment or compliance by Company 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 Company 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 Company, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions on the part of Company contemplated by this Agreement or the financial condition, assets, properties or operations of Company.

4.8.2.5 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 Company, threatened against or affecting Company or its interests, which, if determined adversely to Company 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 upon the financial condition, assets, properties or operations of Company, and Company 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 and adversely affect the consummation of the transactions contemplated by this Agreement or the financial conditions, assets, properties or operations of Company.

4.8.2.6 Company acknowledges and agrees that the execution of this Agreement by City does not, in any way, constitute, nor shall the same be inferred to be, an

approval by City of any aspect of Company's proposed development project. Company must obtain all necessary approvals and satisfy all applicable statutes, laws, ordinances, rules, and regulations for the design, construction, and operation of the Store. City's execution of this Agreement does not constitute a waiver by City of any applicable laws, regulations, requirements, permits, fees, or agreements pertaining to or affecting the design, construction, and operation of the Store.

4.9 Indemnification and Defense of Agreement.

4.9.1 Company shall indemnify, hold harmless, save and defend (with counsel reasonably acceptable to City) City and its appointed and elected officials, officers, employees, agents, contractors, consultants, and representatives from and against any and all claims, demands, damage, cause of action, liens, liability, loss, damage, fines, penalties, cost and expense, including reasonable attorneys' fees, or other amounts arising out of or in connection with: (i) any challenge that this Agreement and/or any City Payment made hereunder are impermissible, improper, or illegal; (ii) any overpayment to Company or any amount that Company may owe to City hereunder; and (iii) the acts and omissions of the Parties. The foregoing shall not, however, apply to claims or actions caused by the gross negligence or intentional misconduct of City and its appointed and elected officials, officers, employees, agents, and representatives. This indemnity provision shall apply to any claim or cause of action initiated in state or federal court.

4.9.2 In addition to the foregoing, in the event that an appropriate administrative agency or court considers whether any construction performed by Company within City's boundaries constitutes a public work subject to prevailing wages and/or determines that such construction does constitute a public work subject to prevailing wages, Company shall indemnify, hold harmless and defend (with counsel reasonably acceptable to City) City and its appointed and elected officials, officers, employees, agents, contractors, consultants, and representatives against any claim for damages, compensation, fines, penalties or other amounts arising out of the failure or alleged failure of any person or entity (including Company, its contractors and subcontractors) to pay prevailing wages as required by law or to comply with the other applicable provisions of Labor Code sections 1720, et seq., and implementing regulations in connection with any other work undertaken by Company or its contractors or subcontractors in connection with the Property. The foregoing indemnity shall survive any termination of this Agreement.

4.9.3 In the event any person or entity, other than City or Company, attempts to enjoin or otherwise challenge the validity of any recital or provision of this Agreement, both City and Company agree to vigorously defend this Agreement and hereby agree that each will not take a position adverse to enforcement of this Agreement. If either City or Company is made a party to any such challenge to this Agreement, the Company will be solely responsible for any and all costs associated with the cost of the defense of such challenge in accordance with this Section 4.9, and City and its appointed and elected officials, officers, employees, agents, contractors, consultants, and representatives shall be held harmless from any costs incurred in such defense.

4.9.4 Company and City acknowledge and agree that this Agreement is solely between Company and City, and Retailer is not a party to this Agreement, is receiving no part of the City Payments or other financial assistance from City, and is not responsible for the obligations or liabilities of either Company or City hereunder. Accordingly neither Company nor City shall have any recourse against, or right of indemnity, defense or contribution from, Retailer pursuant to, in connection with, result from or arising out of the Agreement. Without limiting the generality of the foregoing, each of Company and City expressly acknowledges that it has no right to seek from Retailer any amounts subject to recapture pursuant to Section 4.2.6 of this Agreement, provided however, that nothing in this Agreement shall be deemed a waiver of any right City may have against Retailer under the Sales and Use Tax Law, independently of this Agreement.

4.10 Amendment of Agreement. Any amendment to this Agreement shall only be by written agreement signed by City and Company. Should Retailer sell the building from which the Store operates to another retailer, Company may seek an amendment to this Agreement under which Company would receive sales tax incentive payments based upon the sales tax generated for City by the new retailer; provided however, the new retailer, at a minimum, must generate the Threshold Amount per Fiscal Quarter and must satisfy the requirements of City's Sales Tax Incentive Program. City shall negotiate an amendment to this Agreement in good faith; provided however, such duty to negotiate shall not constitute an automatic approval by City of any entitlements or a waiver of any requirements or conditions that must otherwise be satisfied for the new retailer's operations at the Property.

4.11 California Law. This Agreement shall be construed and governed in accordance with the laws of the State of California.

4.12 Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

4.13 Tax Consequences. Company shall be responsible for federal, state and/or local income taxes resulting from its receipt of City Payments.

4.14 Notices and Demands. All notices or other communications required or permitted between City and Company under this Agreement shall be in writing, and may be: (i) personally delivered; (ii) sent by United States certified mail with return receipt requested; (iii) sent by telecopy; or (iv) sent by nationally recognized overnight courier service (e.g., Federal Express, UPS, , etc.), and addressed to the Parties at the addresses provided in Article 1 above, subject to the right of either Party to designate a different address for itself by notice similarly given. Any notice so given by registered or certified United States mail shall be deemed to have been received on the third (3rd) Business Day after the same is deposited in the United States mail. Any notice not so given by registered or certified mail, such as notices delivered personally or by telecopy or courier service, shall be deemed received upon actual receipt of the same by the Party to whom the notice is given.

4.15 Nonliability of City Officials and Employees. No appointed or elected official, officer, employee, agent, contractor, consultant, or representative of City shall be personally liable to Company, any voluntary or involuntary successors or assignees, or any lender or other party holding an interest in Company's property, in the event of any default or breach by City, or for any amount which may become due to Company or to its successors or assignees, or on any obligations arising under this Agreement.

4.16 Nonliability of Company Officials and Employees. No member, manager, officer, contractor, consultant, attorney or employee of Company shall be personally liable to City, any voluntary or involuntary successors or assignees in the event of any default or breach by Company, or for any amount that may become due to City or to its successors or assignees, or on any obligations arising under this Agreement.

4.17 Entire Agreement. This Agreement contains all of the terms and conditions agreed upon by the Parties. No other understanding, oral or otherwise, in direct conflict with this Agreement shall be deemed to exist or to bind any of the Parties hereto. All prior written or oral offers, counteroffers, memoranda of understanding, proposals and the like are superseded by this Agreement.

4.18 Extensions and Delays; No Excuse Due to Economic Changes. Time is of the essence in the performance of the obligations of City and Company under this Agreement. In addition to specific provisions of this Agreement providing for extensions of time, times for performance hereunder shall be extended where delays in performance are due to war, insurrection, any form of labor dispute, lockouts, riots, floods, earthquakes, fires, acts of God or of third parties, third party litigation, acts of a public enemy, acts of governmental authorities, epidemics, quarantine restrictions, and freight embargoes (collectively "**Enforced Delays**"); provided, however, that the Party claiming the extension must notify the other Party in writing of the nature of the matter causing the default; and, provided further, that the extension of time shall be only for the period of the Enforced Delays. However, deadlines for performance may not be extended as provided above due to any inability of Company to obtain or maintain financing for the design, construction, or operation of the Store or due to City's inability to make City Payments due and payable to Company. In no event shall either Party be deemed in default of this Agreement because of an Enforced Delay event.

4.19 Attorney's Fees. In the event of the bringing of an action or suit by a Party hereto against another Party hereunder by reason of any breach of any of the covenants or agreements or any intentional inaccuracies in any of the representations and warranties on the part of the other Party arising out of this Agreement or any other dispute between the Parties concerning this Agreement then, in that event, the prevailing Party in such action or dispute shall be entitled to have and recover of and from the other Party all costs and expenses of suit or claim, including actual attorneys' fees and expert witness fees. Any judgment, order or award shall contain a specific provision providing for the recovery of all costs and expenses of suit or claim, including actual attorneys' fees and expert witness fees (collectively "**Costs**") incurred in enforcing, perfecting and executing such judgment or award. For the purposes of this Section 4.19, Costs

shall include, without implied limitation, attorneys' and experts' fees, costs and expenses incurred in the following: (i) post judgment motions and appeals; (ii) contempt proceedings; (iii) garnishment, levy and debtor and third party examination; (iv) discovery; and (v) bankruptcy litigation. This Section 4.19 shall survive any termination of this Agreement.

4.20 Jurisdiction and Venue. Any legal action or proceeding concerning this Agreement shall be filed and prosecuted in the Superior Court for the County of Kings, California, if state court, or the United States District Court for the Eastern District of California, Fresno Division, if federal court. Both Parties hereto irrevocably consent to the personal jurisdiction of those courts. City and Company each hereby expressly waive the benefit of any provision of federal or state law or judicial decision providing for the filing, removal, or change of venue to any other court or jurisdiction.

4.21 Interpretation. City and Company acknowledge that this Agreement is the product of mutual arms-length negotiation and drafting and that both Parties have been represented by legal counsel in the negotiation and drafting of this Agreement. Accordingly, the rule of construction which provides that ambiguities in a document shall be construed against the drafter of that document shall have no application to the interpretation and enforcement of this Agreement. In any action or proceeding to interpret or enforce this Agreement, the finder of fact may refer to any extrinsic evidence not in direct conflict with any specific provision of this Agreement to determine and give effect to the intention of the Parties with respect to any ambiguities in this Agreement.

4.22 No Waiver. Failure to insist on any occasion upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver by any Party of such term, covenant or condition, nor shall any waiver or relinquishment of any rights or powers hereunder at any one (1) time or more times be deemed a waiver or relinquishment by any Party of such other right or power at any other time or times.

4.23 Successors and Assigns. The terms, covenants and conditions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their voluntary and involuntary successors and assigns.

4.24 No Third Party Beneficiaries. The performance of the respective obligations of City and Company under this Agreement are not intended to benefit any party other than City or Company, except as expressly provided otherwise herein. No person or entity not a signatory to this Agreement shall have any rights or causes of action against any Party to this Agreement as a result of that Party's performance or non-performance under this Agreement, except as expressly provided otherwise herein.

4.25 Warranty Against Payment of Consideration for Agreement. Company warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement. Third parties, for the purposes of this Section 4.25, shall not include persons to whom fees are paid for professional services if rendered by

attorneys, financial consultants, accountants, engineers, architects and the like when such fees are considered necessary by Company.

4.26 Severability. City and Company declare that the provisions of this Agreement are severable. If it is determined by a court of competent jurisdiction that any term, condition or provision hereof is void, voidable, or unenforceable for any reason whatsoever, then such term, condition or provision shall be severed from this Agreement and the remainder of the Agreement enforced in accordance with its terms.

4.27 Further Acts and Releases. City and Company each agrees to take such additional acts and execute such other documents as may be reasonable and necessary in the performance of their obligations hereunder.

4.28 No Pledge or Hypothecation of This Agreement. Company may not assign, transfer, encumber, or hypothecate its rights and/or obligations under this Agreement without the express written consent of City. Any unpermitted assignment, transfer, pledge, encumbrance, or hypothecation, or any attempt thereat, shall not confer any rights upon the purported assignee/transferee and shall constitute Company's immediate and incurable material default of this Agreement, and City may, without providing Company notice or opportunity to cure, exercise those remedies available to City herein.

4.29 Limitation on Liability of City; Limitation on Remedies. Except as otherwise provided herein, the liability of City under this Agreement shall be limited solely to the amount of City Payments, and in no event shall any recourse against any of the other assets of City be available to Company except where gross negligence or willful misconduct is conducted by the City, its appointed and elected officials, officers, employees, agents, contractors, consultants, and representatives.

4.30 Relationship of Parties. The Parties shall not be deemed in a relationship of partners or joint ventures by virtue of this Agreement, nor shall either Party be an agent, representative, trustee or fiduciary of the other. Neither Party shall have any authority to bind the other to any agreement.

///

///

///

///

///

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in Hanford, Kings County, California.

Pinnacle Pointe, LLC,
a California limited liability company

Dated: _____, 2014

By: _____
RICK TELEGAN
Member

Dated: _____, 2014

By: _____
LEE J. KOLLIGIAN
Member

CITY OF HANFORD

Dated: _____, 2014

By: _____
GARY PANNETT
Mayor

Exhibit "A"

The land referred to is situated in the City of Hanford, County of Kings, State of California, and is described as follows:

THE NORTHEAST QUARTER OF SECTION 32, TOWNSHIP 18 SOUTH, RANGE 22 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE CITY OF HANFORD, COUNTY OF KINGS, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT TOWNSHIP PLAT APPROVED MARCH 31, 1855; EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE STATE OF CALIFORNIA FOR HIGHWAY PURPOSES BY DEED RECORDED JANUARY 26, 1962, IN BOOK 799 AT PAGE 889, OF OFFICIAL RECORDS.

EXCEPTING THEREFROM ANY PORTION OF THE ABOVE DESCRIBED PROPERTY LYING WITH THE LAND CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED IN BOOK 570 PAGE 505 OF OFFICIAL RECORDS OF KINGS COUNTY, CALIFORNIA.

ALSO EXCEPTING THEREFROM ANY OF THE ABOVE DESCRIBED LAND LYING SOUTHERLY OF THE NORTHERLY LINE OF THAT PORTION OF SAID LAND CONVEYED TO THE STATE OF CALIFORNIA FOR HIGHWAY PURPOSES BY DEED RECORDED JANUARY 26, 1962, IN BOOK 799, AT PAGE 889, OF OFFICIAL RECORDS.

TOGETHER WITH THAT PORTION OF THE NORTHEAST QUARTER OF SAID SECTION 32, TOWNSHIP 18 SOUTH, RANGE 22 EAST, MOUNT DIABLO BASE AND MERIDIAN AS DESCRIBED IN THAT CERTAIN DEED FROM THE STATE OF CALIFORNIA TO MARY P. SILVA, A WIDOW AND OLIMPIA B. FAGUNDES, AN UNMARRIED WOMAN, AS JOINT TENANTS, RECORDED MAY 18, 1962 IN BOOK 808 AT PAGE 571 OF OFFICIAL RECORDS OF KINGS COUNTY, CALIFORNIA DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 32 WITH THE SOUTHLINE OF THE NORTH 50 FEET OF SAID SECTION 32; THENCE (1), ALONG SAID SOUTH LINE, SOUTH 89°37'22" EAST, A DISTANCE OF 1886.66 FEET; THENCE (2), SOUTH 85°03'33" EAST, A DISTANCE OF 540.44 FEET; THENCE (3) SOUTH 87°49'25" EAST, A DISTANCE OF 159.26 FEET; THENCE (4), SOUTH 4°44'49" WEST, A DISTANCE OF 20.24 FEET; THENCE (5), SOUTHERLY ALONG A TANGENT CURVE CONCAVE WESTERLY WITH A RADIUS OF 602 FEET, THROUGH AN ANGLE OF 6°47'58", AN ARC DISTANCE OF 71.44 FEET TO THE SOUTHERLY BOUNDARY OF THE LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED DECEMBER 3, 1953 IN BOOK 570 AT PAGE 505 OF OFFICIAL RECORDS OF KINGS COUNTY, CALIFORNIA; THENCE ALONG SIDE SOUTHERLY BOUNDARY, THE FOLLOWING COURSES: (6) FROM A TANGENT WHICH BEARS NORTH 40°44'06" WEST, NORTHWESTERLY ALONG A CURVE CONCAVE SOUTHWESTERLY WITH A RADIUS OF 175 FEET, THROUGH AN ANGLE OF 39°48'41", AN ARC DISTANCE OF 121.60 FEET; (7) NORTH 80°32'47" WEST, A DISTANCE OF 235.69 FEET; (8) NORTH 89°37'22" WEST, A DISTANCE OF 2167.34 FEET; (9) SOUTH 30°23'23" WEST, A DISTANCE OF 87.75 FEET TO THE WEST LINE OF SAID SECTION 32; THENCE (10), ALONG SAID WEST LINE, NORTH 0°18'36" EAST, A DISTANCE OF 128.64 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION.

ALSO TOGETHER WITH THE RIGHT TO USE THE WELL, PUMP, AND ANY CONNECTING PIPELINE TO IRRIGATE SAID LAND FROM THE LAND OWNED BY ELSIE LAVARIO, A SINGLE WOMAN NOT BEING CONVEYED TO HEREIN.

APN: 016-060-021-000

EXHIBIT “C”

(Public improvements associated with the Property’s development)

- Sidewalks along E. Lacey Blvd.
- Street lighting along E. Lacey Blvd.
- Seventy-five percent (75%) of the costs associated with the traffic signal on E. Lacey Blvd. at Property’s main entrance.
- Landscaping and hardscape within E. Lacey Blvd. median islands constructed by Company.
- Utility relocations along E. Lacey Blvd.
- Sewer and water improvements along Property’s frontage.
- Storm drainage and basin for storm water from E. Lacey Blvd.

NOTICE OF EXEMPTION 2014-10

____ Office of Planning and Research
P.O. Box 3044, Room 212
Sacramento, CA 95814-3044

From: City of Hanford
317 N. Douty Street
Hanford, CA 93230

 X County Clerk
County of Kings
Kings County Government Center
Hanford, CA 93230

Project Title: Sales Tax Sharing Agreement between the City of Hanford and Pinnacle Pointe, LLC.

Project Applicant: Pinnacle Pointe LLC

Project Location - Specific: This project sales tax sharing agreement for a future Costco proposed to be located at the southwest corner of Lacey Boulevard and State Route 43, APN 016-060-021.

Project Location – City: Hanford

Project Location – County: Kings

Description of Nature, Purpose, and Beneficiaries of Project: The project is a request for a sales tax sharing agreement to allow reimbursement of 50 percent of the City of Hanford's sales tax portion to Pinnacle Pointe LLC for a future Costco for a period of 10 years with a maximum of \$2 million.

Name of Public Agency Approving Project: City of Hanford

Name of Person or Agency Carrying Out Project: City of Hanford

Exempt Status (check one)

- ☐ Ministerial (Section 15073)
- ☐ Declared Emergency (Section 15071 (a))
- ☐ Emergency Project (Section 15071 (b) and (c))
- ☐ Categorical Exemption. State type and section number:
- ☒ Statutory Exemption. State code number: PR Sec. 15061(b)(3)

Reasons why project is exempt: The proposed project is a financing agreement and as such will not result in physical impacts to the environment, therefore it can be seen with certainty that no environmental impacts will result from the proposed project.

Lead Agency Contact Person: Darlene Mata **Telephone:** (559) 585-2582

_____ <i>Signature</i>	July 24 2014 <i>Date</i>	_____ <i>Planning Consultant Title</i>
---------------------------	-----------------------------	---

☐ Signed by Lead Agency ☐ Signed by Applicant Date received for filing at OPR: _____