



City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

**COMMUNITY AND ECONOMIC
DEVELOPMENT DEPARTMENT**

MAIN 209.831.6000
FAX 209.831.6120
www.ci.tracy.ca.us

Memorandum

DATE: December 3, 2024

TOPIC: Planning Commission Agenda Supplemental Documents

FROM: Forrest Ebbs, Community and Economic Development Director

SUBJECT: Additional documents received for the December 4, 2024 Planning Commission
Item 1.D (Tracy Costco Depot Annex Project)

The following letter was received after the publication of the agenda:

1. A letter to the City from the Project Applicant, Costco (Including attachment re: Costco Wholesale Corporation and Sierra Club settlement agreement)
 - a. Revised Project Description from the Project Applicant, Costco.

In addition, City staff recommends minor revisions to the project's conditions of approvals, which are described in the following:

2. Revised Conditions of Approval. Amendments are shown in underline/strikethrough.



11/27/24

Forrest Ebbs
City of Tracy
Community and Economic Development Department
333 Civic Center Plaza
Tracy, CA 95376

Dear Forrest,

As you are aware, the Sierra Club submitted comments in response to the Costco Tracy Depot Annex Environmental Impact Report ("EIR"). Given Costco's strong commitment to sustainability, we embarked upon extensive and productive negotiations with the Sierra Club concerning its concerns and suggestions. As a result, Costco and the Sierra Club have entered into a settlement agreement concerning our project. For your information and the City's records, the fully executed settlement agreement is attached to this letter.

In the settlement agreement, Costco commits to two sets of Enhanced Measures. The first set entails Enhanced Measures that Costco has previously requested in writing that the City include as mitigation measures within the EIR. We expect that the Final EIR will therefore include such measures, most of which were also discussed with the City's Environmental Sustainability Commission during the Draft EIR public hearing.

The second set of Enhanced Measures are ones to which Costco has contractually bound itself to the Sierra Club to implement as part of the project. In order to cement Costco's commitment to these measures and per the settlement agreement terms, Costco has revised the Project Description element of our application to reflect such measures being part of our project. The Project Description has also been updated to reflect the revisions and refinements that have been made to the project since our application was originally submitted. Our updated and revised Project Description is attached.

Costco is very pleased to have reached this milestone. We look forward to the upcoming public hearings on the EIR and project entitlements. Please do not hesitate to contact me with any questions.

Regards,

A handwritten signature in black ink that reads "Christine Lasley".

Christine Lasley
Director, Real Estate Development

Cc: Scott Claar, Genevieve Federighi, Teresa Jones, Dave Messner, Eric Orren, Margaret McCulla

Enc (2)

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release of All Claims (“Agreement”) is entered into by and between the Sierra Club, a California nonprofit public benefit association, and the Delta-Sierra Group (collectively, “Sierra Club”), and Costco Wholesale Corporation (“Developer”), (collectively referred to as “Parties” or singularly “Party”), to terminate fully and finally all disputes concerning the matters set forth below.

RECITALS

WHEREAS, Developer proposes to develop an approximately 105-acre warehouse facility commonly known as the Tracy Costco Depot Annex (the “Project”) for light industrial land uses within the City of Tracy. The conceptual site plan proposes construction and operation of 1,736,724 square feet of warehouse space in two warehouse buildings, an employee parking lot with 576 parking stalls, approximately 600 truck and trailer parking stalls, and related infrastructure. Developer has applied to the City of Tracy (“City”) for the following project approvals: (1) adoption of a Resolution certifying the Tracy Costco Annex Environmental Impact Report (SCH #2020080531) (“EIR”), including a Statement of Overriding Considerations, and adoption of a Mitigation Monitoring and Reporting Program (“MMRP”); (2) pre-zoning of the property to M-1; (3) annexation of the Project site into the City; (4) approval of building design, landscaping, and other site features; and (5) building, grading, and other permits necessary for project construction ((1) through (5), collectively, the “Project Approvals”); and

WHEREAS, the Sierra Club submitted comments on the EIR requesting that additional air quality and other mitigation measures be included in the EIR and MMRP for the Project; and

WHEREAS, the Parties wish to resolve fully and finally all disputes that may exist between the Parties concerning the Project Approvals.

NOW, THEREFORE, based upon the foregoing recitals and the terms, conditions, covenants, and agreements contained above and incorporated in full below, the Parties agree as follows:

AGREEMENT

For good and valuable consideration, the receipt of which is acknowledged by each Party hereto, the Parties promise and agree as follows:

1. If the City approves the Project, and the certified EIR and adopted MMRP include all of the Mitigation Measures in Part I of the attached Tracy Costco Depot Annex Project Enhanced Measures (Attachment A), and Developer submits to the City an amended Project Statement stating that the Project includes all of the Enhanced Measures in Part II of the attached Tracy Costco Depot Annex Project Enhanced Measures, then neither the Sierra Club nor any of its affiliates will, now or in the future, file or submit any petitions, complaints, claims, grievances, special proceedings or any other actions against the City or Developer with any state, federal, or local agency or court challenging the Project Approvals or the proposed annexation of the Project site into the City. If the Sierra Club or an affiliate of the Sierra Club makes any claim against any of the Project Approvals or

the proposed annexation of the Project site into the City in violation of this Section 1, such violation shall constitute a breach of this Agreement by the Sierra Club.

2. In connection with the development of the Project, Developer agrees to comply with both Parts I and II of the Tracy Depot Annex Project Enhanced Measures set forth in Attachment A and will comply with all applicable City building code requirements.
3. Provided that no claim has been initiated by the Sierra Club or any of its affiliates, Developer shall reimburse Sierra Club \$73,463.00 for Sierra Club's attorney's fees and costs incurred in the administrative phase of the Project Approvals. Payment shall be made to the Shute, Mihaly & Weinberger LLP trust account. Developer shall make this payment within ten (10) days of the expiration of the statute of limitations set forth in Section 21167 of the Public Resources Code applicable to actions or proceedings to attack, review, set aside, void, or annul the City of Tracy's determination of CEQA compliance for the Project Approvals, or within 90 days of the date this Agreement is fully executed, whichever is later.
4. This Agreement shall be effective and binding upon the Parties upon the execution of this Agreement by all parties.
5. Miscellaneous.
 - a. Exclusive Remedies. The Parties' sole and exclusive remedy for breach of this Agreement shall be an action for specific performance or injunction. In no event shall any Party be entitled to monetary damages for breach of this Agreement. In addition, no legal action for specific performance or injunction shall be brought or maintained until: (a) the non-breaching Party provides written notice to the breaching Party which explains with particularity the nature of the claimed breach, and (b) within thirty (30) days after receipt of said notice, the breaching Party fails to cure the claimed breach or, in the case of a claimed breach which cannot be reasonably remedied within a thirty (30) day period, the breaching Party fails to commence to cure the claimed breach within such thirty (30) day period, and thereafter diligently completes the activities reasonably necessary to remedy the claimed breach.
 - b. Notices. All notices and other communications required to be provided pursuant to this Agreement shall be by electronic mail and by first class mail to the following persons at the following addresses:

SIERRA CLUB:

Margo Praus
Delta-Sierra Group
P.O. Box 9258
Stockton, CA 95208
margopraus@msn.com

with copy to:

Sierra Club
Aaron Isherwood, Coordinating Attorney
2101 Webster St., Suite 1300
Oakland, CA 94612
aaron.isherwood@sierraclub.org

with copy to:

Shute, Mihaly & Weinberger LLP
Heather Minner
396 Hayes Street
San Francisco, CA 94102
minner@smwlaw.com

COSTCO:

Costco Wholesale Corporation
Alice Truong
999 Lake Dr., Suite 200
Issaquah, WA 98027
altruong@costco.com
(location # 1731/1732)

with copy to:

Anna Shimko
Burke, Williams & Sorensen, LLP
1 California St. Suite 3050
San Francisco, CA 94111
ashimko@bwslaw.com

- c. **Binding on Successors.** The terms, covenants, and conditions of this Agreement shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective Parties. Developer shall record a copy of this Agreement against the Property. Developer will provide a copy of the recorded Agreement to Sierra Club within fifteen (15) days of such recording. The Parties shall give notice to all other Parties of any successor or assign of the Party.
- d. **Non-Admission of Liability.** The Parties acknowledge and agree that this Agreement is a settlement of disputed claims. Neither the fact that the Parties have settled nor the terms of this Agreement shall be construed in any manner as an admission of any liability by any Party.
- e. **Assistance of Counsel.** Each Party specifically represents that it has consulted to its satisfaction with and received independent advice from its respective counsel

prior to executing this Agreement concerning the terms and conditions of this Agreement.

- f. Waiver. Failure to insist on compliance with any term, covenant or condition contained in this Agreement shall not be deemed a waiver of that term, covenant or condition, nor shall any waiver or relinquishment of any right or power contained in this Agreement at any one time or more times be deemed a waiver or relinquishment of any right or power at any other time or times.
- g. Severability. Should any portion, word, clause, phrase, sentence or paragraph of this Agreement be declared void or unenforceable, such portion shall be considered independent and severable from the remainder, the validity of which shall remain unaffected.
- h. Governing Law and Venue. This Agreement is made and entered into in the State of California, and shall in all respects be interpreted, enforced and governed under the laws of said State without giving effect to conflicts of laws principles. Any action to enforce, invalidate, or interpret any provision of this Agreement shall be brought in San Joaquin County Superior Court.
- i. Entire Agreement. This Agreement constitutes the entire agreement between the Parties who have executed it and supersedes any and all other agreements, understandings, negotiations, or discussions, either oral or in writing, express or implied between the Parties to this Agreement. No representation, inducement, promise, agreement or warranty not contained in this Agreement, including, but not limited to, any purported supplements, modifications, waivers, or terminations of this Agreement shall be valid or binding, unless executed in writing by all of the Parties to this Agreement.
- j. Each of the signatories hereto represents and warrants that he or she is competent and authorized to enter into this Agreement on behalf of the Party for whom he or she purports to sign.
- k. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered an original but all of which shall constitute one agreement.

[SIGNATURES COMMENCE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned execute this Settlement Agreement and Release, and hereby agree to all terms and conditions herein, on the dates set forth below.

SIERRA CLUB

By: Margo Praus

Name: Margo Praus

Its: Chair, Delta-Sierra Group

Date: 11/8/2024

COSTCO WHOLESALE

By: Teresa Jones

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Name: Teresa Jones

Its: Executive Vice President of Depots & Traffic

Date: 11/14/2024

Attachment A: Tracy Costco Depot Annex Project Enhanced Measures

Attachment A: Tracy Costco Depot Annex Project
Enhanced Measures

Part I

<p>EM-1: Renewable Power: The Project applicant shall supply 100% of project electricity demand from renewable sources. The Project applicant shall procure power from a combination of onsite solar generation and direct source renewable purchased energy; however, at no time shall the Project site be supplied with any greater than 3.4 megawatts of direct source renewable purchased energy. Upon project opening, the Project applicant shall generate at least 3.8 megawatts of renewable electricity from solar facilities located on site. Such facilities may include solar photovoltaic panels on the roofs of the buildings or elsewhere on site (e.g., awnings, canopies or “solar trees” in parking area). The Project shall be designed and constructed to allow future expansion of solar facilities on site as electricity demand increases. The Project applicant shall, as part of the solar microgrid, install a battery storage system with enough capacity to power the project’s basic building functions for 48 hours.</p>
<p>EM-2: Indirect Source Review: The Project Applicant shall comply with SIVAPCD Rule 9510 (Indirect Source Review) to reduce growth in both NOx and PM10 emissions.</p>
<p>EM-3: Architectural Coatings: The Project applicant shall ensure that construction plans require that architectural and industrial maintenance coatings (e.g., paints) applied on the Project site shall be consistent with a VOC content of <50 g/L. However, the Project applicant shall not be expected to exercise control over materials painted offsite by a third party.</p>
<p>EM-4: SIVAPCD Regulation VIII Compliance: The Project Applicant shall, during construction, install signage on any unpaved primary construction accessways onsite on the project site to limit vehicle speeds to no more than 15 mph. The Project Applicant shall comply with SIVAPCD Regulation VIII (fugitive dust rule).</p>
<p>EM-5: Construction Meal Destinations: Project construction plans and specifications shall require the contractor to establish one or more locations for food or catering truck service to construction workers and to cooperate with food service providers to provide food service in a consistent manner.</p>
<p>EM-6: Zero Emission Forklifts, Yard Trucks and Yard Equipment: The Project Applicant shall ensure that all exclusively on-site vehicles owned and operated by Costco (i.e., forklifts, yard boats, pallet jacks, scissor lifts, etc.) shall be electric or zero-emission vehicles, and shall provide on-site electrical charging facilities to adequately service such electric vehicles.</p>
<p>EM-7: Truck Idling Restrictions: The Project Applicant shall take reasonable measures to restrict truck idling (during construction and operation) onsite to a maximum of two minutes, and in no instance shall idling exceed five minutes. To achieve this limit, (a) trucks owned or operated by Costco that access the project site must be equipped with engine idle shutdown timers and (b) developer will inform drivers and operators of idling time limits by including highly visible signage at key points onsite, such as at docks and delivery areas. The Project Applicant shall train managers and employees on efficient scheduling and load management to minimize queuing and idling of trucks.</p>
<p>EM-8: Electric Charging: The Project Applicant shall provide electrical outlets for charging of employee e-bikes. The Project Applicant shall install conduit as infrastructure for electric vehicle charging stations onsite to allow for the Project to serve electric trucks in the future. Such conduit shall be provided on the site to serve 50% of the number of truck docking stations, with the location of conduit at the discretion of the developer (e.g., truck trailer parking spaces or other locations). The Project Applicant shall ensure that sufficient electric vehicle charging stations are installed when necessary to serve the charging demands of electric trucks and vehicles domiciled at the Project site.</p>
<p>EM-9: Project Operations, Food Service: The Project Applicant shall provide food and drink service for sale onsite to provide meal options to operations employees in a consistent manner.</p>

Attachment A: Tracy Costco Depot Annex Project
Enhanced Measures

EM-10: Project Operations, Employee Trip Reduction: The Project applicant shall implement feasible Transportation Demand Management (TDM) strategies, which would decrease the VMT generated by the Project by 15 percent. Specific potential TDM strategies include, but are not limited to, the following:

- Emergency Ride Home (ERH) Program
- Existing, Agency-Run Employee Rideshare Program
- Employee Ride-Share Messaging and Promotion
- Designated Parking Spaces for Car Share Vehicles
- City Minimum or Fewer Parking Stalls
- Bicycle Parking at Front Entrance of Buildings: Secure, and Indoors or Covered
- Electrical Outlets for E-Bike Charging
- Lockers and Showers for Employees
- Onsite Food and Drink Service for Sale for Employees
- Enhanced Pedestrian Crossing Treatment within Site

The TDM Plan shall be submitted to the City for review, and the effectiveness of the TDM Plan shall be evaluated, monitored, and revised, if determined necessary by the City. The TDM Plan shall include the TDM strategies that will be implemented during the lifetime of the proposed Project and shall outline the anticipated effectiveness of the strategies. The effectiveness of the TDM Plan may be monitored through annual surveys to determine employee travel mode split and travel distance for home-based work trips, and/or the implementation of technology to determine the amount of traffic generated by and home-based work miles traveled by employees, which shall be determined in coordination with the City. Additionally, should the initial TDM Plan submitted to the City for review be projected to fall short of achieving a 15 percent decrease in VMT, the Project applicant shall pay any VMT banking fee in effect at the time of building permit issuance to secure VMT credits of a total of 15 percent for the subject building, taking into account the stated percent efficacy for the TDM measures above. Should the initial TDM Plan submitted to the City for review be projected to fall short of achieving a 15 percent decrease in VMT and a VMT banking fee is not in effect at the time of building permit issuance, the Project applicant shall make a one-time contribution to the City of Tracy transit service provider, TRACER, equal to the amount that would be calculated using the City's draft VMT banking fee of \$633.11 per VMT, as documented in the Transportation and Circulation section of the Draft EIR, to enable opportunity of transit services that would benefit the Tracy community in perpetuity and overcome the TDM Plan's shortfall in projected VMT reduction

EM-11: Yard Sweeping: The Project Applicant shall devise and implement a property maintenance plan prior to project operation that includes sweeping parking lots regularly to remove road dust, tire wear, brake dust, and other contaminants.

EM-12: Diesel Generators: The Project Applicant shall ensure that diesel generators shall not be used on site during project operations, except in emergency situations, in which case such generators shall have Best Available Control Technology (BACT) that meets CARB's final Tier IV emission standards.

Attachment A: Tracy Costco Depot Annex Project
Enhanced Measures

Part II

EM-A: Construction Worker Trip Reduction: Project construction plans and specifications will require contractor to provide transit and ridesharing information for construction workers.

EM-B: Zero Emission Heavy-Duty Trucks: The following mitigation measures shall be implemented during all on-going business operations and shall be included as part of contractual lease agreement language, if the facility is leased in the future, to ensure the tenants/lessees are informed of all on-going operational responsibilities. The property owner/operator/tenant/lessee shall ensure that 72% of all heavy-duty (Class 7 and 8) truck trips transporting goods from the Direct Delivery Center warehouse facility on the project site to the Market Delivery Operations facilities (that 72% being the "MDO Trips") are model year 2014 or later from start of operations and shall expedite a transition to zero-emission vehicles, with the fleet making MDO Trips fully zero-emission by December 31, 2027 or when commercially available for the intended application, whichever date is later. The property owner/operator/tenant/lessee shall ensure that 100% of all heavy-duty (Class 7 and 8) truck trips originating on the project site to move goods between the project site and the existing Costco Tracy Depot are zero-emission at the start of operations.

A zero-emission vehicle shall ordinarily be considered commercially available if the vehicle is capable of serving the intended purpose and is included in California's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project, <https://californiahvip.org/>, or listed as available in the US on the Global Commercial Vehicle Drive to Zero inventory, <https://globaldrivetozero.org/>. In order for such vehicles to be considered commercially unavailable, at least three (3) months prior to the deadline above, the operator must secure documentation from a minimum of three (3) EV dealers identified on the californiahvip.org website demonstrating the inability to obtain the required EVs or equipment needed within 6 months.

In addition to the obligations above, the property owner/operator/tenant/lessee shall ensure that, regardless of commercial availability determinations, a minimum of the following percentages of heavy-duty trucks (Class 7 and 8) making MDO Trips shall be zero-emission vehicles: 10% by December 31, 2027; 25% by December 31, 2030; 50% by December 31, 2033; 75% by December 31, 2036; and 100% by December 31, 2039.

Zero-emission heavy-duty trucks which require service can be temporarily replaced with model year 2014 or later trucks. Replacement trucks shall be used for only the minimum time required for servicing fleet trucks.

EM-C: Zero Emission Vehicles: The property owner/tenant/lessee shall utilize a "clean fleet" of vehicles/delivery vans/trucks (Class 2 through 6) as part of business operations as follows: For any vehicle (Class 2 through 6) owned by the property owner/tenant/lessee that travels to and from the project site, the following "clean fleet" requirements apply: (i) 65% of the fleet will be zero emission vehicles at start of operations, (ii) 80% of the fleet will be zero emission vehicles by December 31, 2025, and (iv) 100% of the fleet will be zero emission vehicles by December 31, 2027.

Attachment A: Tracy Costco Depot Annex Project
Enhanced Measures

Zero-emission vehicles which require service can be temporarily replaced with alternate vehicles. Replacement vehicles shall be used for only the minimum time required for servicing fleet vehicles.

The property owner/tenant/lessee shall not be responsible to meet "clean fleet" requirements for vehicles used by common carriers operating under their own authority that provide delivery services to or from the project site.

EM-D: Compliance Report: For the first five (5) years following project approval, the Operator of the warehouse facilities shall submit to the Sierra Club an annual compliance report within 30 days of December 31 each year addressing compliance with EM-B and EM-C. If the Sierra Club asks the Operator any clarifying questions or requests, the Operator shall respond to such inquiry in writing within thirty (30) days. If the Operator has not fully complied with EM-B within 5 years, the Operator shall submit a compliance report to the Sierra Club within 30 days of December 31, 2030, 2033, 2036, and 2039. Once the Operator has fully complied with EM-B or EM-C by transitioning to 100% zero-emission vehicles, no further reporting for that measure shall be required.

Prior to receipt of a final certificate of occupancy for each of the two phases of the Project (DDC building and Annex building), Developer will submit to the Sierra Club a report demonstrating compliance with all applicable measures in the MMRP and in this Attachment A. Developer will endeavor to provide the Sierra Club with at least thirty (30) days prior notice in advance of submitting the reports. If the Sierra Club asks the Developer any clarifying questions or requests, the Developer shall respond to such inquiry in writing within thirty (30) days.

EM-E: Lease Agreements and Future Owners: Any tenant lease agreements for the project site shall include a provision requiring the tenant/lessee to comply with all applicable requirements of the MMRP, a copy of which shall be attached to each tenant/lease agreement. All obligations of the Project Applicant in these Tracy Costco Depot Annex Enhancement Measures shall apply to any future owner or operator of the Project.

EM-F: SmartWay Program: Owners, operators or tenants shall enroll and participate in the SmartWay program for eligible businesses, which is a voluntary public-private program developed by the US EPA that provides a system for tracking, documenting and sharing information about fuel use and freight emissions across supply chains and helps companies identify and select more efficient carriers, transportation modes, and equipment; this requirement shall apply to vehicles owned and controlled by the Project owners, operators or tenants.

EM-G: Designated Smoking Areas: Owners, operators or tenants shall ensure that any outdoor areas allowing smoking are at least 25 feet from the nearest property line.

EM-H: Building Codes: Project construction shall be subject to all applicable City building codes, including the adopted Green Building Standards Code. Prior to the issuance of building permits, the applicant/developer shall demonstrate (e.g., provide building plans) that the proposed buildings are designed and will be built to, at a minimum, meet the Nonresidential Voluntary Measures of the applicable California Green Building Standards code, Divisions A5.1, 5.2 and 5.5, including but not limited to the Tier 2 standards in those Divisions, where applicable; provided, however, that the Tier 2 standards relating to the electric vehicle parking space requirements (e.g., CalGreen sections A5.106.5.1.2, A5.106.5.3.3, and A5.106.5.3.4) shall not pertain. Instead, Buildings 1 and 2 of the Project shall meet at least the July 2022 Green Building Standards Code mandatory requirements (effective January 1, 2023, or the requirements of a later version of the Green Building Standards Code, if applicable) for the number of employee and visitor parking stalls that shall be wired for electric vehicle charging (i.e., EV capable spaces) and that shall be active EV charging parking spaces (i.e., spaces supplied with EV Supply Equipment) upon the start of operation. Signage shall be installed at the parking stalls with EV wiring that are not active at the start of operation to indicate that such parking spaces will be converted to EV

Attachment A: Tracy Costco Depot Annex Project
Enhanced Measures

spaces once there is demand for such EV spaces. Beginning upon operation of the first building constructed and ending upon five (5) years after the completion of construction of the second building, the Project Applicant shall annually survey employees on their EV charging interest and demands and accommodate demand with additional EV charging equipment to meet demand.

EM-I: Agricultural Lands: The project shall comply with the requirements of the City's Agricultural Lands Mitigation Program.

Updated and Revised Project Description

November 22, 2024

Tracy Costco Depot Annex 16000 West Schulte Road Tracy, California

Applicant **Costco Wholesale**
 999 Lake Drive
 Issaquah, WA 98027
 Attn: Christine Lasley
 (425) 416-5096

Contact Person **David Babcock & Associates**
 3581 Mt. Diablo Blvd., Suite 235
 Lafayette, CA 94549
 Attn: Jeff Berberich
 (925) 283-5070

Site Information

Project Location: **16000 West Schulte Road**
 Tracy, CA

Assessor Parcel Number: **2019-230-020**

Site Area: **± 104.46 gross acres**

Current Zoning: **None (City)**
 AG-40 General Agriculture 40-acres (County)

Current General Plan Designation: **Industrial (City)**
 Agricultural/Urban Reserve (County)

Proposed Zoning: **Light Industrial M-1 (City)**

Proposed Use: **Warehousing, storage, and distribution, together with accessory uses and structures.**

Project Proposal

1. The project site is located within unincorporated San Joaquin County, within the City of Tracy's Sphere of Influence (SOI), adjacent to the current city limits boundary.
2. The physical project is anticipated to include the construction and operation of two Costco warehouse and distribution buildings totaling approximately 1,736,724 square feet, with 576 employee and guest vehicle parking stalls as required by City Zoning Code, and 600 truck parking stalls although typically only approximately 100 trucks and 300 trailers would be parked on site at any given time.
3. Entitlements for the project will include:
 - a. Pre-zoning of the property to the City's Light Industrial M-1 designation;
 - b. Annexation of the project site into the City (also requires LACFO approval);
 - c. Development review permit for building design, landscaping, and other site features; and
 - d. Building, grading, and other permits as necessary for project construction.

It is anticipated that review of the environmental impacts of the project pursuant to the California Environmental Quality Act ("CEQA") will be in the form of an Environmental Impact Report.

4. The project is anticipated to be developed in two phases.

COSTCO PROJECT DESCRIPTION:

Costco Depot Site Plan

Two warehouse buildings would be constructed, including small areas of administrative and office uses located at the far northern portion of each building along West Schulte Road. Building 1 (also referred to as the "Annex Building") would consist of 543,526 square feet, and Building 2 (also referred to as the "Direct Delivery Center" or "DDC") would consist of 1,193,198 square feet with the warehousing and truck dock doors located at the center and southern portion of the buildings further back from West Schulte Road. Entries to the office and administrative uses would be oriented towards the north to provide security for the uses further south on the site and to also focus the main architectural design elements along the main street frontage.

The parking lot design along West Schulte has incorporated a 30' landscape buffer consistent with the Cordes Ranch Specific Plan Area, which is across West Schulte Road from the project site to the north. A 10' to 20' minimum landscape setback has been incorporated around the perimeter of the project site to provide screening of the buildings and dock doors by landscaping. Access to the buildings would be via three access points along West Schulte Road. The main entry would be located at the center of the site, at the signalized intersection with Bud Lyons Way. This main driveway access would allow for full turning movements in and out of the project site. The employee and guest parking is accessed to the east of Bud Lyons Way and would be a right in/out driveway only. The primary truck entrance is located at the eastern property line with a proposed new traffic signal to allow full turning movements. An ADA-compliant accessible pedestrian pathway would extend from the new warehouse buildings to the northern property boundary, where it would connect with West Schulte Road.

574 employee and guest parking stalls would be provided on the site, which meets but does not exceed the required City of Tracy parking requirement of 574 stalls. The project would provide standard parking stalls of 9' x 18' that also meet the City of Tracy standards. Trailer parking is provided at the perimeter of the project to provide for storage of trucks and trailers.

The project includes solar panels that will be installed on the roofs of the buildings and on structures within the parking and circulation areas around each building and along West Schulte

Road. Shade calculations have been prepared which show compliance with both CalGreen and the City of Tracy requirements.

The first phase of solar improvements will be installed on the roof and within the parking and circulation areas of the DDC building (Building 2) and will generate a minimum of 3.8 MW of electricity upon the beginning of operations. Installation of additional solar panels will occur with construction of the Annex building (Building 1) and it is anticipated that installation of solar panels and support structures, as well as battery storage equipment, will continue to increase and be phased to correlate with energy demand, expecting that demand will increase as the use of EV trucks and cars increases.

The parking lot and truck and trailer parking areas would be illuminated with standard downward pointing lights, each containing two LED fixtures affixed to a 38' foot light pole. The lighting fixtures would be of a "shoe-box" style. Parking lot light standards would be designed to provide even light distribution for vehicle and pedestrian safety as well as security for the warehouse. Lighting fixtures also would be located on the building approximately every 40 feet around the exterior of the building to provide safety and security.

Costco Warehouse Architecture

The proposed warehouse design is contemporary and uses a variety of massing and appropriate materials for the scale of the building. Architectural metal with varied textures and horizontal and vertical orientations would be used, while varying parapet cap heights would break up the long elevations both horizontally and vertically in order to conceal rooftop-mounted mechanical equipment. The proposed color palette is composed of warm natural earth tones, which would relate to the nearby Cordes Ranch development. These techniques of breaking a long elevation into smaller elements with varied materials and colors would create architecturally interesting warehouse buildings while minimizing the visual impact of the large-scale structures.

Costco Depot Landscape Plan

The landscape plan includes a mix of drought-tolerant shrubs and grasses, and a variety of shade trees would be used throughout the parking field and along the project perimeter that are appropriate for the climate in Tracy. The landscape design and plant palette will complement the existing development and streetscape planting established by the International Park of Commerce within the Cordes Ranch Specific Plan Area to the north. Tree planting within the parking area and adjacent to the solar structures together with the solar structures/panels themselves will provide the required shading to meet both City Code and CalGreen requirements. Three treatment planters are shown on the site plan spaced evenly along the north portion of the site to provide for detention and water quality treatment of the storm water runoff generated by the project. The features will be landscaped with a variety of grasses and oak trees per the preliminary landscape plan.

Costco Operations

The Project would include the construction and subsequent operation of two warehouse buildings that would serve as an annex to the existing Costco Depot located approximately 1.5-miles to the west of the Project and as a DDC. The two buildings (approximately 543,526 sf for Building 1 and 1,193,198 sf for Building 2) total approximately 1,736,724 sf on the Project site. The smaller Building 1 is anticipated to serve as the Annex by providing additional storage for high-turnover merchandise processed through the nearby Costco Depot, a pallet repair facility, and a return to vendor facility for large items returned to a Costco warehouse. The larger Building 2 is anticipated to serve as a Direct Delivery Center - an ecommerce distribution center primarily for large and bulky items ordered online by Costco members for direct delivery to customers through Market Delivery Operations located in

various smaller cities in the Northern California region. The Tracy Costco Depot would operate 24 hours per day, seven days per week to provide support to Costco's retail warehouse facilities in northern California and to distribute large goods for delivery to Costco members. Costco anticipates that an average of about 100 trucks and 300 trailers would be parked on site, with the typical truck size being approximately 70 feet long for double-axle trailers, but a total of 600 truck parking stalls will be provided for occasional atypical overflow conditions.

Costco Employment

The project is anticipated to generate approximately 400 jobs during the construction phase and approximately 150 - 250 full-time jobs once operational. Costco offers competitive wages above the minimum typically offered for similar positions and provides benefits to its employees, promoting long-term employment and opportunities for career advancement.

Project Construction

Construction is expected to occur in two phases. Initial construction will include Building 2, the DDC building. The second phase of construction will include Building 1 and is anticipated to commence shortly after the completion of Building 2, depending on business conditions and business needs. Construction duration for Building 2 is anticipated to be 12 to 18 months. Building 1 construction duration is expected to be a similar duration.

Costco Project Sustainability Measures

In an effort to reduce energy consumption and promote sustainability, the proposed Project would incorporate many energy saving measures during both construction and operation of the facility. Solar panels will be installed on the roofs of the buildings and within the parking and circulation areas around each building to produce clean power and battery storage equipment will be utilized to store that energy for use onsite.

Below are some of the significant practices that Costco would incorporate into the project buildings and overall operations that help reduce emissions and conserve energy and other natural resources:

Construction

- Costco will use Tier IV-compliant engines or better for all off-road construction vehicles/equipment.
- Through the use of construction worker training and/or signage, Costco will limit heavy duty construction equipment idling to no more than 2 minutes, and in no instance shall such idling exceed 5 minutes, and will maintain vehicle speeds on unpaved roads to < 15 mph.
- Electric hookups will be provided to reduce the need for diesel generators for electric construction equipment and, should diesel generators be needed, all such diesel generators will be equipped with emission control technology verified by EPA and/or CARB to reduce PM emissions by a minimum of 85%.
- All construction diesel hauling trucks will be model year 2010 or later.
- Costco will provide on-site meal options for construction workers.

Site

- A substantial amount of the proposed plant material for new facilities will be native and drought tolerant and will use less water than other common species. Site perimeter and parking lot landscaping will provide vegetated buffers that will include trees, tree canopies and other vegetation.

- Irrigation systems for new facilities include the use of deep root watering bubblers for parking lot trees to minimize water usage and ensure that water goes directly to the intended planting areas.
- Storm water management plans are designed to maintain quality control and storm water discharge rates based on the City's requirements.
- Parking lot lights are designed at 38' in height to provide even light distribution and utilize less energy compared to a greater number of fixtures at lower heights. LED lamps are used to provide a higher level of perceived brightness with less energy than other lamps such as high-pressure sodium.
- Dust, tire wear, brake dust and other parking lot contaminants will be minimized through regular sweeping/cleaning of parking lots.
- The project will provide no more parking spaces than the minimum required by the City (or less if authorized by the City and feasible for project operations) to encourage car-pooling and high-occupancy vehicle use.
- Costco will install Electric Vehicle (EV) capable (i.e., pre-wired) parking spaces as well as parking stalls with active EV charging stations per the California Building Code.

Building

- New and renewable building materials are typically extracted and manufactured within the region. Materials such as concrete and concrete masonry units will be purchased local to the project, minimizing the transport distances and resultant effects to road networks and regional air quality.
- Main building structures are comprised of pre-engineered systems that use 80% recycled steel. These pre-manufactured building components include structural framing and architectural metal wall and roof panels. These materials are shop finished, maximizing spans, and minimizing structure and waste during the construction process, reducing the overall construction duration.
- Solar PV panels will be installed on the roof of the buildings and/or elsewhere on site (e.g., awnings or canopies in parking areas) to generate approximately 3.8 MW of renewable electricity for use on site. Batteries will also be installed to store some of that electricity for on-site energy needs.
- To the extent they do not conflict with the proposed rooftop solar PV panels, all building roofs will maintain a reflectance rating of .68, emittance of .25 and Solar Reflectance Index of 63, lessening heat gain. Reflective cool roof materials are used to lower heat absorption, subsequently lowering energy requirements during the hot summer months. This roofing material meets the requirements for the EPA's Energy Star energy efficiency program. Building management systems monitor performance and energy usage of HVAC systems.
- HVAC comfort systems are controlled by a computerized building management system to maximize efficiency. Costco's HVAC units are high efficiency direct ducted units. Costco completely phased out the use of HCFCs in its HVAC units, long before the Montreal Protocol timeline.
- Mechanical systems are site specifically commissioned and designed and field tested to ensure that the HVAC systems are performing to the high efficiency standards. HVAC systems will be all-electric and will use High Efficiency Particulate Air (HEPA) filters.
- Electric charging infrastructure will be installed on the property to facilitate the conversion of the truck fleet to zero-emission electric trucks as they become available in the market and used for truck deliveries to and from the facility.
- Pre-manufactured insulated architectural metal walls meet or exceed current energy code requirements. Building heat absorption is further reduced by a decrease in the thermal mass

- of the metal wall when compared to a typical masonry block wall. Insulated architectural metal wall panels contain approximately 76 percent of recycled material.
- High-efficiency restroom fixtures are used, which conserves water by achieving a 40% decrease over U.S. standards.
- Energy efficient transformers (i.e., Square D Type EE transformers) are used.
- To the extent emergency back-up diesel generators are needed, only Tier IV diesel generator engines will be used.
- Overall, the site's building energy efficiency will exceed Title 24 Building Envelope Energy Efficiency Standards by at least 1%.
- All appliances to be installed will meet or exceed Title 24 requirements.
- All building coatings and paints will be low-VOC coatings.
- Variable speed motors will be used on make-up air units and booster pumps.
- Gas water heaters will be direct vent and 94% efficient or greater.
- Construction waste will be recycled whenever possible.
- Lighting systems are designed with employee controllability in mind. Lighting is controlled by timers, but over-ride switches are provided for employee use.

Operations

- Deliveries are made in full trucks whenever feasible.
- The facility will not be designed for or include refrigerated cold storage; thus, no TRUs will be used at the facility.
- Delivery trucks will be model year 2010 or newer and use ultra-low sulfur diesel fuel (ULSD) or biodiesel blend with sulfur content of 15 ppm or less.
- Costco trucks will be equipped with engine idle shut off timers and appropriate training will be provided and signage will be installed to ensure that all truck idling is limited to a maximum of two minutes.
- All exclusively onsite vehicles (i.e., forklifts, yard goats, pallet jacks, etc.) will be electric or zero-emission vehicles.
- Costco will train managers and employees on efficient scheduling and load management and provide signage at docks, delivery areas and along truck routes to facilitate traffic efficiency and minimize queuing and limit idling.
- This project's warehouse space will provide the existing nearby Tracy Depot distribution facilities with increased capacity and storage of products and Costco will relocate key DDC depot operations from its existing Stockton location to this facility to maximize efficiency and minimize miles traveled for delivery.
- Costco has been an active user of recycled content in packaging for many years and continues to increase its use of recycled content.
- Costco will provide a separate employee parking area accessible by its own curb cut entry and will provide a clearly-delineated, separate pedestrian pathway for employees connecting project buildings to the employee parking area and such pathway will include a lit crosswalk with flashing indicator lights where the path crosses vehicle routes.
- Bicycle parking will be provided in the employee parking lot and at the front entry of each building.
- Costco will participate in and offer all employees the opportunity to make use of a ride share program.
- Costco will provide on-site meal options for employees (e.g., micro market vending machines that offer drink and food for sale to employees) to minimize off-site employee trips during shifts.

- Building organic waste (i.e., green waste, wood waste, food waste and fibers such as paper and cardboard) will be recycled to the maximum extent possible and in full compliance with Senate Bill 1383.

Additional Project Sustainability Measures

Costco has consulted with the Sierra Club, which submitted comments on the Environmental Impact Report for the project and, as a result, Costco includes as project features the following additional sustainability measures:

- Construction Worker Trip Reduction: Project construction plans and specifications will require contractor to provide transit and ridesharing information for construction workers.
- Zero Emission Heavy-Duty Trucks: The following mitigation measures shall be implemented during all on-going business operations and shall be included as part of contractual lease agreement language, if the facility is leased in the future, to ensure the tenants/lessees are informed of all on-going operational responsibilities.

The property owner/operator/tenant/lessee shall ensure that 72% of all heavy-duty (Class 7 and 8) truck trips transporting goods from the Direct Delivery Center warehouse facility on the project site to the Market Delivery Operations facilities (that 72% being the "MDO Trips") are model year 2014 or later from start of operations and shall expedite a transition to zero-emission vehicles, with the fleet making MDO Trips fully zero-emission by December 31, 2027 or when commercially available for the intended application, whichever date is later. The property owner/operator/tenant/lessee shall ensure that 100% of all heavy-duty (Class 7 and 8) truck trips originating on the project site to move goods between the project site and the existing Costco Tracy Depot are zero-emission at the start of operations.

A zero-emission vehicle shall ordinarily be considered commercially available if the vehicle is capable of serving the intended purpose and is included in California's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project, <https://californiahvip.org/>, or listed as available in the US on the Global Commercial Vehicle Drive to Zero inventory, <https://globaldrivetozero.org/>. In order for such vehicles to be considered commercially unavailable, at least three (3) months prior to the deadline above, the operator must secure documentation from a minimum of three (3) EV dealers identified on the californiahvip.org website demonstrating the inability to obtain the required EVs or equipment needed within 6 months.

In addition to the obligations above, the property owner/operator/tenant/lessee shall ensure that, regardless of commercial availability determinations, a minimum of the following percentages of heavy-duty trucks (Class 7 and 8) making MDO Trips shall be zero-emission vehicles: 10% by December 31, 2027; 25% by December 31, 2030; 50% by December 31, 2033; 75% by December 31, 2036; and 100% by December 31, 2039.

Zero-emission heavy-duty trucks which require service can be temporarily replaced with model year 2014 or later trucks. Replacement trucks shall be used for only the minimum time required for servicing fleet trucks.

- Zero Emission Vehicles: The property owner/tenant/lessee shall utilize a "clean fleet" of vehicles/delivery vans/trucks (Class 2 through 6) as part of business operations as follows:

For any vehicle (Class 2 through 6) owned by the property owner/tenant/lessee that travels to and from the project site, the following "clean fleet" requirements apply: (i) 65% of the fleet will be zero emission vehicles at start of operations, (ii) 80% of the fleet will be zero emission vehicles by December 31, 2025, and (iv) 100% of the fleet will be zero emission vehicles by December 31, 2027.

Zero-emission vehicles which require service can be temporarily replaced with alternate vehicles. Replacement vehicles shall be used for only the minimum time required for servicing fleet vehicles.

The property owner/tenant/lessee shall not be responsible to meet "clean fleet" requirements for vehicles used by common carriers operating under their own authority that provide delivery services to or from the project site.

- **Compliance Report:** For the first five (5) years following project approval, the Operator of the warehouse facilities shall submit to the Sierra Club an annual compliance report within 30 days of December 31 each year addressing compliance with EM-B and EM-C. If the Sierra Club asks the Operator any clarifying questions or requests, the Operator shall respond to such inquiry in writing within thirty (30) days. If the Operator has not fully complied with EM-B within 5 years, the Operator shall submit a compliance report to the Sierra Club within 30 days of December 31, 2030, 2033, 2036, and 2039. Once the Operator has fully complied with EM-B or EM-C by transitioning to 100% zero-emission vehicles, no further reporting for that measure shall be required.

Prior to receipt of a final certificate of occupancy for each of the two phases of the Project (DDC building and Annex building), Developer will submit to the Sierra Club a report demonstrating compliance with all applicable measures in the MMRP and measures committed to in the agreement with the Sierra Club. Developer will endeavor to provide the Sierra Club with at least thirty (30) days' prior notice in advance of submitting the reports. If the Sierra Club asks the Developer any clarifying questions or requests, the Developer shall respond to such inquiry in writing within thirty (30) days.

- **Lease Agreements and Future Owners:** Any tenant lease agreements for the project site shall include a provision requiring the tenant/lessee to comply with all applicable requirements of the MMRP, a copy of which shall be attached to each tenant/lease agreement. All obligations of the Project Applicant in these Tracy Costco Depot Annex Enhancement Measures shall apply to any future owner or operator of the Project.
- **SmartWay Program:** Owners, operators or tenants shall enroll and participate in the SmartWay program for eligible businesses, which is a voluntary public-private program developed by the US EPA that provides a system for tracking, documenting and sharing information about fuel use and freight emissions across supply chains and helps companies identify and select more efficient carriers, transportation modes, and equipment; this requirement shall apply to vehicles owned and controlled by the Project owners, operators or tenants.
- **Designated Smoking Areas:** Owners, operators or tenants shall ensure that any outdoor areas allowing smoking are at least 25 feet from the nearest property line.

- Building Codes: Project construction shall be subject to all applicable City building codes, including the adopted Green Building Standards Code. Prior to the issuance of building permits, the applicant/developer shall demonstrate (e.g., provide building plans) that the proposed buildings are designed and will be built to, at a minimum, meet the Nonresidential Voluntary Measures of the applicable California Green Building Standards code, Divisions A5.1, 5.2 and 5.5, including but not limited to the Tier 2 standards in those Divisions, where applicable; provided, however, that the Tier 2 standards relating to the electric vehicle parking space requirements (e.g., CalGreen sections A5.106.5.1.2, A5.106.5.3.3, and A5.106.5.3.4) shall not pertain. Instead, Buildings 1 and 2 of the Project shall meet at least the July 2022 Green Building Standards Code mandatory requirements (effective January 1, 2023, or the requirements of a later version of the Green Building Standards Code, if applicable) for the number of employee and visitor parking stalls that shall be wired for electric vehicle charging (i.e., EV capable spaces) and that shall be active EV charging parking spaces (i.e., spaces supplied with EV Supply Equipment) upon the start of operation. Signage shall be installed at the parking stalls with EV wiring that are not active at the start of operation to indicate that such parking spaces will be converted to EV spaces once there is demand for such EV spaces. Beginning upon operation of the first building constructed and ending upon five (5) years after the completion of construction of the second building, the Project Applicant shall annually survey employees on their EV charging interest and demands and accommodate demand with additional EV charging equipment to meet demand.
- Agricultural Lands: The project shall comply with the requirements of the City's Agricultural Lands Mitigation Program.
- Electric Charging: The project operator shall ensure that sufficient electric vehicle charging stations are installed when necessary to serve the charging demands of electric trucks and vehicles domiciled at the project site.
- SJVAPCD: The project applicant shall comply with SJVAPCD Regulation VIII (fugitive dust rule) and shall comply with SJVAPCD Rule 9510 (to reduce growth in both NOx and PM10 emissions).

CITY OF TRACY
COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT
DRAFT CONDITIONS OF APPROVAL

Tracy Costco Depot Annex
Development Review Permit, Application Number D19-0014
January 21, 2025

A. General Provisions and Definitions

A.1. General. These Conditions of Approval apply to:

The Project: A Development Review Permit, Application Number D19-0014, for the construction of two industrial warehouse buildings totaling approximately 1.74 million square feet and related site improvements on a 103-acre site located at 16000 W Schulte Road (APN 209-230-02) (the "Property").

A.2. Definitions.

- a. "Applicant" means the owner of the Property, and any person, or other legal entity properly authorized by said owner to serve as the owner's agent for development of the Project on the Property. Such authorization shall be in writing and to the reasonable satisfaction of the Director. "Applicant" shall also mean any person, or other legal entity, defined as "Developer", and the two terms shall be used interchangeably.
- b. "City Engineer" means the City Engineer of the City of Tracy, or any other duly licensed Engineer designated by the City Manager, the City Engineer, or the Community and Economic Development Director, to perform the duties set forth herein.
- c. "City Regulations" means all written laws, rules, and policies established by the City, including without limitation those set forth in the City of Tracy General Plan, the Tracy Municipal Code (TMC), all applicable City ordinances, resolutions, policies, and procedures, including all applicable City Design Documents (including the Standard Plans, Standard Specifications, and relevant Public Facility Master Plans).
- d. "Director" means the Community and Economic Development Director of the City of Tracy, or any other person designated by the City Manager or the Community and Economic Development Director to perform the duties set forth herein.
- e. "Conditions of Approval" shall mean the conditions of approval applicable to the development of the Project on the Property, Application Number D19-0014. The Conditions of Approval shall specifically include all conditions set forth herein.
- f. "Developer" means any person, or other legal entity, who applies to the City to divide or cause to be divided real property within the Project

boundaries, or who applies to the City to develop or improve any portion of the real property within the Project boundaries. The term "Developer" shall include all successors in interest.

- A.3. To the extent permitted by law, the Applicant shall defend, indemnify and hold harmless the City, its City Council, its officers, boards, commissions, employees and agents (the "indemnified parties") from and against any claim, action, or proceeding brought by a third party against the indemnified parties or the applicant to attack, set aside, or void the approval of the Project or any permit authorized hereby for the Project, including (without limitation) reimbursing the City its attorney's fees and costs incurred in defense of the litigation. The City may, in its sole discretion, elect to defend any such action with attorneys of its choice.
- A.4. Compliance with submitted plans. The Project shall be constructed in substantial compliance with the Project plans received by the Community and Economic Development Department on August 8, 2024 (the "Project Plans"), to the satisfaction of the Director.
- A.5. Payment of applicable fees. The Applicant shall pay all applicable fees for the project, including, but not limited to, development impact fees, building permit fees, plan check fees, grading permit fees, encroachment permit fees, inspection fees, school fees, or any other City or other agency fees or deposits that may be applicable to the Project.
- A.5. Compliance with laws. The Applicant shall comply with all laws (federal, state, and local) related to the development of the Project, including, but not limited to:
 - The Planning and Zoning Law (Government Code Sections 65000, et seq.),
 - the California Environmental Quality Act (Public Resources Code Sections 21000, et seq., "CEQA"),
 - the Guidelines for California Environmental Quality Act (California Administrative Code, Title 14, Sections 1500, et seq., "CEQA Guidelines"),
 - California Building Code, California Fire Code, and
 - City Regulations.
- A.6. Pursuant to Government Code section 66020, including section 66020(d)(1), the City hereby notifies the Applicant that the 90-day approval period (in which the Applicant may protest the imposition of any fees, dedications, reservations, or other exactions imposed on this Project by these Conditions of Approval) has begun on the date of the conditional approval of this Project. If the Applicant fails to file a protest within this 90-day period, complying with all of the requirements of Government Code section 66020, the Applicant will be legally barred from later challenging any such fees, dedications, reservations, or other exactions.
- A.7. This Development Review Permit, Application Number D19-0014, shall not be effective until the Project site has been annexed into the City limits.

A.8. Mitigation Measures. The Applicant shall comply with the Mitigation Monitoring and Reporting Program for the Tracy Costco Depot Annex Project, adopted by the City Council on January 21, 2025, Resolution No. _____.

B. Community and Economic Development Department, Planning Division Conditions

B.1. Landscaping & Irrigation. Before the approval of a building permit, the Applicant shall provide detailed landscape and irrigation plans consistent with the following to the satisfaction of the Director:

B.1.1. Said plans shall comply with the City of Tracy Design Goals & Standards, and TMC Section 10.08.3560 for parking area landscaping. Said plans shall clearly delineate the property line and shall include a planting legend indicating, at minimum, the quantity, planting size, and height and width at maturity.

B.1.2. Where trees are planted ten feet or less from a sidewalk or curb, root barriers dimensioned 8 feet long by 24 inches deep shall be provided adjacent to such sidewalk and curb, centered on the tree.

B.1.3. Landscape & Irrigation Maintenance. Prior to the issuance of a building permit for each phase, the Applicant shall execute a two-year landscape and irrigation maintenance agreement and submit financial security, such as a performance bond, to ensure the success of all on-site landscaping for the term of the agreement. The security amount shall be equal to \$2.50 per square foot of the landscaped area or equal to the actual labor and material installation cost of all on-site landscaping and irrigation for that phase.

B.1.4. Where landscape planters are parallel and adjacent to the side of vehicular parking spaces, a 12" wide concrete curb shall be placed adjacent to the parking space to allow for pedestrian access to vehicles without damage to the landscape areas.

B.2. Screening Utilities and Equipment. Before the approval of a building permit, the Applicant shall submit detailed plans that demonstrate the following:

B.2.1. All vents, gutters, downspouts, flashing, and electrical conduits shall be internal to the structures and bollards and other wall-mounted or building-attached utilities shall be painted to match the color of the adjacent surfaces or otherwise designed in harmony with the building exterior to the satisfaction of the Director.

B.2.2. No roof mounted equipment, including, but not limited to, HVAC units, vents, fans, antennas, sky lights and dishes, whether proposed as part of this application, potential future equipment, or any portion thereof, shall be visible from any public right-of-way to the satisfaction of the Director. Plans to demonstrate such compliance shall be submitted and approved by the Director prior to the issuance of a building permit.

- B.2.3. All PG&E transformers, phone company boxes, Fire Department connections, backflow preventers, irrigation controllers, and other on-site utilities, shall be vaulted or screened from view from any public right-of-way, behind structures or landscaping, to the satisfaction of the Community and Economic Development Director.
- B.3. No business identification signs are approved with this development review permit. The Applicant shall obtain a sign permit in accordance with the Tracy Municipal Code Chapter 10.08, Article 35, Signs for all business identification signs.
- B.4. The parking lot lighting shall comply with the minimum requirement of one foot-candle power within the employee parking areas. Prior to final inspection or certificate of occupancy, all exterior and parking lot lighting shall be directed downward or shielded to prevent glare or spray of light into the public rights-of-way, to the satisfaction of the Community and Economic Development Director.
- B.5. Prior to the issuance of a building permit, bicycle parking spaces shall be provided in accordance with Tracy Municipal Code Section 10.08.3510 to the satisfaction of the Community and Economic Development Director.
- B.6. Prior to final inspection of certificate of occupancy, on-site circulation signs shall be installed to the satisfaction of the Community and Economic Development Director.
- B.7. Prior to the issuance of a building permit, a detailed plan of any trash or trash compactor enclosures, shall be submitted, showing a height of at least eight feet with solid metal doors, a solid roof, an interior concrete curb, and exterior materials and colors compatible with the adjacent building exterior, to the satisfaction of the Community and Economic Development Director.
- B.8. Prior to issuance of a building permit, the developer shall provide documentation of compliance with the San Joaquin Valley Air Pollution Control District Rule 9510, Indirect Source Review to the Community and Economic Development Department.
- B.9. Prior to issuance of a building permit, the applicant shall provide details for all on-site fencing. Perimeter fencing of the site shall be comprised of tube steel, masonry, or a combination thereof. The use of chain link fencing may only be allowable along non-street frontage property lines if it is designed in conjunction with the overall site and landscape plan and is not visible from public view. Electronically charged, razor wire, barbed wire, integrated corrugated metal, or plain exposed plastic concrete/PCC fences, vinyl slats, and woven fabric fences are not permitted anywhere on site.
- B.10. No outdoor storage of materials is permitted on the site.

- B.11. Prior to approval of a building permit, the applicant shall submit detailed plans that demonstrate the truck loading areas, dock doors, storage areas, and above-ground utilities will be substantially screened from view from the public right-of-way, to the satisfaction of the Community and Economic Development Director.
- B.12. Prior to approval of a building permit, the applicant shall submit detailed plans that show the location and improvements for a high-quality outdoor employee break area to the satisfaction of the Community and Economic Development Director. Such area shall be incorporated as part of site design and should include special paving, tables, benches, shade trees and other amenities that support employee events and serve as an informal gathering space.

C. Engineering Conditions of Approval

C.1. General Conditions

- C.1.1. Developer shall comply with the applicable requirements of these conditions of approval as set forth below, which conditions are based on and may be interpreted by reference to the following technical analyses and reports prepared for the Project:
 - a) "Environmental Impact Report for Tracy Costco Depot Project", prepared by De Novo Planning Group, dated _____, 20____, and bearing State Clearinghouse Number 2020080531 adopted by City Council on _____, 20____, Resolution No. 20____-____ ("EIR").
 - b) "Mitigation Monitoring and Reporting Program for the Tracy Costco Depot Project" (the "MMRP"), adopted by the City Council on _____, 20____, Resolution No. 20____-____.
 - c) "Costco Direct Delivery Center Traffic Analysis" prepared by Kimley Horn and Associates, dated September 12, 2022, and any subsequent amendments or updates thereto ("Traffic Study").
 - d) "Sizing Recommendations for Detention Basin LW11" prepared by West Yost, dated September 10, 2024, and any subsequent amendments or updates thereto ("Storm Drainage Study").
 - e) "Review of Detention Basin LW11 3rd Submittal Plans" prepared by Wood Rodgers, dated April 25, 2023 (Draft), and any subsequent review memorandums or updates thereto by Wood Rodgers or West Yost ("DET LW11 Design Review").
 - f) "Costco Annexation Project CCTV Inspection Review and Sewer Collection System Hydraulic Capacity Analysis" by Black Water Consulting Engineers, dated February 17, 2022, and any amendments or updates thereto ("Sewer Study").
 - g) "Hydraulic Evaluation of Costco Depot" prepared by West Yost

Associates, Inc., dated September 4, 2020, and any subsequent
amendments or updates ("Water Study").

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C.2. Grading Permit

Prior to grading permit release, Applicant shall demonstrate conformance to City Design Documents, Tracy Municipal Code (TMC), and these Conditions of Approval, to the satisfaction of the City Engineer, including, but not limited to, the following:

C.2.1 Grading and Storm Drainage Plans

Prior to grading permit release, Applicant shall provide On-site Grading and Storm Drainage Plans prepared on a twenty-four (24) inch x thirty-six (36) inch size sheet. These plans shall use the City's Title Block. Plans shall be prepared under the supervision of, and stamped and signed by, a Registered Civil Engineer and Registered Geotechnical Engineer. Applicant shall obtain all applicable signatures by City departments and outside agencies (where applicable) on the plans including signatures by the Fire Marshal, prior to submitting the plans to Engineering for City Engineer's signature. Erosion control measures shall be implemented in accordance with the Plans approved by the City Engineer for all grading work. All grading work not completed before October 15 may be subject to additional requirements as applicable. Plans shall specify all proposed erosion control methods and construction details to be employed and specify materials to be used during and after the construction.

Site Grading

- a. Include all proposed erosion control methods and construction details to be employed and specify materials to be used. All grading work shall be performed and completed in accordance with the recommendation(s) of the Project's Geotechnical Engineer. A copy of the Project's Geotechnical Report must be submitted with the Grading and Storm Drainage Plans.
- b. When the grade differential between the Project Site and adjacent property(s) exceeds twelve (12) inches, a reinforced concrete or masonry block, or engineered retaining wall is required for retaining soil. The Grading Plan shall show construction detail(s) of the retaining wall or masonry wall. The entire retaining wall and footing shall be constructed on the Property. A structural calculation shall be submitted with the Grading and Storm Drainage Plans.
- c. An engineered fill may be accepted as a substitute of a retaining wall, if any, subject to approval by the City Engineer. The Grading and Storm Drainage Plans must show the extent of the slope easement(s). The Applicant shall be responsible for obtaining permission from owner(s) of the adjacent and affected property(s). The slope easement must be recorded, prior to the issuance of the final building certificate of occupancy.
- d. Grading for the site shall be designed such that the Project's storm water can overland release to either a public street or to a public storm drainage facility.

- e. Prior to approval of a grading permit for the Project, the Applicant shall submit a drainage report and drainage calculations for the Project site based on the Master Plan criteria and starting water surface elevation for review by the City.
- f. If applicable, Applicant shall depict all existing irrigation structure(s), channel(s) and pipe(s) that are to remain or to be relocated or to be removed, if any, after coordinating with the irrigation district or owner of the irrigation facilities on the Grading and Storm Drainage Plans. If there are irrigation facilities including tile drains, that are required to remain to serve existing adjacent agricultural uses, the Applicant shall design, coordinate and construct required modifications to the improvements, if required, to the reasonable satisfaction of the City.

C.2.2 Prior to grading permit release, Applicant shall obtain the approval (i.e. recorded easements for slopes, drainage, utilities, access, parking, etc.) of all other public agencies and/or private entities with jurisdiction over the required public and/or private facilities and/or property. Written permission from affected owner(s) must be submitted.

C.2.3 Prior to grading permit release, Applicant shall confirm that all existing on-site water well(s), septic system(s), and leech field(s), if any, shall be abandoned or removed in accordance with the City and San Joaquin County requirements. Applicant shall be responsible for all costs associated with the abandonment or removal of the existing well(s), septic system(s), and leech field(s) including the cost of permit(s) and inspection. Applicant shall submit to the City a copy of written approval(s) or permit(s) obtained from San Joaquin County regarding the removal and abandonment of any existing well(s).

C.2.4 Prior to grading permit release, Applicant shall pay all applicable Grading Permit fees, which include grading plan checking and inspection fees, and all other applicable fees as required by these Conditions of Approval.

C.2.5 Prior to grading permit release, Applicant shall complete appropriate storm water pollution controls. For Projects on property larger than one (1) acre: Prior to the issuance of the Grading Permit, Applicant shall submit to Utilities (stephanie.hiestand@cityoftracy.org) one (1) electronic copy and one (1) hard copy of the Storm Water Pollution Prevention Plan (SWPPP) as submitted in Stormwater Multiple Applications and Reporting Tracker System (SMARTS) along with either a copy of the Notice of Intent (NOI) with the state-issued Wastewater Discharge Identification number (WDID) or a copy of the receipt for the NOI. After the completion of the Project, the Applicant is responsible for filing the Notice of Termination (NOT) required by SWQCB, and shall provide the City, a copy of the completed Notice of Termination. Cost of preparing the SWPPP, NOI and NOT including the annual storm drainage fees and the filing fees of the NOI and NOT shall be paid by the Applicant. Applicant shall comply with all the requirements of the SWPPP, applicable Best Management Practices (BMPs) and the Stormwater Post-Construction Standards adopted by the City in 2015

and any subsequent amendment(s).

- C.2.6 Prior to grading permit release, Applicant shall provide a PDF copy of the Project's Geotechnical Report signed and stamped by a Registered Geotechnical Engineer. The geotechnical report must include relevant information related to soil types and characteristics, soil bearing capacity, compaction recommendations, retaining wall recommendations, if necessary, paving recommendations, paving calculations such as gravel factors, gravel equivalence, etc., slope recommendations, and elevation of the highest observed groundwater level.
- C.2.7 Prior to grading permit release, Applicant shall provide Hydrologic and Storm Drainage Calculations for the design of the on-site storm drainage system.
- C.2.8 Prior to grading permit release, Applicant shall provide a copy of the approved Incidental Take Minimization Measures (ITMM) habitat survey [San Joaquin County Multi-Species Habitat Conservation & Open Space Plan (SJMSCP)] from San Joaquin Council of Governments (SJCOPG).
- C.2.9 Prior to grading permit release, Applicant shall provide a copy of the Approved Fugitive Dust and Emissions Control Plan that meets San Joaquin Valley Air Pollution Control District (SJVAPCD) requirements.
- C.2.10 Prior to grading permit release, Applicant shall provide a copy of the approved Air Impact Assessment (AIA) with an Indirect Source Review (ISR) from San Joaquin Valley Air Pollution Control District (SJVAPCD).
- C.2.11 Prior to grading permit release, Applicant shall remove all existing irrigation structures, channels, tile drains and pipes, if any, if the facilities are confirmed by the irrigation district are no longer required for irrigation purposes.
- C.2.12 Prior to grading permit release, Applicant shall provide written permission from irrigation district to alter said irrigation facilities if said facilities are required to remain to serve existing adjacent agricultural uses. The Applicant will design, coordinate and construct required modifications to the facilities to the satisfaction of the affected agency and the City Engineer. The cost of relocating and/or removing irrigation facilities and/or tile drains is the sole responsibility of the Applicant.
- C.2.13 If at any point during grading the Applicant, its contractor, its engineers, and their respective officials, employees, subcontractor, and/or subconsultant exposes/encounters/uncovers any archeological, historical, or other paleontological findings, the Applicant shall address the findings as required per the General Plan Cultural Resource Policy and General Plan EIR; and subsequent Cultural Resource Policy or mitigation in any applicable environmental document.
- C.2.14 Prior to grading permit release, Applicant shall demonstrate that runoff originating on the Project site will be managed in a manner that meets stormwater quality

standards. The design and construction details of the Project's storm drainage system and stormwater treatment facilities shall meet City regulations and shall comply with the applicable requirements of the Multi-Agency Post-Construction Stormwater Standards Manual, dated June 2015, and any subsequent amendments.

- C.2.15 Prior to grading permit release, Applicant shall provide calculations related to the design and sizing of on-site storm water treatment facilities must be submitted with the Grading and Storm Drainage Plans and approved by City's Stormwater Coordinator prior to issuance of the Grading Permit for the Project.
- C.2.16 Prior to grading permit release, Applicant shall obtain approved improvement plans that shall direct the offsite flows from the foothills in a conveyance facility that runs along the Project's easterly boundary to the satisfaction of the City Engineer. Afterwards said conveyance facility will exit Applicant's parcel and then proceed along the City's parcel's frontage. Said conveyance facility will connect to LW11.

C.3. Improvement Plans

Prior to building permit release, Applicant shall obtain City approval of Applicant's Improvement Plans. Said Improvement Plans shall contain the design, construction details and specifications of public improvements that are necessary to serve the Project. The Improvement Plans shall be drawn on a 24-inch x 36-inch size sheet and shall be prepared under the supervision of, and stamped and signed by a Registered Civil, Traffic, Electrical, Mechanical Engineer, and Registered Landscape Architect for the relevant work. The Improvement Plans shall be completed to comply with City Design Documents, these Conditions of Approval, and the following requirements:

- C.3.1 The Improvement Plans shall be prepared with the City of Tracy standard title and signature block.
- C.3.2 Prior to building permit release, Applicant shall obtain all applicable signatures by City departments and from outside agencies (where applicable) on the plans including signatures by the Fire Marshal, prior to the Applicant submitting the plans to Engineering for City Engineer's approval.
- C.3.3 The Improvement Plans shall be prepared to specifically include, but not be limited to, the following items:
 - a. All existing and proposed utilities such as domestic water line, irrigation service, storm drain, and sanitary sewer, including the size and location of the pipes.
 - b. All supporting engineering calculations, materials information or technical specifications, cost estimate, and technical reports.
 - c. Prior to building permit release, Applicant shall provide a PDF copy of the

Project's Geotechnical Report signed and stamped by a Registered Geotechnical Engineer. The geotechnical report must include relevant information related to soil types and characteristics, soil bearing capacity, compaction recommendations, retaining wall recommendations, if necessary, paving recommendations, paving calculations such as gravel factors, gravel equivalence, etc., slope recommendations, and elevation of the highest observed groundwater level.

C.3.4 Storm Drainage

- a. Prior to building permit release, Applicant shall obtain City approval of Improvement Plans depicting DET LW11 and a fully executed offsite improvement agreement. DET LW11 shall have the capacity to store a minimum of 67.4 acre-feet of storage volume to the satisfaction of the City Engineer. Applicant may be eligible for fee credits per the current storm drain masterplan and the associated fee studies in accordance with the Tracy Municipal Code.
- b. LW11's storage volume is based on the following design parameters:
 - a. LW11 has an outlet-controlled system with SCADA with a minimum peak discharge rate of 3.59 cubic-feet per second.
 - b. The chute over the Delta Mendota Canal has runoff volume of 176 acre-feet.
 - c. LW12's pumped flow shall be at minimum two (2) cubic-feet per second.
 - d. LW12 shall be constructed for a minimum of 85.9 acre-feet of storage volume.
 - e. **The parameters do not require Applicant to construct LW12 for this Project, however the sizing requirements for LW11 are contingent upon LW12 being built to the requirements in Section C and D above. However, construction of LW12 is not required of the Applicant as a condition of approval of this Project.**
- c. Prior to building permit release, Applicant shall confirm the Project and the outflow from LW11 has capacity within the proposed pipe on Pavilion Way. pipe capacity of the storm drain line on Pavilion Way from Schulte Road to DET LW6.
- d. Prior to building permit release, if during the design phase it is known that the proposed pipe on Pavilion Way does not have capacity for the Project and outflow from LW11, Applicant shall obtain approved Improvement Plans depicting an additional storm drain system on Pavilion Way connecting downstream to the satisfaction of the City Engineer.

- e. Prior to building permit release, Applicant shall obtain City approval of Improvement Plans depicting a controlled system with SCADA for releasing water from DET LW11. The controlled system (which may include but would not be limited to a pump station and force main in addition to the storm drain line on Pavilion Way) shall allow water to flow from DET LW11 with a flow rate to the satisfaction of the City Engineer. The ultimate diameter will be determined during the design process and shall be to the satisfaction of the City Engineer.
- f. Prior to building permit release, Applicant shall obtain City approval of Improvement Plans depicting a storm drain pipe on Schulte Road along the Project's frontage. The ultimate diameter will be determined in a future date. Storm drain pipe will convey runoff from the force main discussed in condition C.3.4.d, runoff from the Project site, and a portion of the runoff from the City's parcel.

C.3.5 Sanitary Sewer

- a. Prior to the issuance of Building Permit for the Project, Applicant shall obtain the City Engineer's approval of Improvement Plans for the design of all on-site and off-site sewer improvements. The Applicant shall design and install sanitary sewer facilities including the Project's sewer connection in accordance with the approved Improvement Plans, and applicable City Design Documents and utility Improvement Plans approved by the City Engineer.
- b. Prior to the first building permit release, Applicant shall pay all wastewater treatment plant development impact fees for all proposed buildings within the Project.
- c. Prior to building permit release, Applicant shall obtain City approval of Improvement Plans that depict a gravity sewer line on Lammers Road per the Wastewater Master Plan.

C.3.6 Water Distribution System

- a. Prior to building permit release, Applicant shall obtain City approval of Improvement Plans depicting the water infrastructure identified in the Water Study.
 - a. Prior to any occupancy, Applicant shall install a pressure reducing valve at its water connection points.
 - b. During the construction phases of the Project, the Applicant is responsible for providing water infrastructure (temporary or permanent) capable of delivering adequate fire flows and pressure appropriate to the various stages of construction and as approved by the South San Joaquin County Fire Authority's Fire Marshal.

- c. Prior to building permit release, Applicant shall obtain City approval of Improvement Plans that depict fire hydrants at the locations approved by the South San Joaquin County Fire Authority's Fire Marshal.
- d. Prior to building permit release, Applicant shall submit calculations and plans as required by the Fire Authority and obtain the Fire Authority's written approvals for the proposed fire system for the design, location and construction details of the fire service connection to the Project, and for the location and spacing of fire hydrants that are to be installed to serve the Project.
- e. All costs associated with the installation of the Project's permanent water connection(s) as identified in the Water Study including the cost of removing and replacing asphalt concrete pavement, pavement marking and striping such as crosswalk lines and lane line markings, replacing traffic detecting loops, conduits, and wires, relocating existing utilities that may be in conflict with the water connection(s), and other improvements shall be paid by the Applicant and are not eligible for impact fee credits.
- f. Prior to building permit release, Applicant shall obtain City approval of Improvement Plans that depict domestic and irrigation water service connection, including a remote-read master water meter (the water meter to be located within City's right-of-way) and a Reduced Pressure Type back-flow protection device in accordance with City Design Documents.
- g. Prior to building permit release, Applicant shall obtain City approval of Building Safety plans to construct the proposed temporary fire water tank to provide adequate fire flows to the Property.

C.3.7 Roadway Improvements

Prior to building permit release, Applicant shall obtain City approval of Improvement Plans depicting on-site and frontage roadway improvements to serve the Project as identified in the Traffic Study and these Conditions of Approval. All improvements shall comply with City Design Documents. Such improvements shall include, but are not limited to, roadways, water distribution system, sewer system, storm drainage systems, curb and gutter, sidewalks, street lighting system, traffic signals, ITS systems, pavement and crosswalk striping, bicycle lanes, roadway signage and street signs, median islands, turn lanes, landscaping, and all necessary related improvements as required by the City. Timing of completion of street improvements shall comply with these Conditions of Approval.

C.3.8 Prior to building permit release, pursuant to Table 4 of the Traffic Study, Applicant shall obtain City approval of Improvement Plans depicting the

following on-site and frontage roadway improvements to serve the Project:

External Network Review

- a. Driveway #1 (Bud Lyons Driveway) – Lengthen the westbound left-turn lane to accommodate 375 feet of deceleration and 100 feet of storage.
- b. Driveway #1 (Bud Lyons Driveway) – Applicant shall modify the existing traffic signal and appurtenances to operate with the Project's driveway to the satisfaction of the City Engineer. Revise existing striping for the southbound approach to provide one (1) left-turn lane and one (1) through/right-turn lane to the satisfaction of the City Engineer.
- c. Driveway #3 (Shared Driveway) – Construct a traffic signal and appurtenances to the satisfaction of the City Engineer. Striping shall accommodate the westbound approach and eastbound departure transition to existing conditions east of the Project to the satisfaction of the City Engineer.
- d. Along the Project frontage of Old Schulte Road, Applicant shall provide modifications that accommodate transitions between the existing two-lane facility and proposed four (4)-lane facility at the westerly and easterly end of the Project to the satisfaction of the City Engineer.

Driveway Access

- a. Driveway #1 (Bud Lyons Driveway) – Striping shall reflect the following lane configuration: one (1) northbound left-turn lane and one (1) northbound through/right-turn lane.
- b. Driveway #2 – Provide Stop (R1-1), Right Turn Only (R3-5R), and One Way (R6-1) Signage.
- c. Driveway #3 (Shared Driveway) – Provide one (1) northbound left-turn lane and one (1) northbound right-turn lane.

Internal Circulation

- a. Driveway #1 – East/West pedestrian crossing shall only occur at the signalized intersection or at the southern internal crosswalk.
- b. Driveway #1 – Internal intersection shall be three-way stop-controlled with the inbound (southbound) movement as the free movement.
- c. Driveway #3 – Provide an eastbound U-turn lane at the Old Schulte Road and Project Driveway #3 signalized intersection. Said U-turn lane shall be constructed so that it can be converted into a future left-turn lane.

- d. Driveway #3 – Provide clear signage and/or pavement markings for trucks entering driveway that designates security versus bypass lanes.
- e. Driveway #3 – Provide a truck turning template for internal drive aisle reverse curve.

Vehicle Turning Templates

- a) Driveway #1 – Provide design modifications to the proposed driveway curb return to allow STAA trucks to perform turns for entering and exiting the site.
- b) Driveway #2 – Provide design modifications to the proposed driveway curb returns to allow automobile to perform eastbound and northbound right turns to access or exit the site.
- c) Driveway #3 – Provide design modifications to the proposed driveway curb return to allow STAA trucks to perform turns for entering and exiting the site.

C.3.9 Schulte Road Frontage Improvements

Prior to building permit release, Applicant shall obtain City approval of Improvements Plans depicting frontage improvements on Schulte Road in accordance with the 2012 Transportation Master Plan, Traffic Analysis and City Design Documents per the Tracy Municipal Code. The Applicant shall dedicate all rights-of-way necessary for the widening of Schulte Road along the entire Project frontage to the satisfaction of the City Engineer.

C.3.10 Hansen Road Extension per 2012 Transportation Master Plan

Prior to building permit release, Applicant shall execute an improvement agreement with the City, in a form approved by the City Engineer and the City Attorney, to comply with Section 7.04.120 of the Tracy Municipal Code. Said improvement agreement shall provide for, among other things, the Applicant's dedication of right-of-way and construction of frontage improvements, including provision of security for such frontage improvements, and shall further provide that if the City modifies its Transportation Master Plan in a manner that the Hansen Road Extension requirements no longer apply to the Project, the Applicant will be relieved of the right-of-way dedication and frontage construction requirements. All costs of compliance with this condition, including all City costs associated with the improvement agreement, shall be borne by the Applicant.

C.3.11 Prior to any occupancy, after Hansen Road Extension is constructed, Applicant shall construct an emergency access at the rear the of the site to Hansen Road.

C.3.12 Traffic Control Plan

The Applicant shall submit a Traffic Control Plan for each phase of work, to

show the method and type of construction signs to be used for regulating traffic at the work areas within these streets. The Traffic Control Plan shall be prepared by a Civil Engineer or Traffic Engineer licensed to practice in the State of California.

C.3.13 All private utility services to serve Project such as electric, telephone and cable TV to the building must be installed underground, and at the location(s) approved by the respective owner(s) of the utilities.

C.3.14 Offsite Improvements

- a. **Intersection 1 – International Pkwy and I-205 Westbound Off-Ramps -** Within ninety (90) days of final approval of the Project by the City Council, the Applicant shall execute a conditional Offsite Improvement Agreement (OIA), in a form approved by the City Engineer and the City Attorney, for widening of the westbound off-ramps at I-205 and International Parkway to provide two (2) left-turn lanes, two (2) right-turn lanes, and to optimize signal timings. Said OIA shall, among other things, require the Applicant to provide adequate security to ensure completion of said Intersection 1 improvements, and require the Applicant to, within ninety (90) days of execution of the OIA, commence and diligently continue good faith efforts to complete the planning, permitting and construction of the Intersection 1 improvements.
- b. **Intersection 11 – Lammers Road and Old Schulte Road -** Prior to any occupancy, Applicant shall obtain City approval of traffic signal timing sheets to retime the intersection to provide an overlap phase for the eastbound right-turn lane if not yet implemented by others.
- c. **Intersection 13 – Lammers Road and Valpico Road -** Prior to building permit release, Applicant shall obtain City approval of Improvement Plans for the construction of a traffic signal and a southbound left-turn lane if not yet implemented by others.

C.4. Improvement Agreement and Security

Prior to a building permit release, Applicant shall obtain a fully executed Offsite Improvement Agreement (OIA) with the City to provide for construction of, and improvement security for, all public improvements. The form of the improvement security may be a surety bond, letter of credit or other form in accordance with section 12.36.080 of the TMC. The amount of improvement security shall be as follows:

- C.4.1 Faithful Performance (100% of estimated cost of constructing public improvements);
- C.4.2 Labor & Materials (100% of the estimated cost of constructing the public improvements); and

C.4.3 Warranty (10% of the estimated cost of constructing the public improvements).

C.5. Encroachment Permit

Prior to a building permit release, Applicant shall submit an application for encroachment permit. Applicant shall demonstrate compliance with all applicable City regulations and these Conditions, to the satisfaction of the City Engineer, including, but not limited to, the following:

- C.5.1 Improvement Plans prepared on a twenty-four (24) inch x thirty-six (36) inch sheet that incorporate all the requirements described in these Conditions of Approval. Improvement Plans shall be prepared under the supervision of, and stamped and signed by a Registered Civil, Traffic, Electrical, Mechanical Engineer, and Registered Landscape Architect for the relevant work.
- C.5.2 Signed and stamped Engineer's Estimate that summarizes the cost of constructing all the public improvements shown on the Improvement Plans.
- C.5.3 Prior to building permit release, Applicant shall execute an OIA with the City to guarantee completion of the public improvements that are necessary to serve the Project as required by these Conditions of Approval.
- C.5.4 Prior to building permit release, Applicant shall pay all applicable engineering review fees which include plan checking, permit and agreement processing, testing, construction inspection, and any other applicable fees.
- C.5.5 Prior to encroachment permit release, Applicant shall submit for the City Engineer's review and approval a Traffic Control Plan signed and stamped by a Registered Civil Engineer or Traffic Engineer licensed in the State of California.
- C.5.6 Prior to a building permit release, Applicant shall submit for the City's review and approval to the satisfaction of the Fire Marshal, Improvement Plans that are already signed South San Joaquin County Fire Authority's Fire Marshal. If applicable, said Improvement Plans shall also indicate fire service connection(s) and fire and emergency vehicle access.

C.6. Building Permit - Prior to a building permit release, Applicant shall pay all required City and County development impact fees as they relate to the Project and as otherwise required by these Conditions of Approval, to the satisfaction of the City Engineer, including but not limited to: Transportation, Water, Recycled Water, Wastewater, Storm Drainage, Public Safety, Public Facilities, Parks, New Address Mapping, Water Meter and Connection Fees, County Facilities Fee, Regional Transportation Impact Fee, Agricultural Mitigation Fee and Habit Mitigation fees.

C.7. Acceptance of Public Improvements, Release of Improvement Security, and Certificate of Occupancy.

Prior to any occupancy, accepting public improvements, or release of improvement

security, Applicant shall demonstrate to the City Engineer satisfactory completion of the following:

- C.7.1 Prior to any occupancy, accepting public improvements, or release of improvement security, Applicant shall correct all items listed in the deficiency report prepared by the City.
- C.7.2 Prior to any occupancy, accepting public improvements, or release of improvement security, Applicant shall submit Engineer of Record Certified "As-Built" Improvement Plans (or Record Drawings) on mylars to the City.
- C.7.3 Prior to any occupancy, accepting public improvements, or release of improvement security, Applicant shall submit Engineer of Record prepared Autocad and GIS shape files [with "Attributes"] of said Record Drawings in format acceptable to City.
- C.7.4 Prior to any occupancy, accepting public improvements, or release of improvement security, Applicant shall complete all conditioned improvements.
- C.7.5 Prior to any occupancy, accepting public improvements, or release of improvement security, Applicant shall complete construction of all required public improvements and conform to Section 12.36.080 of the TMC.

C.8. Special Conditions

- C.8.1 All streets and utilities improvements within City's right-of-way shall be designed and constructed in accordance with City Design Standards and the City's Infrastructure Master Plans for storm drainage, roadway, wastewater and water adopted by the City, or as otherwise specifically approved by the City.
- C.8.2 Prior to release of a building permit, Applicant shall be responsible to obtain any easements, rights-of-way and/or agreements with other property owners as applicable for all improvements.
- C.8.3 Prior to any occupancy, Applicant shall repair any damages to existing improvements within the street right-of-way due to construction related activities shall be repaired or replaced as directed by the City at Applicant's cost.
- C.8.4 Applicant shall comply with the requirements relating to Fire Apparatus Access Roads and other Fire Code requirements to the satisfaction of the Fire Authority.
- C.8.5 Nothing contained herein shall be construed to permit any violation of relevant ordinances and regulations of the City of Tracy, or other public agency having jurisdiction. This Condition of Approval does not preclude the City from requiring pertinent revisions and additional requirements to the Grading Permit, Encroachment Permit, Building Permit, Improvement Plans, OIA, and DIA, if the

City Engineer finds it necessary due to public health and safety reasons, and it is in the best interest of the City. The Applicant shall bear all the cost for the inclusion, design, and implementations of such additions and requirements, without reimbursement or any payment from the City.

- C.8.6 Survey Monuments - Prior to any occupancy or acceptance, Applicant shall submit centerline tie sheets; corner records; or a record of survey for the following: new public streets; any altered, damaged, destroyed, or re-established survey monuments; altered street corners; and/or benchmarks. Any survey document will be submitted to the City and to the San Joaquin County Surveyor to comply with California Business and Professions Code Section 8771(c). Said work shall be executed by a California licensed Land Surveyor at the Applicant's sole expense.
- C.8.7 Prior to any occupancy or acceptance, Applicant shall conform to Section 3.14 of the 2020 Design Standards and install a two (2) inch thick grind and asphalt concrete (AC) overlay with reinforcing fabric at least twenty-five (25) feet from all sides of each utility trench. Said overlay shall be uniform thickness to maintain current pavement grades, cross and longitudinal slopes. This pavement repair requirement is when cuts/trenches are perpendicular and parallel to the street's direction.
- C.8.8 Prior to any occupancy, Applicant shall obtain a recorded access easement from the City for the Project's easterly driveway. Applicant shall also provide a reciprocal access easement for the City's parcel.
- C.8.9 Prior to any occupancy, Applicant shall obtain City approval of a TDM plan to mitigate its VMT related impacts as outlined in the Traffic Study and Mitigation Monitoring and Reporting Program and shall add additional VMT mitigations, as approved by the City, if a VMT mitigation in-lieu fee is not adopted. The Applicant shall six-months after occupancy permit is issued submit to the City a VMT mitigation monitoring report showing compliance with the CEQA findings. The report shall include traffic counts at all driveways and evidence and data of the Applicant's implementation of the TDM measures. If the VMT mitigation is not compliant with the CEQA findings, the Applicant shall collaborate with the City Engineer and City Planner to develop measures to comply with the VMT reduction requirements. The TDM monitoring report shall be submitted once per annum for at least three years following the first submittal. If the Applicant successfully mitigates the VMT impact for three consecutive years, the requirement may be suspended by the City Engineer and City Planner.
- C.8.10 Prior to any occupancy, Applicant shall submit a signed and notarized Stormwater Treatment Facilities Maintenance Agreement (STFMA) as a guarantee for the performance of Applicant's responsibility towards the repair and maintenance of on-site storm water treatment facilities.

D. Utilities Department, Water Resources Division Conditions

D.1. Prior to issuance of a construction or building permit, applicant shall demonstrate compliance with the 2015 Post-Construction Stormwater Standards (PCSWS) Manual and obtain approval through the following:

- a. Develop a Project Stormwater Plan (PSP) that identifies the methods to be employed to reduce or eliminate stormwater pollutant discharges through the construction, operation and maintenance of source control measures, low impact development design, site design measures, stormwater treatment control measures and hydromodification control measures.
 - i. Design and sizing requirements shall comply with PCSWS Manual.
 - ii. Demand Management Areas must be clearly designated along with identification of pollutants of concern.
 - iii. Calculations of the Stormwater Design Volume and/or Design Flow with results from the Post-Construction Stormwater Runoff Calculator must be submitted in the PSP for approval.
 - iv. Per the PCSWS Manual, include a hydromodification management plan ensuring the post-project runoff flow rate shall not exceed estimated pre-project flow rate for the 2-year, 24-hour storm.
 - v. Submit one (1) hard copy of the PSP and an electronic copy to the Utilities Department (WaterResources@cityoftracy.org), include the project name, address and Project # and/or Permit # in the title or subject line.
- b. A separate plan sheet(s) designated SW shall be submitted in the plan set that includes the identified methods for pollution prevention outlined in the submitted PSP. You must include all standards, cross sections and design specifications such as landscape requirement in treatment areas including type of irrigation installation and/or height of drain inlet above the flow line, etc. in these SW plan sheets along with legend.
- c. Develop and electronically submit to the Utilities Department for approval (WaterResources@cityoftracy.org) a preliminary Operations and Maintenance (O & M) Plan that identifies the operation, maintenance, and inspection requirements for all stormwater treatment and baseline hydromodification control measures identified in the approved PSP.
- d. No later than two (2) months after approval notification of the submitted PSP, applicant shall electronically submit the following information to the Utilities Department (WaterResources@cityoftracy.org) for development of a draft stormwater maintenance access agreement, in accordance with the MAPCSWS;
 - i. Property Owner(s) name and title report; or Corporate name(s) and binding documents (resolutions, etc) designating ability to sign agreement
 - ii. Property Address
 - iii. Exhibit A – legal property description
 - iv. Exhibit B – approved O & M Plan

D.2. Prior to issuance of a grading permit, applicant shall proof of permit coverage under the Construction General Permit shall be required and submittal of an electronic Stormwater Pollution Prevention Plan (SWPPP) shall be submitted to WaterResources@cityoftracy.org.

D.3. Prior to Certificate of Occupancy, applicant shall:

- a. Return to the City Clerk, a legally signed and notarized copy of the final maintenance access agreement including all exhibits and approved O & M plan received from the Utilities Department.
- b. Obtain final approval by the Utilities Department of the constructed and installed Stormwater pollution prevention methods outlined in the PSP.
 - i. Frequent inspections of the Post-Construction treatment measures should occur during the construction phase by calling 209-831-6333
- c. Upon completion, the project shall be in full compliance with Construction General Permit including 70% stabilization of the project with Notice of Termination approval.

D.4. Before the approval of a construction, grading or building permit, the applicant shall demonstrate compliance with Tracy Municipal Code Chapters 11.28 and 11.34 and Chapter 4 of the California Green Building Standards Code to the satisfaction of the Utilities Director.

D.5. Prior to issuance of a construction or building permit, applicant shall demonstrate compliance with the 2015 Model Water Efficient Landscape Ordinance and obtain approval by the Utilities Department through the following:

D.5.1 Develop and submit electronically and by hard copy, a Landscape Document Package (LDP) that identifies the methods to be employed to reduce water usage through proper landscape design, installation and maintenance. This LDP shall consist of:

- i. A project information sheet that includes the checklist of all documents in the LDP;
- ii. The Water Efficient Landscape Worksheets that include a hydro zone information table and the water budget calculations – Maximum Applied Water Allowance and Estimate Total Water Use;
- iii. A soil management report, after compaction and from various locations throughout the project;
- iv. A landscape design plan that includes the statement, "I agree to comply with the requirements of the 2015 water efficient landscape ordinance and shall submit for approval a complete Landscape Document Package:
- v. An irrigation design plan with schedule; and
- vi. A grading design plan.

D.5.2 A Certificate of Completion must be completed, signed, and submitted to the Utilities Department prior to Final approval for Occupancy.

E. Community and Economic Development Department, Building Division Conditions

- E.1. Prior to the construction of onsite improvements including but not limited to walks, sidewalks, utilities, signs, lights, retaining walls, sound walls, underground vaults, transformer, trellis, trash enclosures, etc., Applicant shall submit to the Building Safety Division for review and approval construction drawings and supporting documents that conform to the current Title 24 California Code of Regulations at time of application.
- E.2. Prior to commencement of construction, Applicant shall submit to the Building Safety division for review and approval construction plans and supporting documents that demonstrate compliance with CBC section 705.5 for fire-resistance rating requirements for exterior walls.
- E.3. Prior to commencement of construction, Applicant shall submit to the Building Safety division for review and approval construction plans and supporting documents for the building conforming to Title 24 California Code of Regulations and Tracy Municipal Code that are current at the time of submittal.
- E.4. Prior to commencement of construction, Applicant shall submit to the Building Safety division for review and approval construction plans that demonstrate compliance with CBC 302 for assigning the proper occupancy classification of each room or space based on its intended use, and CBC section 508 for implementing the proper occupancy separation requirements.

F. South San Joaquin County Fire Authority (SSJCFA) Conditions

- F.1. Prior to construction, Applicant shall submit construction documents to the South San Joaquin County Fire Authority for review and approval. Construction documents shall be designed to the current edition of the California Code of Regulations, Title 24, as amended by the City of Tracy Municipal Code.
- F.2. Deferred submittals shall be listed on the coversheet of each page. Each deferred submittal shall be submitted, reviewed and approved by SSJCFA prior to installation.
- F.3. Fire protection water supply must be submitted separately from construction permit. All piping and installation shall be in accordance with CFC §507 & NFPA standards. Approval of grading and/or on-site improvements does not grant approval for the installation of underground fire service.
- F.4. Fire sprinklers shall be designed by a licensed fire protection contractor or engineer. Hydraulic calculations, specifications and plans shall be submitted prior to issuance of building permit.
- F.5. A request for fire flow shall be submitted to the South San Joaquin County Fire Authority and results shall be approved by the Fire Marshal prior to construction. Fire flow requirements shall be in accordance with CFC Appendix B.

F.6. Fire department connections shall be installed in accordance with CFC §912 and NFPA standards. A hydrant shall be placed within 100' of the FDC, in accordance with NFPA 14 §6.4.5.4. FDC locations shall be approved by the fire code official prior to issuance of construction permit.

F.7. Fire control room locations shall be approved the fire code official prior to the issuance of construction permit.

F.8. Prior to construction, all-weather fire apparatus access roads shall be installed. Fire apparatus access roads during construction shall have a minimum 20' unobstructed width in accordance with CFC §503.

F.9. All hydrants shall be installed, inspected and tested prior to bringing combustible materials onsite, including storage.

F.10. Knox boxes shall be required. Each tenant shall have keys placed in the key box. The operator of the building shall immediately notify the Fire Authority and provide the new key where a lock is changed or rekeyed. The key to such shall be secured in the key box.

F.11. Building and each tenant space shall be provided with approved address identification in accordance with CFC §505.

F.12. Prior to final inspection, emergency radio responder coverage shall be tested to confirm coverage areas. It is beneficial for the Applicant to conduct testing at foundation as retrofitting for the conduit is costly. If coverage is inadequate, a separate permit for emergency radio responder coverage shall be submitted to SSJCFA for review and approval prior to installation. Additional improvements may warrant additional testing to be performed. Testing shall be the determination of the fire code official.

F.13. Prior to construction, an address must be posted at the construction site entrance. Address must be a minimum of 4 inches high by ½ inch numerals. Address must be provided so that emergency service personnel can locate the construction site in the event of an emergency.

G. The following conditions provide the applicant with options for funding required Citywide services.

G.1. Streets and Streetlights

Before issuance of any building permit for the Property, Developer shall provide for perpetual funding of the on-going costs of the operation and maintenance of the streets (from curb-to-curb, excluding gutters) to a Pavement Management System standard of PCI 70 (seventy), which could include street reconstruction, as reasonably determined by the City, the electric utility costs of operating the streetlights and signals that will serve the Project (collectively, the "Infrastructure"), by doing one of the following, subject to the approval of the City's Finance Director:

- a. Community Facilities District (CFD). Developer shall enter into an agreement with the City, to be signed by the Finance Director, which shall be recorded against the Property, which requires that prior to the final inspection, Developer shall complete the annexation of the Property to City of Tracy Community Facilities District in compliance with the requirements of the Mello – Roos Community Facilities Act of 1982 (Gov. Code § 53311 et seq.) including, without limitation, affirmative votes, and the recordation of a Notice of Special Tax Lien. Developer shall be responsible for all costs associated with the CFD proceedings.

Or

- b. POA and dormant CFD. If the POA is the chosen funding mechanism, Developer must do the following:
 - 1) Form a Property Owner's Association (POA) or other maintenance association, with CC&Rs reasonably acceptable to the City, to assume the obligation for the on-going costs of the operation and maintenance of the streets (from curb-to-curb, excluding gutters) to a Pavement Management System standard of PCI 70 (seventy), which could include street reconstruction, as reasonably determined by the City, the electric utility costs of operating the streetlights and signals that will serve the Project (collectively, the "Infrastructure");
 - 2) Cause the POA to enter into an agreement with the City, in a form to be approved by the City and to be recorded against the Property prior to the final inspection, setting forth, among other things, the required maintenance obligations, the standards of maintenance, and all other associated obligation(s) of the POA to ensure the on-going costs of the operation and maintenance of the streets (from curb-to-curb, excluding gutters) to a Pavement Management System standard of PCI 70 (seventy), which could include street reconstruction, as reasonably determined by the City, the electric utility costs of operating the streetlights and signals that will serve the Project (collectively, the "Infrastructure");
 - 3) Before final inspection, annex into a CFD in a "dormant" capacity, to be triggered if the POA fails (as determined by the City in its sole and exclusive discretion) to perform the required level of operation, maintenance and replacement for the on-going costs of the operation and maintenance of the streets (from curb-to-curb, excluding gutters) to a Pavement Management System standard of PCI 70 (seventy), which could include street reconstruction, as reasonably determined by the City, the electric utility costs of operating the streetlights and signals that will serve the Project (collectively, the "Infrastructure"). The dormant tax or assessment shall be disclosed to all property owners, even during the dormant period.

Or

c. Direct funding. Developer shall enter into an agreement with the City, which shall be recorded against the Property, which requires that prior to approval of final inspection, Developer shall deposit with the City an amount necessary, as reasonably determined by the City, to fund in perpetuity the on-going costs of the operation and maintenance of the streets (from curb-to-curb, excluding gutters) to a Pavement Management System standard of PCI 70 (seventy), which could include street reconstruction, as reasonably determined by the City, the electric utility costs of operating the streetlights and signals that will serve the Project (collectively, the "Infrastructure").

If the provisions for adequate funding of the on-going costs of the operation and maintenance of the streets (from curb-to-curb, excluding gutters) to a Pavement Management System standard of PCI 70 (seventy), which could include street reconstruction, as reasonably determined by the City, the electric utility costs of operating the streetlights and signals that will serve the Project (collectively, the "Infrastructure") are met prior to issuance of the building permit for the Property, subject to the Finance Director's review and approval, the terms of this condition shall be considered to have been met and this condition shall become null and void.

G.2. Landscaping Maintenance

Prior to issuance of any building permit for the Property, Developer shall provide for perpetual funding of the on-going costs of operation, maintenance and replacement for public landscaping for the Property at a high-quality service level as determined by the Parks Director by doing one of the following, subject to the approval of the City's Finance Director:

a. CFD or other funding mechanism. The Developer shall enter into an agreement with the City, which shall be recorded against the Property, which stipulates the following: (1) prior to issuance of a building permit, the Developer shall form or annex into a Community Facilities District (CFD) for funding the on-going costs related to maintenance, operation, repair and replacement of public landscaping, public walls and any public amenities included in the Project, and ongoing public landscaping maintenance costs associated with major program roadways identified in the Citywide Roadway and Transportation Master Plan; (2) the items to be maintained include but are not limited to the following: ground cover, turf, shrubs, trees, irrigation systems, drainage and electrical systems; masonry walls or other fencing, entryway monuments or other ornamental structures, furniture, recreation equipment, hardscape and any associated appurtenances within medians, parkways, dedicated easements, channel-ways, public parks, and public open space areas and trails; (3) formation of the CFD shall include, but not be limited to, affirmative votes and the recordation of a Notice of Special Tax Lien; (4) upon successful formation, the parcels will be subject to the maximum special tax rates as outlined in the Rate and Method of Apportionment; (5) prior to issuance of a building permit, the Developer shall deposit an amount equal to the first year's taxes; and (6) the Developer shall be responsible for all costs

associated with formation or annexation of the CFD.

Or

- b. POA and dormant CFD. If the POA is the chosen funding mechanism, the Developer must do the following:
 1. Form a Property Owner's Association (POA) or other maintenance association, with CC&Rs reasonably acceptable to the City, to assume the obligation for the on-going maintenance of all public landscaping areas that will serve the Property;
 2. Cause the POA to enter into an agreement with the City, in a form to be approved by the City and to be recorded against the Property prior to the final inspection, setting forth, among other things, the required maintenance obligations, the standards of maintenance, and all other associated obligation(s) to ensure the long-term maintenance by the POA of all public landscape areas that will serve the Property;
 3. Make and submit to the City, in a form reasonably acceptable to the City, an irrevocable offer of dedication of all public landscape areas that will serve the Property;
 4. Before final inspection, annex into a CFD in a "dormant" capacity, to be triggered if the POA fails (as determined by the City in its sole and exclusive discretion) to perform the required level of public landscape maintenance. The dormant tax or assessment shall be disclosed to all property owners, even during the dormant period.

Or

- c. Direct funding. The Developer shall enter into an agreement with the City, which shall be recorded against the Property, which stipulates that prior to issuance of a building permit, the Developer shall deposit with the City an amount necessary, as reasonably determined by the City, to fund in perpetuity the full on-going maintenance costs related to maintenance, operation, repair and replacement of public landscaping, public walls and any public amenities included in the Project, and ongoing public landscaping maintenance costs associated with major program roadways identified in the Citywide Roadway and Transportation Master Plan. The items to be maintained include but are not limited to the following: ground cover, turf, shrubs, trees, irrigation systems, drainage and electrical systems, masonry walls or other fencing, entryway monuments or other ornamental structures, furniture, recreation equipment, hardscape and any associated appurtenances within medians, parkways, dedicated easements, channel-ways, public parks, and public open space areas and trails.

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