CITY OF CLAYTON

Founded 1857... Incorporated 1964

AGENDA

REGULAR MEETINGS

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CLAYTON CITY COUNCIL
and
CLAYTON REDEVELOPMENT AGENCY

* * *

TUESDAY, December 21, 2010

7:00 p.m.

Hoyer Hall, Clayton Community Library
6125 Clayton Road, Clayton, CA 94517

Mayor: David T. Shuey
Vice Mayor: Howard Geller

Council Members
Joseph A. Medrano
Julie K. Pierce
Hank Stratford

- A complete packet of information containing staff reports and exhibits related to each public item is available for public review in City Hall located at 6000 Heritage Trail on Monday prior to the Council meeting.
- Agendas are posted at: 1) City Hall, 6000 Heritage Trail; 2) Library, 6125 Clayton Road; 3) Ohm's Bulletin Board, 1028 Diablo Street, Clayton; and 4) City Website at **www.ci.clayton.ca.us**
- Any writings or documents provided to a majority of the City Council after distribution of the Agenda Packet and regarding any public item on this Agenda will be made available for public inspection in the City Clerk's office located at 6000 Heritage Trail during normal business hours.
- If you have a physical impairment that requires special accommodations to participate, please call the City Clerk's office at least 72 hours in advance of the meeting at (925) 673-7304.

7:00 P.M.

1. **CALL TO ORDER AND ROLL CALL** – Mayor Shuey.

2. **PLEDGE OF ALLEGIANCE** – led by Mayor Shuey.

3. **CONSENT CALENDAR**
Consent Calendar items are typically routine in nature and are considered for approval by the City Council with one single motion. Members of the Council, Audience, or Staff wishing an item removed from the Consent Calendar for purpose of public comment, question or input may request so through the Mayor.

(a) Approve the minutes of the regular meeting of December 7, 2010. (View Here)

(b) Approve Financial Demands and Obligations of the City. (View Here)

(c) Award of contract to Bay Area Economics (Davis, CA) in the amount of $35,760.00 for the preparation of a Fiscal Impacts and Potential Economic Implications Analysis of the proposed Clayton Community Church mixed-use project in the Town Center area. (View Here)

4. **RECOGNITIONS AND PRESENTATIONS**

(a) Certificate of Appreciation to James Van Wyck, Troop 262 of the Mt. Diablo Silverado Council – Muir District of the Boy Scouts of America, for preparation and construction of a horseshoe pit at Lydia Lane Park as his Eagle Scout Project. (View Here)

5. **REPORTS**
(a) Planning Commission – Vice Chairman Dan Richardson.
(b) Trails and Landscaping Committee – No meeting held.
(c) City Manager/Staff
(d) City Council - Reports from Council liaisons to Regional Committees, Commissions and Boards.
(e) Other

6. PUBLIC COMMENT ON NON - AGENDA ITEMS

Citizens may address the City Council on items within the Council's jurisdiction, (which are not on the agenda) by completing a speaker card available on the Lobby table and submitting it to the City Clerk. To assure an orderly meeting and an equal opportunity for everyone, each speaker is limited to 3 minutes, enforced at the Mayor's discretion. When one's name is called by the Mayor, the speaker shall approach the public podium and adhere to the time limit. In accordance with State Law, no action may take place on any item not appearing on the posted agenda. The Council may respond to statements made or questions asked, or may request Staff to report back at a future meeting concerning the matter.

Public comment and input on Public Hearing, Action Items and other Agenda Items will be allowed when each item is considered by the City Council.

7. PUBLIC HEARINGS – None.

8. ACTION ITEMS

(a) Review and determination of City Council sub-committee, inter-governmental and regional board assignments for 2011. (View Here)
(Mayor Shuey)

Staff recommendation: Following report by Mayor Shuey, approve by motion the proposed Council Member assignments for calendar year 2011.

9. COUNCIL ITEMS – limited to requests and directives for future meetings.

10. ADJOURNMENT– the next regularly scheduled City Council meeting is January 4, 2011.

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* CLAYTON REDEVELOPMENT AGENCY *

December 21, 2010

1. CALL TO ORDER AND ROLL CALL – Chairperson Pierce.

2. PUBLIC COMMENTS

Citizens may address the Redevelopment Agency on items within the Board's jurisdiction, (which are not on the agenda) by completing a speaker card available on the Lobby table and submitting it to the Secretary. To assure an orderly meeting and an equal opportunity for everyone, each speaker is limited to 3 minutes, enforced at the Chair's discretion. When one's name is called by the Chair, the speaker shall approach the public podium and adhere to the time limit. In accordance with State Law, no action may take place on any item not appearing on the posted agenda. Board Members may respond to statements made or questions asked, or may request Staff to report back at a future meeting concerning the matter.

Public comment and input on Public Hearing, Action Items and other Agenda Items will be allowed when each item is considered by the Board.

3. CONSENT CALENDAR

Consent Calendar items are typically routine in nature and are considered for approval by the Board with one single motion. Members of the Board, Audience, or Staff wishing an item removed from the Consent Calendar for purpose of public comment, question or input may request so through the Chair.

(a) Approve the minutes of the regular meeting of December 7, 2010. (View Here)

(b) Approve the Redevelopment Agency's Audited Financial Statement for Fiscal Year 2009-2010 prepared by Cropper Accountancy Corporation (independent Certified Public Accountants). (View Here)

4. PUBLIC HEARINGS – None.

5. ACTION ITEMS – None.

6. BOARD ITEMS – limited to requests and directives for next meeting.

7. ADJOURNMENT – the next regular Redevelopment Agency meeting will be scheduled as needed.

MINUTES
OF THE
REGULAR MEETING
CLAYTON CITY COUNCIL

Agenda Date: 12-21-10

Agenda Item: 3a

TUESDAY, December 7, 2010

1. **CALL TO ORDER & ROLL CALL** – The meeting was called to order at 7:02 p.m. by Mayor Stratford in Hoyer Hall of the Clayton Community Library, 6125 Clayton Road, Clayton, CA. Councilmembers present: Mayor Stratford, Vice Mayor Shuey, Councilmembers Geller, Medrano and Pierce. Staff present: City Manager Gary Napper, City Attorney Dan Adams, Community Development Director David Woltering, and City Clerk Laci Jackson.

2. **CLOSED SESSION** – None.

3. **PLEDGE OF ALLEGIANCE** – led by Mayor Stratford. Prior to the Pledge Mayor Stratford asked for a moment of silence in honor of those who served America since Pearl Harbor Remembrance Day is today.

4. **CONSENT CALENDAR- It was moved by Vice Mayor Shuey seconded by Councilmember Geller to approve the Consent Calendar as submitted (Passed; 5-0 vote).**

(a) Information Only
1. Notification by Republic Services (dba Allied Waste Services) that residential and commercial solid waste collection and disposal services rates will increase by 0.95% (90% of the annual CPI average increases, per the Franchise Agreement), effective January 1, 2011.

(b) Approved the minutes of the regular meeting of November 16, 2010 and the special meeting of November 23, 2010.

(c) Approved Financial Demands and Obligations of the City.

(d) Adopted Resolution 48-2010 approving and adopting updated City of Clayton Standard Specifications for Public Improvements (per Caltrans' revisions through November 2010) and authorizing the posting of same on the City's website.

(e) Adopted Resolution 49-2010 declaring the results of canvass of returns in the November 2010 General Municipal Election declaring two persons elected to the City Council of Clayton, California for full four-year terms of office.

5. **RECOGNITIONS AND PRESENTATIONS** – None.

6. **OATHS OF OFFICE BY NEWLY-ELECTED CITY COUNCIL MEMBERS**

The City Clerk administered the Oaths of Office to the newly elected Councilmembers: Ross "Hank" Stratford and David "Shoe" Shuey. The new Councilmembers took their seats at the Council dais and were provide framed Certificates of Election.

7. ANNUAL REORGANIZATION OF CLAYTON CITY COUNCIL

(a) Election of Mayor by the City Council.

Mayor Stratford opened nominations and nominated David Shuey for the position of Mayor. Councilmember Pierce seconded the nomination. There were no other nominations. **The election of David Shuey as Mayor passed by acclimation (5-0 vote).**

(c) Recognitions and Comments by Mayor and City Council.

Mayor Shuey thanked Councilmember Stratford for doing a wonderful job as Mayor. He stated it was a difficult financial year for the City and the State and he thanked him for his leadership guiding the Council through those tough times. Mayor Shuey presented Councilmember Stratford with a gavel plaque in appreciation of his service.

Councilmember Stratford thanked the Council and the public for letting him serve. He stated it was a great honor and he appreciated the support from the Council, staff and the public.

(b) Election of Vice Mayor by the City Council.

Mayor Shuey stated he believes this is going to be an interesting year as the City is facing difficult economic times and the Clayton Community Church proposed project will come before the City Council during this term. He stated the Council has made no decisions in regards to the project and is keeping its neutrality. He stated whenever religion is involved and divisions are formed in the community it is important to step back and realize both sides of the debate have an interest. He stated he looks forward to serving another term as Mayor.

Mayor Shuey opened nominations and nominated Joseph Medrano for the position of Vice Mayor, which was seconded by Councilmember Medrano. Councilmember Pierce nominated Howard Geller for the position of Vice Mayor, which was seconded by Councilmember Stratford.

Councilmember Stratford noted he had not been looking forward to this meeting. Councilmember Pierce stated it is a tough decision on Vice Mayor and is not as clear cut as in past years we have two qualified nominees.

Councilmember Medrano stated if the criteria for choosing the next Vice Mayor came from the most votes in the previous he would be selected. He stated he supported Ted Meriam in the last election and stated he believes it is important to mentor those who will be leaders in the community. He stated he has no hidden agendas and believes not agreeing on every issue encourages discussion. He stated he credits Council as a whole and staff for their hard work. He stated the new Vice Mayor should adapt to change.

Councilmember Geller stated it is tough choice for Vice Mayor because there are two very qualified candidates. He stated he takes his job as a Councilmember very seriously and has 36 years of service to the City of Clayton. He stated he served on many committees including the Budget and Audit sub-committee and the Concerts in the Grove committee. He stated he has attended many of the Mayors' Conferences to hear about issues facing the City and how other cities are dealing with those issues. He stated he has worked hard to keep a balanced budget while trying to maintain Clayton's charm.

Mayor Shuey called for the vote in order nominated: Joseph Medrano (Failed; 2-3 vote; Noes- Councilmembers Geller, Pierce and Stratford).

Mayor Shuey called for the vote for Howard Geller as Vice Mayor (Passed; 3-2 vote; Noes- Mayor Shuey and Councilmember Medrano.

8. REPORTS

(a) Planning Commission – No meeting held to report.

(b) Trails and Landscaping Committee – No meeting held to report.

(c) The City Manager thanked Councilmember Stratford for his service and welcomed Mayor Shuey and Vice Mayor Geller to their offices on behalf of City staff.

(d) City Council

Vice Mayor Geller attended the Mayors' Conference and the Community Blood Drive.

Councilmember Stratford attended the Hospice Tree Lighting, Library Foundation meeting, Do the Right Thing program meeting, gave blood at the Community Blood Drive and attended the Mayors Conference and the CBCA Tree Lighting event.

Councilmember Medrano attended the Downtown Tree Lighting and noted the Cinderella carriage that went around downtown was sponsored and paid for by Ed Moresi and Stephanie Lopez. He thanked the downtown businesses for their support of the event. He stated the Clayton Counts Down is quickly approaching and is still in need of volunteers to staff the event and help with cleanup.

Councilmember Pierce attended the Downtown Tree Lighting, a Regional Planning Committee meeting, a Contra Costa Transportation Authority meeting, and the retirement party for County Librarian Anne Cain. She also stated the New Year's Eve event needs more volunteers and stated high school volunteers could earn service hours by working the event.

Mayor Shuey stated he and Councilmember Medrano were working on legal issues for the City, and he attended the Downtown Tree Lighting.

(e) Other – None.

9. PUBLIC COMMENTS- None.

10. PUBLIC HEARINGS - None.

11. ACTION ITEMS

(a) Consideration of a 2nd Reading and Adoption of Ordinance No. 430 to amend the Contracts Between the Board of Administration of the California Public Employees' Retirement System (CalPERS) and the City of Clayton to implement *California Government Code* Section 20475 (2.0% at 60 Full Formula for Miscellaneous Employees and 2.0% at 50 Full Formula for Local Public Safety) providing a Second Tier of Lower Level Pension Benefits for new City Employees.

The City Clerk presented the staff report and stated at its November 2, 2010 meeting the City Council adopted Resolution No. 47-2010, a Resolution of Intention to amend the contract with CalPERS for all new employees of the City. She stated over time the City will experience savings with the Tier II system. The final action for adoption of the Tier II system is the adoption of Ordinance No. 430.

No public comments were received.

It was moved by Councilmember Medrano, seconded by Councilmember Pierce to have the City Clerk read Ordinance No. 430 by title and number only and waive further reading (Passed; 5-0 vote).

The City Clerk read Ordinance No. 430 by title and number only.

It was moved by Councilmember Medrano, seconded by Councilmember Pierce to adopt Ordinance No. 430 (Passed; 5-0 vote).

(b) Consideration of a request by the new owners (NUCP, Inc.) of the Flora Square mixed-use commercial building located at 1026 Oak Street for the City Council's approval to allow a commercial recreation use (longevity fitness studio) as a ground floor lease occupancy rather than a commercial retail sales ground floor use as conditioned in the development's approved Site Plan Review permit (Oak Center SPR 01-06) and the associated Disposition and Development Agreement (DDA).

The Community Development Director presented the staff report. He stated at the time of the last meeting NUCP had not completed lease negotiations for the ground floor and staff suggested giving a full picture of what was proposed on the ground floor before coming to the Council for action. He stated the Flora Square building has a Disposition and Development Agreement (DDA) from 2005 which together with the subsequent Site Plan Review (SPR) approval spells out how the building is to be used. The DDA, narrowed by the SPR approval allows for only retail sales and restaurant use on ground floor and the use proposed by Longevity Fitness Studio is not a retail use or restaurant. The narrowed use of the building to restaurant and retail uses was due to the lot line to lot line development allowance and the City's full waiver on site parking requirements. The limit to restaurant and retail uses was to encourage a stronger revenue base for the community for the community.

He stated the property was developed in 2007-2008, and the property was acquired by NUCP during foreclosure in March 2010. The property owner has had challenges in renting out the spaces, but has been able to sign leases for all ground floor spaces. He stated with the full picture and the other two tenants being allowed retail and restaurant uses, staff is supportive with conditions as outlined in the proposed Resolution. The conditions include having Longevity fitness get a certificate of occupancy within one year. Also, if the fitness studio use is abandoned for 6 months or more, the property owner gives up the right to that specific land use added by the Council and the space would revert to either allowed retail or restaurant uses only.

Councilmember Pierce asked why staff recommended a one year time frame to get the business up and running? The Community Development Director responded that was a standard time frame given by the City for similar entitlement requests, such as a Use Permit.

Steve Thomas, NUCP, stated his company acquired the building in March of 2010 and since that time has been working to try to find restaurants but with the financial outlook it has not been easy. He stated the leases he has signed for the three ground floor spaces will bring people to the Town Center area. He also noted NUCP would be investing $800-900,000 in tenant improvements and they would be working to get the building permits as soon as possible.

Councilmember Medrano asked if the flood gates have been installed? The Community Development Director stated yes. Councilmember Medrano stated that without the installation of those gates no one would have been able to occupy the building so the lapse in the time severity limited retail interest since once could not immediately occupy it..

Vice Mayor Geller asked about the tenants other than Longevity Fitness. Mr. Thomas responded Subway signed a lease as did a produce market. He also stated the owner of Longevity Fitness has been running business out of a variety of facilities and locations outside of the community (Concord).

Councilmember Pierce asked if Mr. Thomas would be opposed to shortening the time frame for the occupancy? Mr. Thomas responded as long as it wasn't too short he would be ok with that.

Councilmember Medrano asked if this would mean a Subway in the Clayton Station and Downtown. The City Manager reminded the Council they have no control over these two tenants as each is allowed retail sales use and not subject matter before the Council.

Ilima Howard, Clayton resident, owner of Longevity Fitness, stated she is currently working outside Clayton with her company Traveling Trainers for Life and using facilities in Concord and Pleasant Hill. She stated is hoping this new facility will allow for more class offerings for clients. She stated she is looking forward to opening because it has been a long and well planned out process. She stated the boutique fitness studio will offer group classes, Pilates, sell our own workout wear and equipment, and have an amazing aesthetic. She stated this will offer Clayton residents a place to go and stay downtown. Mr. Thomas added Longevity is expected to have 150-200 customers per day traveling to the downtown.

Councilmember Medrano stated he wants to encourage businesses to come to downtown that are retail oriented for the ground floor spaces. He stated he would like the property owner to try and recruit more retail uses for the next 6 months before the City approves this.

Councilmember Pierce stated she had struggled with this application but thinks staff has come up with a reasonable compromise and it will get the building full and rented. She stated hopefully occupancy can happen in less than a year and suggested 9 months. Mr. Thomas stated 9 months would be ok.

Councilmember Stratford thanked Mr. Thomas for bringing the whole package together. He stated he would like to see a full restaurant there, but would also love to see the building full. He stated he was ok with the one year time frame and wasn't sure a change to 9 months was necessary.

Vice Mayor Geller agreed with Councilmembers Pierce and Stratford and believes it is a good package.

Mayor Shuey stated he was initially very concerned with this but recognizes the need to build up foot traffic in the downtown.

Mayor Shuey discussed amendments to the Resolution including making sure the floor plan was attached and there was language ensuring only the back portion of the building was used for the fitness studio, with no opportunity for expansion.

Councilmember Medrano stated the vote tonight was for allowing Longevity Fitness as a non-retail use in the space.

It was moved by Councilmember Pierce, seconded by Councilmember Stratford to adopt the Resolution as amended authorizing a "fitness studio" use on ground floor in Flora Square subject to the listed conditions and strengthening of language in Section 1.A. allowing for no expansion of this use on ground floor (Passed; 4-1 vote, No- Medrano).

(c) Continued consideration of the status of holding the 8th annual "Clayton Counts Down" New Year's Eve event being at risk due to the amount of community and business donations and event volunteers.

Councilmember Pierce stated the Clayton Counts Down Committee has received half of the funds needed for the event, but are hopeful CBCA will come through with a donation after their January meeting.

Councilmember Medrano stated he is confident CBCA will come through with a $4,000 donation.

Vice Mayor Geller suggested the CBCA donation request go out several months earlier next year to allow them time to approve it in advance of the event.

Councilmember Stratford stated the City of Martinez has cancelled its event for the last two years but he would like to see this event keep its momentum.

The City Clerk stated while the financial side of the event looks positive there is still a great need for volunteers.

Councilmember Pierce stated the event is coming together but volunteers are still needed.

No action was taken. The event will occur as scheduled on December 31, 2010 from 5:00pm-8:00 pm.

11. <u>ADJOURNMENT</u>– On call by Mayor Shuey the meeting adjourned at 8:45 p.m.

Respectfully submitted,

Laci J. Jackson, City Clerk

APPROVED BY CLAYTON CITY COUNCIL

Hank Stratford, Mayor

CITY OF CLAYTON
Founded 1857 · Incorporated 1964

Agenda Date: 12/21/10
Agenda Item: 3b

Approved:

Gary A. Napper
City Manager/Executive Director

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: MERRY PELLETIER, FINANCE MANAGER

DATE: DECEMBER 21, 2010

SUBJECT: INVOICE SUMMARY

RECOMMENDATION **Approve the following Invoices.**

12/17/10	Invoice Expense Allocation Report	$142,211.96

Attachments:
Invoice Expense Allocation Report (15 pages)

City of Clayton
Invoice Expense Allocation Report
CC Meeting 12/21/10

Vendor Name Tax Identification Number	Transaction Date Transaction Number	Description Transaction Type	Status	Account Number	Account Description	Amount
Access One						
Access One	12/2/2010	Long Distance 11/10		101-7332-02	Telephone	$0.46
	1097455	Invoice	Approved	101-7332-03	Telephone	$3.19
				101-7332-04	Telephone	$17.57
				101-7332-07	Telephone	$0.13
				101-7332-06	Telephone	$29.64
					Totals for Access One:	*$50.99*
All City Management Services, Inc.						
All City Management Services, Inc.	11/23/2010	Crossing Guard WE 11/20/10		101-7419-06	Other Professional Services	$372.00
	21240	Invoice	Approved			
	12/8/2010	Crossing Guard WE 12/4/10		101-7419-06	Other Professional Services	$232.50
	21424	Invoice	Approved			
					Totals for All City Management Services, Inc.:	*$604.50*
Allied Waste Services						
Allied Waste Services	9/30/2010	Garbage Svc 278 Stranahan 7		302-7520-00	Projects	$53.11
	0210-002068628	Invoice	Approved			
					Totals for Allied Waste Services:	*$53.11*
Arlene H. Kikkawa-Nielsen						
Arlene H. Kikkawa-Nielsen	12/16/2010	Library Volunteer Coord 12/1		601-2739-00	Clayton Community Library Foun	$820.00
XXX-XX-1991	12/10	Invoice	Approved			
					Totals for Arlene H. Kikkawa-Nielsen:	*$820.00*
AT&T/ CalNet 2						
AT&T/ CalNet 2	12/3/2010	Phone Service 12/10		101-7332-03	Telephone	$211.26
	12/10A	Invoice	Approved	101-7332-07	Telephone	$156.06
				101-7332-06	Telephone	$89.40
					Totals for AT&T/ CalNet 2:	*$456.72*
Backyard Carnivals						
Backyard Carnivals	12/16/2010	Clayton Counts Down Play E		601-2750-00	Donations/Contributions	$399.00
1099	12/31/10 Dep	Invoice	Approved			

City of Clayton
Invoice Expense Allocation Report
CC Meeting 12/21/10

Vendor Name Tax Identification Number	Transaction Date Transaction Number	Description Transaction Type	Status	Account Number	Account Description	Amount
1099	12/16/2010 12/31/10 Balance	Clayton Counts Down Play E Invoice	Approved	601-2750-00	Donations/Contributions	$1,197.00
					Totals for Backyard Carnivals:	*$1,596.00*
Bust-A-Bug Pest Management						
Bust-A-Bug Pest Management	10/9/2010 2515	PD Pest Service for Ants 10/ Invoice	Approved	101-7341-03	Buildings/Grounds Maintenance	$120.00
					Totals for Bust-A-Bug Pest Management:	*$120.00*
CalPERS						
CalPERS	12/17/2010 PPE 12/12/10	Retirement PPE 12/12/10 + S Invoice	Approved	101-7220-01	PERS Retirement	$412.97
				101-7220-02	PERS Retirement	$3,958.97
				101-7220-03	PERS Retirement	$2,311.05
				101-7220-04	PERS Retirement	$1,174.00
				101-7220-06	PERS Retirement	$12,124.18
				230-7220-00	PERS Retirement	$884.14
				101-2206-00	PERS Liability	$166.47
					Totals for CalPERS:	*$21,031.78*
CH2M Hill Inc						
CH2M Hill Inc	12/16/2010 Libr 11/18/10	Refund Library Deposit for 1 Invoice	Approved	601-2015-00	Library Rm Rental Deposit	$200.00
					Totals for CH2M Hill Inc:	*$200.00*
Cintas Fire Protection						
Cintas Fire Protection	12/8/2010 OF44529814	EH Fire Ext Inspection 12/10 Invoice	Approved	702-7341-00	Buildings/Grounds Maintenance	$91.00
	12/8/2010 OF44529815	PD Fire Ext Inspection 12/10 Invoice	Approved	101-7311-06	General Supplies	$495.02
	12/8/2010 OF44529816	CH Fire Ext Inspection 12/10 Invoice	Approved	101-7341-03	Buildings/Grounds Maintenance	$751.39
					Totals for Cintas Fire Protection:	*$1,337.41*
City of Concord						

City of Clayton
Invoice Expense Allocation Report
CC Meeting 12/21/10

Vendor Name Tax Identification Number	Transaction Date Transaction Number	Description Transaction Type	Status	Account Number	Account Description	Amount
City of Concord	12/10/2010 23070	PD Rounting Maintenance 1 Invoice	Approved	230-7485-00	Capital Equipment	$112.00
	12/10/2010 23069	PD Dispatch Services 12/10 Invoice	Approved	101-7424-06	Dispatch Services	$13,173.00
					Totals for City of Concord:	*$13,285.00*
City of Orinda						
City of Orinda	1/1/2011 Mayors Conf 1/11	Mayors Conference 1/11 Invoice	Approved	101-7372-01	Conferences	$150.00
					Totals for City of Orinda:	*$150.00*
Clayton Pioneer						
Clayton Pioneer	12/9/2010 Libr 12/9/10	Fees deducted from Deposit f Credit memo	Unapplied	101-5603-00	Meeting Room Fee	($100.00)
	12/15/2010 Libr 12/9/10	Refund Unused Deposit for 1 Invoice	Approved	601-2015-00	Library Rm Rental Deposit	$200.00
					Totals for Clayton Pioneer:	*$100.00*
Concord Garden Equipment						
Concord Garden Equipment	11/2/2010 401403-404	PW Equipment Maintenance Invoice	Approved	210-7342-00	Machinery/Equipment Maintenanc	$421.21
					Totals for Concord Garden Equipment:	*$421.21*
Concord Uniforms						
Concord Uniforms	11/17/2010 5054	PD Uniform - Gehring 11/10 Invoice	Approved	101-7312-06	Office Supplies/Expense	$169.23
					Totals for Concord Uniforms:	*$169.23*
Contra Costa Water Dist.						
Contra Costa Water Dist.	12/7/2010 F Series 10-11/10	City Water Usage 10-11/10 Invoice	Approved	210-7338-00	Water Services	$118.07
				101-7338-03	Water Services	$472.28
				210-7338-00	Water Services	$12,149.41
				302-7521-00	RDA - LMI Housing	$53.58
					Totals for Contra Costa Water Dist.:	*$12,793.34*

City of Clayton
Invoice Expense Allocation Report
CC Meeting 12/21/10

Vendor Name / Tax Identification Number	Transaction Date / Transaction Number	Description / Transaction Type	Status	Account Number	Account Description	Amount
CR Fireline Inc						
CR Fireline Inc	11/19/2010	CH, EH, Libr Fire Sprinkler I		101-7341-03	Buildings/Grounds Maintenance	$110.00
	86335-337	Invoice	Approved	101-7341-07	Buildings/Grounds Maintenance	$110.00
				702-7341-00	Buildings/Grounds Maintenance	$110.00
					Totals for CR Fireline Inc:	*$330.00*
Crop Production Svcs						
Crop Production Svcs	11/15/2010	PW Landscape Supplies 11/		210-7311-00	General Supplies	$5,386.03
	213017	Invoice	Approved			
					Totals for Crop Production Svcs:	*$5,386.03*
Cropper Accountancy Corp						
Cropper Accountancy Corp	12/16/2010	Audit Financial Statements 6		302-7419-00	Other Professional Services	$2,000.00
	395	Invoice	Approved			
					Totals for Cropper Accountancy Corp:	*$2,000.00*
Employee Benefit Specialists, Inc						
Employee Benefit Specialists, Inc	11/30/2010	FSA Account Fees 11/10		101-7419-05	Other Professional Services	$100.00
	51212-IN	Invoice	Approved			
					Totals for Employee Benefit Specialists, Inc:	*$100.00*
GFWC Clayton Valley Woman's Club						
GFWC Clayton Valley Woman's Club	12/16/2010	Fees for Use of Library 11/19/		101-5603-00	Meeting Room Fee	($100.00)
	Libr 11/19/10 Fees	Credit memo	Unapplied			
	12/16/2010	Refund of Deposit less fees f		601-2015-00	Library Rm Rental Deposit	$200.00
	Libr 11/19/10	Invoice	Approved			
					Totals for GFWC Clayton Valley Woman's Club:	*$100.00*
Girl Scouts of Norther California #31895						
Girl Scouts of Norther California #31895	12/16/2010	Refund Library Deposit for 1		601-2015-00	Library Rm Rental Deposit	$200.00
	Libr 12/4/10	Invoice	Approved			
					Totals for Girl Scouts of Norther California #31895:	*$200.00*
Globalstar LLC						

City of Clayton
Invoice Expense Allocation Report
CC Meeting 12/21/10

Vendor Name Tax Identification Number	Transaction Date Transaction Number	Description Transaction Type	Status	Account Number	Account Description	Amount
Globalstar LLC	11/16/2010 2660851	PD Command Trl Sat Phn 1 Invoice	Approved	101-7332-06	Telephone	$26.86
					Totals for Globalstar LLC:	*$26.86*
Graybar Electric Co, Inc						
Graybar Electric Co, Inc	11/5/2010 950821110	Downtown Park Timer 11/10 Invoice	Approved	211-7485-00	Capital Equipment	$41.00
	11/15/2010 950977065	Downtown Park Timer for P Invoice	Approved	211-7485-00	Capital Equipment	$975.19
					Totals for Graybar Electric Co, Inc:	*$1,016.19*
Hammons Supply Company						
Hammons Supply Company	11/17/2010 63494	Janitorial Supplies 11/10 Invoice	Approved	101-7417-07	Janitorial Service	$258.92
				101-7417-03	Janitorial Service	$110.97
					Totals for Hammons Supply Company:	*$369.89*
J & R Floor Services						
J & R Floor Services 1099	12/1/2010 12-01-10	Janitorial Services 11/10 Invoice	Approved	101-7417-03	Janitorial Service	$449.94
				101-7417-06	Janitorial Service	$225.00
				101-7417-07	Janitorial Service	$2,175.00
				211-7417-00	Janitorial Services	$1,000.00
				101-7417-09	Janitorial Service	$1,000.00
				702-7417-00	Janitorial Service	$30.00
					Totals for J & R Floor Services:	*$4,879.94*
John Deere Landscapes Inc						
John Deere Landscapes Inc	11/30/2010 56540946	PW Landscape Material 11/ Invoice	Approved	210-7311-00	General Supplies	$430.65
	11/15/2010 56461026	PW Landscape Material 11/ Invoice	Approved	210-7520-00	Landscape Projects	$387.98
	11/9/2010 56419433	PW Landscape Material 11/ Invoice	Approved	210-7520-00	Landscape Projects	$773.76

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Vendor Name Tax Identification Number	Transaction Date Transaction Number	Description Transaction Type	Status	Account Number	Account Description	Amount
	11/23/2010 56516800	PW Landscape Material 11/ Invoice	Approved	210-7311-00	General Supplies	$225.94
					Totals for John Deere Landscapes Inc:	*$1,818.33*
LarryLogic Productions						
LarryLogic Productions 1099	12/7/2010 1104	CC Meeting 12/7/10 Invoice	Approved	101-7419-01	Other Professional Services	$307.50
					Totals for LarryLogic Productions:	*$307.50*
LSA Associates Inc						
LSA Associates Inc	12/14/2010 104760	Clayton Comm Ch EIR Const Invoice	Approved	601-2741-00	T&A Projects	$30,777.96
					Totals for LSA Associates Inc:	*$30,777.96*
Marken Mechanical Services Inc						
Marken Mechanical Services Inc	11/23/2010 410-1151-11	CH HVAC Maintenance 11/ Invoice	Approved	101-7346-03	HVAC Mtn & Repairs	$150.00
	11/23/2010 410-1152-11	Libr HVAC Maintenance 11/ Invoice	Approved	101-7346-07	HVAC Mtn & Repairs	$150.00
	12/2/2010 410-1152-12	CH HVAC Maintenance 12/ Invoice	Approved	101-7346-03	HVAC Mtn & Repairs	$150.00
	12/2/2010 410-1151-12	Libr HVAC Maintenance 12/ Invoice	Approved	101-7346-07	HVAC Mtn & Repairs	$150.00
	11/23/2010 110-13088	CH & Library HVAC Repair Invoice	Approved	101-7346-03 101-7346-07	HVAC Mtn & Repairs HVAC Mtn & Repairs	$2,007.50 $1,454.59
					Totals for Marken Mechanical Services Inc:	*$4,062.09*
Michel & Fackler APC						
Michel & Fackler APC	12/3/2010 10824	Legal Services 11/10 Invoice	Approved	501-7413-00	Legal Services	$7,426.66
					Totals for Michel & Fackler APC:	*$7,426.66*
MJB Corporation						

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Vendor Name Tax Identification Number	Transaction Date Transaction Number	Description Transaction Type	Status	Account Number	Account Description	Amount
MJB Corporation	11/23/2010 111524	Lydia Ln Bench 11/10 Invoice	Approved	101-7347-03	Deferred Mtn Projects	$1,390.38
					Totals for MJB Corporation:	*$1,390.38*
My Time Is Your Time						
My Time Is Your Time	12/14/2010 C&D Staff Time	C&D Staff time charges 12 Credit memo	Unapplied	101-5301-00	Planning Services	($183.78)
	12/14/2010 C&D #0568	Refund Balance of C&D Dep Invoice	Approved	601-2745-00	T&A Projects - C&D	$1,500.00
					Totals for My Time Is Your Time:	*$1,316.22*
Neopost (add postage)						
Neopost (add postage)	12/10/2010 12/10/10	Adm Postage Added 12/10/ Invoice	Approved	101-7314-05	Postage	$300.00
					Totals for Neopost (add postage):	*$300.00*
pmsigns						
pmsigns XX-XXX7217	12/9/2010 17775	Clayton Counts Down Sign 1 Invoice	Approved	601-2750-00	Donations/Contributions	$87.40
					Totals for pmsigns:	*$87.40*
R Phillipy Builders						
R Phillipy Builders	12/13/2010 MSWP 10/05	Refund MSWP 10-05 Deposi Invoice	Approved	601-2744-00	T&A Projects - Stormwater	$500.00
					Totals for R Phillipy Builders:	*$500.00*
Rex Lock & Safe, Inc.						
Rex Lock & Safe, Inc.	12/7/2010 89597	Keys Made 12/10 Invoice	Approved	101-7311-03	General Supplies	$51.35
	11/23/2010 89326	PW Lock & Keys 11/10 Invoice	Approved	101-7311-07	General Supplies	$15.84
					Totals for Rex Lock & Safe, Inc.:	*$67.19*
Riso Products of Sacramento						

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Vendor Name / Tax Identification Number	Transaction Date / Transaction Number	Description / Transaction Type	Status	Account Number	Account Description	Amount
Riso Products of Sacramento	11/18/2010	PD Copier 10/10		101-7345-06	Office Equip-Maint/Repairs	$95.07
XC038	65726	Invoice	Approved			
					Totals for Riso Products of Sacramento:	*$95.07*
Rock N Waterfall Co						
Rock N Waterfall Co	12/1/2010	Waterfall Maintenance 12/10		210-7419-00	Other Professional Services	$650.00
1099	390	Invoice	Approved			
					Totals for Rock N Waterfall Co:	*$650.00*
Roto- Rooter Sewer-Drain Service						
Roto- Rooter Sewer-Drain Service	11/5/2010	Library Bathroom Fixture Rep		101-7347-03	Deferred Mtn Projects	$740.00
	K-301-10	Invoice	Approved			
					Totals for Roto- Rooter Sewer-Drain Service:	*$740.00*
San Diego Police Equipment Co.						
San Diego Police Equipment Co.	11/12/2010	PD Supplies 11/10		101-7373-06	Education & Training	$522.76
	595132	Invoice	Approved	101-7311-06	General Supplies	$673.35
					Totals for San Diego Police Equipment Co.:	*$1,196.11*
Sprayer Sales Co						
Sprayer Sales Co	10/20/2010	Wash Rack Maintenance 10		216-7419-00	Other Professional Services	$225.00
1099	10451	Invoice	Approved			
	11/15/2010	Wash Rack Maintenance 11		216-7419-00	Other Professional Services	$225.00
1099	10452	Invoice	Approved			
					Totals for Sprayer Sales Co:	*$450.00*
Sprint Comm (PD)						
Sprint Comm (PD)	11/29/2010	PD Cell Phone Service 11/10		101-7332-06	Telephone	$650.25
	108 11/10	Invoice	Approved			
					Totals for Sprint Comm (PD):	*$650.25*
Sprint Comm (PW & ADM)						
Sprint Comm (PW & ADM)	11/29/2010	PW & Adm Cell Phone Svc 1		101-7332-03	Telephone	$223.06
	103 11/10	Invoice	Approved	101-7332-02	Telephone	$68.42

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Vendor Name Tax Identification Number	Transaction Date Transaction Number	Description Transaction Type	Status	Account Number	Account Description	Amount
					Totals for Sprint Comm (PW & ADM):	*$291.48*
Turner, Huguet & Adams						
Turner, Huguet & Adams 1099	12/2/2010 2180	GHAD Legal Services 11/10 Invoice	Approved	212-7413-00	Legal Services	$425.50
					Totals for Turner, Huguet & Adams:	*$425.50*
US Bank Corp Pymt System						
US Bank Corp Pymt System	11/22/2010 PW 11/10	PW Office Supplies Invoice	Approved	101-7311-03	General Supplies	$315.60
	11/22/2010 PW 11/10	PW General Supplies Invoice	Approved	101-7311-03	General Supplies	$526.90
	11/22/2010 PW 11/10	PW Copier (1/2 cost) Invoice	Approved	101-7311-03	General Supplies	$273.12
	11/22/2010 PW 11/10	PW Vehicle Gas Invoice	Approved	101-7344-03	Vehicles: Gas, Oil & Supplies	$838.37
	11/22/2010 PW 11/10	Lydia Ln Pk 1/4 Dust Invoice	Approved	101-7347-03	Deferred Mtn Projects	$145.03
	11/22/2010 PW 11/10	PW Streetlight Wire Invoice	Approved	201-7311-00	General Supplies	$298.44
	11/22/2010 PW 11/10	Grove Timer & Junction Box Invoice	Approved	211-7310-00	Supplies and Equipment	$51.06
	11/22/2010 PW 11/10	PW Misc Supplies Invoice	Approved	210-7311-00	General Supplies	$34.92
	11/22/2010 PW 11/10	PW Copier (1/2 cost) Invoice	Approved	210-7311-00	General Supplies	$273.12
	11/22/2010 PW 11/10	PW Fax Machine Invoice	Approved	210-7311-00	General Supplies	$76.46
	11/22/2010 PW 11/10	PW Landscape Fuel Invoice	Approved	210-7344-00	Vehicle Gas, Oil, and Supplies	$887.37

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Vendor Name Tax Identification Number	Transaction Date Transaction Number	Description Transaction Type	Status	Account Number	Account Description	Amount
	11/22/2010 PW 11/10	PW Trencher Rental Invoice	Approved	210-7520-00	Landscape Projects	$949.31
	11/22/2010 PW 11/10	Grove Timer Invoice	Approved	211-7310-00	Supplies and Equipment	$78.62
	11/22/2010 PW 11/10	PW Streetlight Lamps Invoice	Approved	214-7311-00	General Supplies	$171.78
	11/22/2010 ADM 11/10	Adm Office Supplies Invoice	Approved	101-7312-05	Office Supplies/Expense	$145.01
	11/22/2010 ADM 11/10	Mayor's Photo Invoice	Approved	101-7312-05	Office Supplies/Expense	$693.74
	11/22/2010 ADM 11/10	Postage Machine Lease Invoice	Approved	101-7314-05	Postage	$232.88
	11/22/2010 ADM 11/10	CSFMO Fin Officer Dues Invoice	Approved	101-7324-02	Dues and Subscriptions	$110.00
	11/22/2010 ADM 11/10	Keys for 208 Stranahan Invoice	Approved	302-7520-00	Projects	$4.77
	11/22/2010 PD 11/10	PD Misc. Supplies Invoice	Approved	101-7311-06	General Supplies	$94.63
	11/22/2010 PD 11/10	PD Rifle School & Supplies Invoice	Approved	101-7311-06	General Supplies	$242.89
	11/22/2010 PD 11/10	PD New Monitor Invoice	Approved	101-7312-06	Office Supplies/Expense	$158.01
	11/22/2010 PD 11/10	PD Postage Invoice	Approved	101-7314-06	Postage	$19.03
	11/22/2010 PD 11/10	PD Car Wash & Wipers Invoice	Approved	101-7343-06	Vehicle Maintenance	$80.23

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Vendor Name Tax Identification Number	Transaction Date Transaction Number	Description Transaction Type	Status	Account Number	Account Description	Amount
	11/22/2010 PD 11/10	PD Vehicle Fuel Invoice	Approved	101-7344-06	Vehicles: Gas, Oil & Supplies	$2,394.08
	11/22/2010 PD 11/10	PD Sgt. Panel Refresh Invoice	Approved	101-7363-06	Business Entertainment Expense	$103.12
	11/22/2010 PD 11/10	PD Training hotel Invoice	Approved	101-7373-06	Education & Training	$469.17
	11/22/2010 PD 11/10	PD Training Material Invoice	Approved	101-7373-06	Education & Training	$183.90
	11/22/2010 PD 11/10	PD Taser School Invoice	Approved	101-7373-06	Education & Training	$350.00
	11/22/2010 PD 11/10	PD Crime Scene Cleaner Invoice	Approved	101-7419-06	Other Professional Services	$120.00
	11/22/2010 PD 11/10	PD Ergonomic Duty Belt Invoice	Approved	502-7511-00	Machinery and Equipment	$197.52
	11/22/2010 PD 11/10	PD Office Supplies Invoice	Approved	101-7312-06	Office Supplies/Expense	$551.13
					Totals for US Bank Corp Pymt System:	*$11,070.21*
US Bank						
US Bank	11/24/2010 2748357	CFD 90-1 Fiscal Agent Fees 1 Invoice	Approved	420-7613-00	Paying Agent Fee	$577.50
					Totals for US Bank:	*$577.50*
Verizon Business						
Verizon Business	12/10/2010 63318557	Admin ISDN Line 1/11 Invoice	Approved	101-7332-02	Telephone	$211.86
					Totals for Verizon Business:	*$211.86*
Waraner Brothers						
Waraner Brothers 1099	11/29/2010 9144	Keller Ridge Dr Tree Work 1 Invoice	Approved	210-7520-00	Landscape Projects	$7,200.00

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Vendor Name / Tax Identification Number	Transaction Date / Transaction Number	Description / Transaction Type	Status	Account Number	Account Description	Amount
	11/29/2010	Stranahan Circle Tree Work I		210-7419-00	Other Professional Services	$150.00
1099	9145	Invoice	Approved			
	11/29/2010	Tree Work on OH Dr & India		210-7419-00	Other Professional Services	$1,950.00
1099	9143	Invoice	Approved			
					Totals for Waraner Brothers:	*$9,300.00*
Western Exterminator						
Western Exterminator	11/30/2010	Monthly Service 11/10		702-7341-00	Buildings/Grounds Maintenance	$87.00
	529705	Invoice	Approved	101-7341-07	Buildings/Grounds Maintenance	$93.50
				101-7419-09	Other Professional Services	$40.50
				101-7341-03	Buildings/Grounds Maintenance	$90.50
					Totals for Western Exterminator:	*$311.50*
William Fuller & Associates, Inc.						
William Fuller & Associates, Inc.	11/11/2010	Graffiti Deterent Equipment I		101-7347-03	Deferred Mtn Projects	$440.55
	10357	Invoice	Approved			
	11/11/2010	Libr Hand Dryer Electrical Ch		101-7347-03	Deferred Mtn Projects	$150.00
	10358	Invoice	Approved			
					Totals for William Fuller & Associates, Inc.:	*$590.55*

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Account Summary

Account Number	Description	Net Amount
101-2206-00	PERS Liability	$166.47
101-5301-00	Planning Services	($183.78)
101-5603-00	Meeting Room Fee	($200.00)
101-7220-01	PERS Retirement	$412.97
101-7220-02	PERS Retirement	$3,958.97
101-7220-03	PERS Retirement	$2,311.05
101-7220-04	PERS Retirement	$1,174.00
101-7220-06	PERS Retirement	$12,124.18
101-7311-03	General Supplies	$1,166.97
101-7311-06	General Supplies	$1,505.89
101-7311-07	General Supplies	$15.84
101-7312-05	Office Supplies/Expense	$838.75
101-7312-06	Office Supplies/Expense	$878.37
101-7314-05	Postage	$532.88
101-7314-06	Postage	$19.03
101-7324-02	Dues and Subscriptions	$110.00
101-7332-02	Telephone	$280.74
101-7332-03	Telephone	$437.51
101-7332-04	Telephone	$17.57
101-7332-06	Telephone	$796.15
101-7332-07	Telephone	$156.19
101-7338-03	Water Services	$472.28
101-7341-03	Buildings/Grounds Maintenance	$1,071.89
101-7341-07	Buildings/Grounds Maintenance	$203.50
101-7343-06	Vehicle Maintenance	$80.23
101-7344-03	Vehicles: Gas, Oil & Supplies	$838.37
101-7344-06	Vehicles: Gas, Oil & Supplies	$2,394.08
101-7345-06	Office Equip-Maint/Repairs	$95.07
101-7346-03	HVAC Mtn & Repairs	$2,307.50
101-7346-07	HVAC Mtn & Repairs	$1,754.59
101-7347-03	Deferred Mtn Projects	$2,865.96
101-7363-06	Business Entertainment Expense	$103.12

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101-7372-01	Conferences	$150.00
101-7373-06	Education & Training	$1,525.83
101-7417-03	Janitorial Service	$560.91
101-7417-06	Janitorial Service	$225.00
101-7417-07	Janitorial Service	$2,433.92
101-7417-09	Janitorial Service	$1,000.00
101-7419-01	Other Professional Services	$307.50
101-7419-05	Other Professional Services	$100.00
101-7419-06	Other Professional Services	$724.50
101-7419-09	Other Professional Services	$40.50
101-7424-06	Dispatch Services	$13,173.00
201-7311-00	General Supplies	$298.44
210-7311-00	General Supplies	$6,427.12
210-7338-00	Water Services	$12,267.48
210-7342-00	Machinery/Equipment Maintenanc	$421.21
210-7344-00	Vehicle Gas, Oil, and Supplies	$887.37
210-7419-00	Other Professional Services	$2,750.00
210-7520-00	Landscape Projects	$9,311.05
211-7310-00	Supplies and Equipment	$129.68
211-7417-00	Janitorial Services	$1,000.00
211-7485-00	Capital Equipment	$1,016.19
212-7413-00	Legal Services	$425.50
214-7311-00	General Supplies	$171.78
216-7419-00	Other Professional Services	$450.00
230-7220-00	PERS Retirement	$884.14
230-7485-00	Capital Equipment	$112.00
302-7419-00	Other Professional Services	$2,000.00
302-7520-00	Projects	$57.88
302-7521-00	RDA - LMI Housing	$53.58
420-7613-00	Paying Agent Fee	$577.50
501-7413-00	Legal Services	$7,426.66
502-7511-00	Machinery and Equipment	$197.52
601-2015-00	Library Rm Rental Deposit	$800.00
601-2739-00	Clayton Community Library Foun	$820.00
601-2741-00	T&A Projects	$30,777.96
601-2744-00	T&A Projects - Stormwater	$500.00

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601-2745-00	T&A Projects - C&D		$1,500.00
601-2750-00	Donations/Contributions		$1,683.40
702-7341-00	Buildings/Grounds Maintenance		$288.00
702-7417-00	Janitorial Service		$30.00
		GRAND TOTAL:	$142,211.96

CITY OF CLAYTON
Founded 1857 Incorporated 1964

Agenda Date: 12-21-10

Agenda Item: 3c

Approved:

Gary A. Napper
City Manager/Executive Director

AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: DAVID WOLTERING, COMMUNITY DEVELOPMENT DIRECTOR

DATE: DECEMBER 21, 2010

SUBJECT: AWARD OF CONTRACT TO BAY AREA ECONOMICS IN THE AMOUNT OF $35,760 FOR PREPARATION OF A FISCAL IMPACT/POTENTIAL ECONOMIC IMPLICATIONS ANALYSIS RELATED TO THE PROPOSED CLAYTON COMMUNITY CHURCH MIXED USE PROJECT

RECOMMENDATION

It is recommended the City Council, by Consent Calendar motion, authorize the City Manager to enter into a Consulting Services Agreement with Bay Area Economics in the amount of $35,760 for the preparation of a Fiscal Impact/Potential Economic Implications Analysis related to the proposed Clayton Community mixed use project.

This authorization is contingent upon the project sponsor, the Clayton Community Church, paying the full cost of this work effort by remitting the full $35,760 contract amount to the City of Clayton. Additionally, there will be staff costs incurred that will be charged to the project sponsor's deposit account for the administration and review of this work. The deposit account may need to be replenished from time to time to cover actual time and material costs, in accordance with the City approved fee schedule for processing land use applications.

BACKGROUND

The City of Clayton received an application from the Clayton Community Church to develop/redevelop its 2.3-acre, two-parcel property in Clayton's Town Center area on December 9, 2009. Development in this area is guided by the Clayton Town Center Specific Plan, which was adopted in 1990, and most recently revised in February of 2008.

The subject property is presently improved with the former and potentially historic Pioneer Inn building which measures approximately 6,800 square feet and a paved parking area to support that building. The remainder of the property is unimproved. The Clayton Community Church remodeled and uses the former Pioneer Inn building for its church office and associated activities. The develop/redevelop proposal involves the construction of four buildings, including a 22,244 square-foot sanctuary building with an approximately 500-seat main sanctuary area and three other buildings that combined would provide approximately another 20,000 square feet of space. An applicant proposed Phase 1 would involve the construction of the sanctuary building and an 8,516 square-foot building that would have retail uses and youth ministry on the ground floor and church administration on the second floor. A third building, which measures approximately 10,204 square feet in area, is proposed to have retail uses on the ground floor and commercial office uses on the second floor. The existing building on the property would be removed to accommodate this third building as part of the applicant's Phase 2. The fourth building measures approximately 1,200 square feet in area and could be built in either the first or second Phase. On-site parking requirements for the project as proposed would be approximately 222 spaces; the applicant is proposing to provide approximately 54 spaces on-site. There are several key issues associated with this application, including the following:

This project proposal requires a number of Planning approvals as follows:

- General Plan Amendment (to Allow Assembly Uses);
- Specific Plan Amendment (to Allow Assembly Uses, Parking);
- Zoning Amendments (to Allow Assembly Uses; Establish a Consistent Zoning Classification for Property; Parking);
- Use Permit Approval (to Allow Proposed Uses)
- Development Plan Approval (to Approve Overall Plan for Development)
- Tentative Parcel Map Approval to Divide the Property into Four (4) Parcels

The project application was deemed complete on March 26, 2010, after the applicant submitted required supplementary information and materials. Staff determined based on its preliminary environmental review of the application, that an environmental impact report (EIR) must be prepared for this proposed project on April 23, 2010. A contract for the EIR work was approved by the City Council on July 6, 2010.

DISCUSSION

This proposed project involves significant amendments to various City code and policy documents in the areas of land use and parking requirements. The potential environmental impacts are being assessed in the EIR that is being prepared. There will also be fiscal and economic impacts and related implications that may have important consequences to the community that should be considered during the public review. Staff has requested that specified potential fiscal and economic impacts and implications of this proposed project be analyzed to assure adequate and appropriate information is available for considering and acting upon this proposal. The importance and need for this type of analysis had been mentioned by staff at the outset of processing of this application, and will include critique of the applicant's submitted economic Development Study.

Accordingly, staff prepared a request for proposals (RFP) and distributed it to five multi-disciplinary fiscal/economics consulting firms that have known capability in preparing fiscal and real estate development economics studies. All five (5) of the firms responded with proposals: Bay Area Economics; CBRE; Economic & Planning Systems, Inc.; Keyser Marsten Associates; and, Urban Community Economics.

Upon receiving the proposals, staff reviewed them with consideration to the following primary evaluation criteria:

- Scope of Work
- Staffing/Project Manager
- Cost
- Schedule

Attached is a Consultant Evaluation form that provides summary information pertaining to the proposals received and the evaluation criteria listed above.

All five firms that submitted proposals offered fairly standard methodologies for their proposed fiscal impact analyses. Staff had requested that the consultants evaluate the

potential fiscal impacts of the proposed project and two alternatives anticipated in the environmental impact report being prepared for this proposed project. The other two alternatives are the Town Policy Consistency alternative which assumes the property is developed in accordance with the City's currently adopted codes and a Reduced Intensity/Density alternative in which the a down-sized alternative of the proposed project is considered. The objective is that decision-makers and community members would have the benefit of both environmental and fiscal/market assessments of the proposed project to consider when deciding how to act on this proposal.

The second request of the consultants was to provide a third party review and assessment of the Development Study submitted by the project sponsor for this proposal. The Bay Area Economics (BAE) proposal offers a thorough assessment of this Development Study, whereas the other consultants focused more on a simple evaluation for reasonableness of assumptions and conclusions of the Study. BAE offers additionally to evaluate the patronage potential for other downtown merchants of those individuals using the Church, the commercial absorption potential of the Church property, the City's "opportunity cost" of allowing the Church use, and the impact of the Church using on-street parking on the marketability of other Town Center commercial spaces.

The BAE proposal appears from staff's perspective to provide the opportunity to obtain very important information to the decision-making process on this project. The base fiscal impact analyses offered by all five consultants are similar. BAE's proposed approach to the Development Study Review, which offers examination of the potential economic implications of the proposed project, has substantial merit. The project manager proposed by BAE has approximately 19 years experience and is a principal of the firm. The schedules offered by the firms for completing this work range from about eight (8) to ten (10) weeks; BAE proposes nine (9) weeks. The cost estimates range from $19,945 to $48,265; BAE proposes $35,760, approximately at the midpoint. Overall, staff recommends the BAE scope of work appears most responsive to the information needs for this proposed project; the firm is experienced, has assigned a very qualified project manager, and offers a competitive cost estimate, particularly given the scope of work proposed. Accordingly, staff recommends that BAE be selected to prepare the Fiscal/Economic Implications analyses requested for this proposed project.

FISCAL IMPACT

The project applicant, the Clayton Community Church, will be responsible for all costs associated with the preparation and processing of the subject fiscal/economics study, including monetary augmentations necessitated as the project's review moves forward.

Attachments:

1. Consultant Evaluation Form
2. Bay Area Economics Proposal, dated December 10, 2010
3. Full Copies of Individual Proposals are available for review in the Mayor/Council Office and in the Community Development Department

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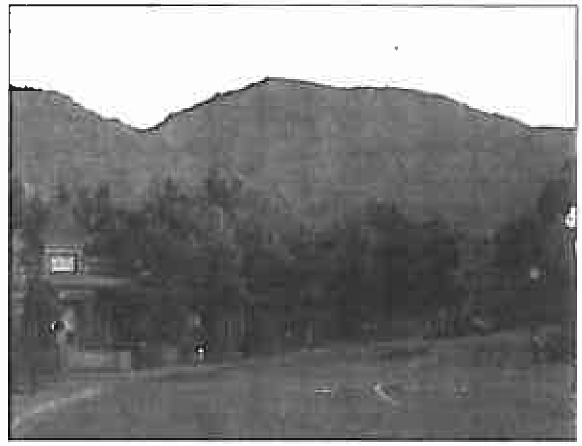
CLAYTON COMMUNITY CHURCH FISCAL IMPACT CONSULTANT EVALUATION

Firms/ Evaluation Criteria	Bay Area Economics	CBRE	Economic & Planning Systems, Inc.	Keyser Marsten Associates	Urban Community Economics
Scope	Fiscal impact model of two base alternatives and qualitative comparison of third reduced density/intensity alternative; Assessment of Development Study to include evaluation of Church use compatibility with Town Center area patronage patterns, commercial absorption potential, opportunity cost assessment of proposed use, and evaluation of impact of shared on-street parking on marketability of other Town Center commercial spaces	Analysis of municipal revenues and costs of three alternatives; Assessment of Development Study to determine reasonableness of findings and recommendations	Analysis of municipal revenues and costs of three alternatives; Assessment of Development Study to determine adequacy of the analysis and to determine if additional information may be desirable	Evaluation of recurring annual fiscal impacts of three alternatives; Evaluate Development Study relative to the report's assessment of general market absorption of commercial uses in Clayton's Town Center area	Fiscal impact model to estimate the net fiscal impact of the proposed alternatives on the City's General Fund and relevant special funds; Evaluation of assumptions and analysis contained in Development Study as well as changed circumstances that may have changed conclusions
Staffing	Project Manager: Matt Kowta M.C.P. (19+ years experience)	Project Manager: Amy Herman, AICP (25+ years experience)	Project Manager: Michael Nimon (5+ years experience)	Project Manager: Debbie Kern (25+ years experience)	Project Manager: James Edison (10+ years experience)
Cost	$35,760	$34,865	$19,945	$48,265	$23,872
Proposed Meetings	Three (3) meetings with staff; Four (4) Public Hearings	Three (3) meetings with staff; Four (4) Public Hearings	Three (3) meetings with staff; Four (4) Public Hearings	Three (3) meetings with staff: Four (4) Public Hearings	Three (3) meetings with staff; Four (4) Public Hearings
Schedule	Estimated that final report(s) would be completed in nine (9) weeks	Estimate that final report(s) would be completed in eight (8) weeks	Estimated that final report(s) would be completed in ten (10) weeks	Estimated that final report(s) would be completed in eight (8) weeks	Estimated that final report(s) would be completed in eight (8) weeks



Proposal to Prepare
Fiscal Impact Analysis/
Development Study Review for the
Clayton Community Church
Development/Redevelopment
Proposal

Submitted to:
Mr. David Woltering
Community Development Director
City of Clayton

December 10, 2010

December 10, 2010

Mr. David Woltering
Community Development Director
City of Clayton
6000 Heritage Trail
Clayton, CA 94517-1250

Dear David:

Bay Area Economics (BAE) is pleased to submit the attached proposal to prepare the fiscal impact analysis and review of the Development Study for the Clayton Community Church's proposed development proposal in downtown Clayton.

We believe that the City will be faced with important decisions that will have a long-lasting impact on the implementation of the City's Town Center plan, and while the proposed project offers an exciting vision for development of a key portion of the Town Center, it will be important for the City of Clayton to understand the potential fiscal impacts and other potential economic implications of granting the requested project approvals.

With BAE's extensive experience analyzing fiscal impacts and forecasting impacts of proposed development projects, as well as our understanding of the workings of successful downtowns and downtown revitalization efforts, we are particularly well suited to assist the City with the required analysis. I am personally excited about the prospect of working with you and the City to evaluate this important project, and you will note that our proposed work scope and budget calls for me to be heavily involved in all aspects of this assignment.

We would be most pleased with the opportunity to meet with you and your selection committee, to more fully explain our qualifications and our approach to this study. Please do not hesitate to contact me in our Davis office, at 530-750-2195, if I can provide any further information.

Sincerely,

Matt Kowta

Matt Kowta, M.C.P.
Principal

Bay Area Economics

Sacramento Region Office
803 Second Street, Suite A
Davis, CA 95616

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Table of Contents

Introduction

This section summarizes Bay Area Economics' (BAE) understanding of the consulting assignment and our proposed approach.

Project Understanding

The Clayton Community Church has proposed a project to develop its property in downtown Clayton with a range of facilities to accommodate the needs of its growing congregation. This project would also include office and retail space intended for lease to private parties seeking downtown business locations.

Because the project site is situated in a prominent location within the City of Clayton's downtown, and because the project would require General Plan, Specific Plan, and Zoning amendments, a parcel map, and a use permit in order to gain Development Plan approval, it is important for the City to evaluate a number of issues that the project raises, including:

1. The need for the City to understand the potential fiscal impacts of the proposed project on the City of Clayton General Fund. One unique consideration is that at least a portion of the development will likely qualify for exemption from property taxes.

2. The need for the City to have a third party review of the applicant's Development Study, which provides justifications for the requested amendments to established City regulations and the applicant's requested approvals.

3. How the proposed project may fit within the City's overall Town Center and citywide planning objectives, including the potential opportunity cost to the City from allowing the rezone of a portion of the City's limited downtown area for non-commercial use. Such assessments should take into account the potential benefits from the spillover of church members/visitors to other businesses in the downtown area versus the reduction in the amount of commercial activity that the downtown can accommodate if the project is developed as proposed. It would also be important to consider the potential impacts of granting approval for the project's request for reduced on-site parking requirements on the desirability and marketability of the other nearby commercial spaces that could be impacted by the church parking demands.

Qualifications

BAE offers an expert consulting team that is capable of providing a balanced evaluation of the proposed project from the standpoint of potential fiscal and economic impacts, and impacts on the City's overall downtown planning efforts. The following provides general background on the firm, while subsequent sections of this proposal present our specific qualifications and capabilities in relation to this particular consulting assignment.

BAE Firm Overview

Since 1986, BAE has focused on creating sustainable communities by providing real estate economics and development advisory services to clients throughout the U.S. BAE's experience ranges from statewide policy studies to strategic planning to development projects. Our work reflects our commitment to excellence and dedication to the future of our places.

BAE's services include feasibility studies, strategic planning, revitalization, public-private transactions, public financing, fiscal and economic impacts analyses, and development advisory services. We have extensive work experience in:

- Fiscal and Economic Impacts
- Smart Growth
- Economic Development
- Parks and Community Facilities
- Revitalization
- TOD & Mixed-Use Development
- Affordable and Workforce Housing
- Sustainable Agriculture and Food Systems
- Climate Change and GHG Reduction Actions
- Child Care and Social Services

Our key asset is our highly-skilled core team of staff members who have worked together for many years. Collectively, we bring our training in real estate development, city planning, geography, economic development, marketing, and public policy to every engagement.

Our communities face unprecedented change. Scarce resources, climate change, traffic congestion, changing lifestyles, and high home prices are leading to a reorganization of the places we live using smart growth and sustainability principles. The urban economist is critical to the process of creating sustainable communities. Questions of market acceptance, incentives, investor returns, public subsidy, costs/benefits, and infrastructure financing all play key roles in the transformation of cities and regions.

The challenges of creating sustainable communities require experts grounded in demographics, markets, public policies, and finance. BAE has earned national recognition as a leader in urban economics and development for public benefit. We go far beyond traditional services by integrating survey research, GIS, econometric models, and community involvement into our work. Our innovative research, hands-on development advising, and attention to quality achieve repeated success for our clients. Celebrating our 24th year, BAE continues to fulfill its mission – to help create sustainable communities for generations to come.

Project Team

BAE possesses all of the skills and expertise necessary to complete the requested analysis in-house, drawing on our expertise in municipal finance, planning, and economic development. Matt Kowta, M.C.P., will serve as BAE's principal in charge of this assignment, and in the process he will have hands-on involvement in every aspect of the project. He will represent BAE at key meetings, oversee other BAE staff who will conduct research for the project, serve as a lead analyst, and will co-author BAE's work products. Matt is the principal in charge of BAE's Sacramento Region office in Davis, and he has worked at BAE for almost 20 years. He brings a wealth of experience in fiscal impact analysis, economic impact analysis, and studies of downtowns and other commercial areas. Prior to founding BAE's Sacramento Region office, he worked as a senior associate in BAE's East Bay office, and he continues to have involvement in Bay Area projects.

Nina Meigs, M.C.P., Associate will provide research support to Mr. Kowta. Under his direction, she will collect data to assist in constructing the fiscal impact model, and to assist in evaluating on potential impacts of the proposed project. She will also assist in the preparation of the project work products. Nina works with Matt in BAE's Sacramento region office, where she provides research and analytical support for the office's diverse range of consulting assignments. As an East Bay resident, she is familiar with Clayton and environs.

Alex Werth, Analyst, will provide additional research support for the project under Mr. Kowta's direction as needed.

Following the format of the RFP for this project, resumes for Mr. Kowta, Ms. Meigs, and Mr. Werth are included below.

Representative Projects

This section presents a sampling of BAE's past assignments that demonstrates our experience preparing fiscal impact analyses and evaluating other types of economic impacts from proposed development projects. Matt Kowta was BAE's Principal in Charge for all of these assignments.

Examples of Relevant Projects

In addition to the examples of fiscal impact analyses for a range of different project types, provided below, BAE has experience analyzing other types of economic impacts from a range of specialized developments, including religious institutions, casinos, museum/interpretive centers, hospitals, and court facilities. Descriptions of several such projects are provided at the end of this section. With this diverse experience to draw upon, BAE is well equipped to evaluate non-fiscal impacts of the proposed Clayton Community Church project.

Riverdale Ranch Fiscal Impact Analysis

City of Cloverdale

The City of Cloverdale commissioned BAE to prepare a fiscal impact analysis for a proposed project that would involve annexation of vacant land and development of approximately 230 homes and 10,000 to 15,000 square feet of commercial space. As background for the analysis, BAE conducted research into the likely selling prices of the proposed housing units, which included market rate and affordable units. BAE also analyzed the revenue generating potential of the commercial space, including likely assessed value and sales tax generation potential. BAE then prepared a fiscal impact model to project the increased General Fund costs and revenues that the City could anticipate. This included case study conversations with the City Police Chief regarding the likely service costs impacts associated with expanding current Police coverage to include the additional land area and new development. For this project, BAE also conducted analysis of the potential cost implications of extending City water and sewer services to this area, and in so doing create a more economical opportunity to also extend City utilities to an existing pocket of unincorporated development threatened with failing septic systems.

Initial Budget: $35,600	Completed Budget: $37,600
Initial Schedule: 4 months	Completed Schedule: 11 months

Notes: Increased budget and extended schedule due to project delays directed by City and applicant.

General Plan Pro-Forma Project

City of Rancho Cordova, CA

BAE served as an economics consultant for the Rancho Cordova General Plan Pro-Forma project. This project is part of the process that this newly incorporated City undertook to establish its own

General Plan, to plan for a tripling of the City's size over the next 30 years. The General Plan pro-forma project used economic analysis to help shape the General Plan in a way that is responsive to market opportunities and also safeguards the City's fiscal security as it takes on considerable new service responsibilities, not only from service area expansions, but also from expanding the range of municipal services provided. BAE assisted with the preparation of project-specific fiscal impact analyses as well as a General Plan-level fiscal impact model which was designed to evaluate alternatives. BAE also provided market analysis to project demand for retail, office, and industrial land uses, in order to fine-tune the General Plan land use mix.

Initial Budget: $ 60,000	Completed Budget: $60,000
Initial Schedule: 4 months	Completed Schedule: 4 months

Covell Village Economic and Fiscal Analysis

City of Davis, CA

BAE supported the City of Davis in its evaluation of this proposal to develop a major mixed-use development proposal. BAE's work included an analysis of the fiscal impacts on the City's General Fund on the County of Yolo General Fund, an economic evaluation of an innovative technique for the project to meet its inclusionary affordable housing requirements, and an assessment of the project's effect on existing citywide infrastructure financing plans. The project included over 1,500 single and multifamily residential units; a senior congregate care facility; a village core that includes over 333,500 square feet of shops and offices, as well as residential units; and a whole complement of roadways, parks, and greenbelts. BAE's analysis of fiscal impacts served as a model in Yolo County for subsequent discussions between cities and the County on property tax sharing agreements for new annexations.

Initial Budget: $76,700	Completed Budget: $76,700
Initial Schedule: n.a.	Completed Schedule: n.a.

Note: BAE provided a range of services over a period of 24 months as requested by client. All work products delivered on time.

Homewood Mountain Resort Fire Service Financial Impacts Study

North Tahoe Fire Protection District, CA

The North Tahoe Fire Protection District retained BAE to prepare a fiscal impact analysis for a proposed project to undertake a major upgrade and expansion of the Homewood Ski Resort at Lake Tahoe. The aim of the proposed project was to transform the small day-trip oriented ski area on the lake's west shore into a year round destination resort, with increased lodging and housing, increased commercial offerings, an amphitheater, and expanded ski area operations. BAE worked with District staff to identify the needs for expanded fire and rescue services, to allocate costs between the proposed project and other anticipated development within the District, and to project the net fiscal impacts on the District after considering increased revenues that the project would generate. BAE found that the proposed project would require revenue enhancements in order to ensure the district would experience no net fiscal deficit; however, the necessary mitigations appeared financially feasible.

Initial Budget: $11,900 Completed Budget: $13,300
Initial Schedule: 4 months Completed Schedule: 9 months
Note: Increased budget and schedule due to request by project applicant and client for additional work.

Yolo County General Plan Update Fiscal and Economic Evaluation

County of Yolo, CA

BAE was the economics subconsultant on a team that prepared the Yolo County General Plan Update. This General Plan update, covering agricultural areas of Yolo County as well as a number of smaller unincorporated towns sought to balance growth pressures, need for fiscal sustainability, and preservation of agricultural lands and related activities. BAE first prepared a local economic background study that analyzed demographics and economic conditions in the unincorporated area of the County and helped the consultant team as well as policy makers understand the market forces that were driving an unprecedented number of proposals for large-scale developments in the unincorporated areas and their economic implications for the future of the County. This phase also included preparation of the housing needs assessment portion of the Housing Element update. In support of economic development, BAE compiled information about the existing local economic activity in targeted industry sectors, including agriculture, biotechnology, and tourism. BAE then collaborated with County staff to conduct analysis to support the preparation of an economic development strategy that would accompany the General Plan and serve as a work program for economic development staff. BAE's role included attending and facilitating a series of targeted industry focus group meetings to explore local economic development opportunities and needs. BAE then drafted recommended policies to be included in the economic development strategy, to best support economic development in the targeted industry sectors.

BAE's work on General Plan alternatives included evaluating market demand in the absence of historic regulatory constraints to growth, fiscal implications of growth, community size thresholds to support various community services and amenities, and the market viability of various growth models. BAE then prepared a market and fiscal analysis for the Draft General Plan Update, to evaluate such issues as the viability of the plan's jobs/housing balance and match policies as they applied to key development locations within the county, potential fiscal impacts of the overall General Plan buildout and fiscal impacts of buildout of key sub-areas. BAE's work on the final phases of the General Plan Update assisted in fine-tuning General Plan policies, to ensure a feasible and sustainable General Plan implementation.

Initial Budget: $48,000 Completed Budget: $48,000
Initial Schedule: 5 months Completed Schedule: 5 months

East Riverfront Property Evaluation

City of West Sacramento, CA

To assist the West Sacramento City Council in determining the appropriate use of the Redevelopment Agency's East Riverfront property, BAE prepared an evaluation of the suitability of the site for various uses, along with the potential economic and community benefits, finding that the proposed use of the site for the California Indian Heritage Center and a California State park was the most feasible and most likely to help the City achieve overall economic and community development objectives. Commercial uses were found to be infeasible due to relatively low demand for such uses in this particular location, coupled with high costs to prepare the site for commercial use.

Initial Budget: $11,500 Completed Budget: $11,500
Initial Schedule: 6 weeks Completed Schedule: 6 weeks

Morgan Hill Court House Impacts Study

City of Morgan Hill

When the Santa Clara County Superior Court proposed to locate a new South County facility with six courtrooms in Morgan Hill, including a potential downtown site, the City requested that BAE conduct an analysis of the potential impacts on the downtown from locating such a large institutional use within the downtown area. BAE conducted analysis to understand the daytime population that would be attracted to the courthouse, ancillary legal services office demand that might be generated due to the court house presence, the potential for local purchase of supplies and services by the courthouse, and the potential for courthouse visitors to make expenditures in downtown establishments. Among BAE's findings was the fact that although modest, potential economic benefits from the project were highest in the downtown location scenario, because the pedestrian-oriented downtown layout would encourage court employees and visitors to walk to nearby businesses to patronize them versus a more peripheral location where employees and visitors would need to drive their in order to retail and services. Under that scenario, the likelihood was increased that they would drive to a location nearer their home or other places of business in order to access goods and services.

Initial Budget: $4,000 Completed Budget: $4,000
Initial Schedule: 3 weeks Completed Schedule: 3 weeks

Economic Impacts of Rideout Hospital Consolidation

City of Marysville

As a subconsultant to the EIR consultant for this project to consolidate the Fremont Medical Center hospital in Yuba City with the Rideout Memorial Hospital in Marysville, BAE evaluated a number of potential impacts, including effects on local area residents' access to patient services, and impacts on the downtown Yuba City medical office market from the pullout of the Fremont Memorial Hospital. Through interviews with office real estate brokers, analysis of the current locations of doctors currently affiliated with the two hospitals and their specialties, and analysis of the availability of office space in the area near the Rideout Memorial Hospital, BAE was able to estimate the potential portion of office space in the Fremont Medical Center area that might become vacant, and then evaluate the potential for that office space to be re-leased to other users. BAE found that less than 10 percent of the Fremont Medical Center medical office tenants were likely at risk of relocating in order to be closer to the consolidated hospital site.

Initial Budget: $12,500	Completed Budget: $12,500
Initial Schedule:	Completed Schedule:

Project Report Sample

Included in the transmittal with this proposal is a copy of the Fiscal Impact Analysis that BAE recently prepared for the Riverdale Ranch Fiscal Impact Analysis, which is described above.

References

Riverdale Ranch Fiscal Impact Analysis
Betsi Lewitter, Contract Planner
City of Cloverdale
126 S. Cloverdale Blvd.
Cloverdale, CA 95425
707-894-1723
blewitter@ci.cloverdale.ca.us

Homewood Mountain Resort Fiscal Impact Analysis
Dave Ruben, Battalion Chief
North Tahoe Fire Protection District
300 N. Lake Blvd.
Tahoe City, CA 96145
530-583-6911
ruben@ntfire.net

Yolo County General Plan Update Fiscal Impact Analysis
David Morrison, Assistant Director of Planning and Public Works
County of Yolo
292 W. Beamer St.
Woodland, CA 95696
530-666-8041
david.morrison@yolocounty.net

Additional references available upon request.

Resumes of Project Team Members

Matt Kowta, M.C.P., Principal

Matt Kowta specializes in public finance, real estate advisory, affordable housing, economic development and redevelopment, and fiscal and economic impact analysis. Through his work, Mr. Kowta has pioneered innovative techniques in economic analysis to meet the challenges of contemporary urban development. He has worked for BAE for over 19 years, and he established BAE's Sacramento Region office in 1995. Prior to establishing the Sacramento Region office he was a senior associate in BAE's East Bay office.

Since establishing Sacramento Region office, Matt has led economic consulting assignments throughout the Sacramento Region, Bay Area, and elsewhere in California and the Western U.S. Matt has managed BAE's work on numerous projects involving fiscal impact analysis, from studies of individual buildings to Specific Plans, to City and County General Plans. Matt is experienced in conducting fiscal analysis for projects involving special uses as well as projects in areas where revenue allocations are affected by Redevelopment Project Areas. Recently completed fiscal impact analysis assignments have included a fiscal impact analysis for a residential project in Cloverdale, a fiscal evaluation for the Yolo County 2030 General Plan Update, and an analysis of the fiscal impacts from expansion of the Homewood Mountain Resort on the North Tahoe Fire Protection District. He is currently assisting with planning for joint development around the South Hayward BART Station. He prepared an analysis of the potential fiscal impacts of new mixed use development including housing and commercial space on the City of Hayward.

Matt brings perspective to local projects from ongoing experience managing projects in locations ranging from the Central Valley, the San Francisco Bay Area, the Reno/Tahoe area, Oregon, Washington State, and Colorado. His experience spans the full continuum of the development process, from long range planning and pre-development through redevelopment and revitalization. He provides expert witness and litigation support services to public agency and private sector clients.

Matt earned a B.A. in Geography from U.C.L.A. and a Masters in City and Regional Planning from U.C. Berkeley. He has lectured at U.C. Berkeley, and has been a featured speaker for U.C. Davis, the California Downtown Association, the California Local Agency Formation Commission annual conference, and the Urban Land Institute Real Estate School. He is a member of professional organizations including the Urban Land Institute, the American Planning Association, the International Economic Development Council (IEDC), and the California Association for Local Economic Development. Mr. Kowta is past president of the Board of Directors of the Davis Downtown Business Association.

Nina Meigs, M.C.P., Associate

Nina specializes in economic development, public finance, and affordable housing, and contributes to most BAE Sacramento Region engagements. She is currently supporting BAE's Economic Sustainability Plan framework study for the Sacramento-San Joaquin Delta region, which is the first of a two-part strategic planning process designed to articulate the importance of the Delta economy and develop a plan to sustain it over the long-term. In addition, Nina is conducting research for an agricultural industries and green technologies economic development strategy in Glenn County, and she is also supporting the Truckee Waterfront Revitalization Strategy. The latter is focusing on market and financial feasibility analysis for developing a Town-owned riverfront parcel in the downtown area as a combination of public open space/plaza and mixed-use development. Other recent projects include a retail market analysis to assist U.C. Davis in marketing the retail component of the mixed-use West Village project, a sustainable development project.

Before joining BAE, Nina worked for the Downtown Berkeley Association where she managed all property and budget data as part of a campaign to covert the BID to a property-based business improvement district (PBID). She also served as a Research Fellow at the Center for Community Innovation, where she analyzed the potential for new affordable housing finance mechanisms in Contra Costa County.

Nina holds a B.A. in Public Policy and Economics from the University of Chicago, and an M.C.P. with a concentration in Housing and Economic Development from U.C. Berkeley.

Alex Werth, BA, Analyst

Alex Werth conducts market, financial, and economic analysis for many BAE projects. Recently, he researched Sacramento's economic base for business planning at Mather Airport and compared best practices in public-private park financing. In one of his latest endeavors at BAE, Alex developed calculators for the City of Pittsburgh that will serve to model the regional economic benefits and fiscal impacts of converting vacant and abandoned properties into public open space.

Prior to joining BAE, Alex served as an intern at the Tenderloin Neighborhood Development Corporation in San Francisco, where he supported financing for new affordable housing projects. In addition, he served as a housing and neighborhood development consultant for a start-up college in Providence, RI that was founded to educate low-income students through real-world learning. Alex earned a B.A. with honors in Urban Studies from Brown University, which awarded top honors to his thesis on the politics of historic preservation and downtown renewal in 2010. He also completed a one-year program in architectural design at Columbia University's Graduate School of Architecture, Planning and Preservation.

Work Plan and Schedule

The following provides a task-by-task description of the work that BAE proposes to complete in response to the City's request for proposals, and the anticipated schedule for completion. BAE would welcome the opportunity to fine-tune the work scope and schedule to best meet the City's needs.

Scope of Work

1. *Start-Up and Review of Background Materials*

BAE staff will attend a project start-up meeting with City staff, to discuss overall project objectives, review the project work scope and schedule, and obtain copies of any relevant background materials, including the Clayton Community Church Downtown Clayton Development Study, the City Budget, any available EIR materials, and copies of any other fiscal or economic studies prepared for the City. BAE will request contact information for representatives of key City departments, for consultations regarding the project's potential service demands and for General Fund cost and revenue projection methodologies. In conjunction with this meeting, BAE staff will also visit the project site and tour the Town Center area and the surrounding area in order to gain familiarity with the project context and begin field research. Subsequent to the meeting BAE staff will review the background materials for information relevant to the current study. This will include further review of the studies conducted by Economic Development Systems for the City in regard to downtown tenant recruiting as well as the 1998 analysis by Keyser Marston Associates for the Town Center plan.

2. *Analyze Current Budget and Develop Service Cost and Revenue Projection Methodologies*

BAE will analyze the current City budget and develop a series of cost and revenue projection methodologies that will be appropriate to address the City's objectives for this consulting assignment. The service cost methodologies will likely largely rely on current average service costs per capita or per "service population" as the basis to project increased City service costs. In lieu of detailed case study interviews with various City representatives, BAE will interview the City Manager, the Finance Director, or other designated City representative to discuss overall service cost calculations and any concerns specific to the proposed project. Revenue projections will entail a combination of average revenue multipliers and direct revenue estimates based on the specific methods of apportionment for General Fund revenues and the specific revenue-generating characteristics of the proposed project.

3. *Conduct Local Research to Inform Fiscal Impact Model and Review of Applicant's Development Study*

BAE will conduct research on local conditions to generate assumptions for use in the fiscal impact model, and to aid in the evaluation of the applicant's Development Study. This research will include surveys of real estate brokers and property owners/managers on commercial and residential property values, vacancy rates, and absorption trends in the Town Center area as well as other commercial areas in Clayton. BAE will conduct interviews with selected Town Center area merchants in order to understand customer shopping patterns, to help understand how the church's use of the proposed project site may fit with overall Town Center area patronage patterns. Findings from this set of interviews will be incorporated into Task 5, below. For this task, BAE will compile information on existing local population and employment, and information on property tax allocation in the Town Center area considering the Redevelopment Project Area, to serve as base information for calculation of current average cost and revenue multipliers, as needed for the fiscal model.

4. *Prepare Fiscal Impact Models*

Having completed the information gathering phase, BAE will prepare customized electronic spreadsheet-based fiscal impact models to project the increased General Fund costs and revenues that could be expected under the proposed project and the EIR alternative for development under existing Town Center regulations. For each of the two modeled alternatives, the fiscal impact model will project increased General Fund costs by department and increased General Fund revenues by revenue item. The model will identify the anticipated net fiscal impact (increased costs less increased revenues) of each alternative when fully developed, expressed in terms of 2010/2011 dollars. The models will be constructed so that in reviewing the draft analysis with City staff, it will be possible to easily manipulate key model inputs in order to test sensitivity of the fiscal impact model results to changes in assumptions. In lieu of preparing a fiscal model for the EIR reduced intensity alternative, BAE will instead provide qualitative evaluation of how its fiscal impacts would vary from the other two for which fiscal impacts will be quantified. BAE will project impacts on Redevelopment Area Tax Increment from the proposed project, in Task 6, below.

5. *Review Applicant's Development Study*

BAE will conduct a review of the applicant's development study, prepared by Colliers International, noting particular planning and economics related assumptions and/or assertions that are used to support or justify the requested regulatory amendments or approvals. Considering findings from research conducted by BAE for this study, experience with other projects, and assessment of the proposed project's characteristics, BAE will prepare an evaluation of the Development Study's key assumptions and assertions, highlighting any other considerations or factors that the City should consider on conjunction with the perspective expressed in the Development Study. The purpose of this review is to balance the Development Study's perspective with the important factors that should be considered from the City's perspective. Key aspects of the Development Study to be addressed in this task include:

- Assertion that the site will not be able to attract the uses desired in the Town Center plan due to market considerations.

Based on information from the Community Development Department on Town Center commercial capacity, prior economic analyses conducted by Keyser Marston and Economic Development Systems for the Town Center Area, and BAE's own evaluation of the Town Center area in the context of the larger sub-regional commercial market in which the Town Center competes for tenants and shoppers, BAE will provide the City with an analysis of the reasonableness of this assertion or whether a more nuanced conclusion should be drawn.

- Assertion that the proposed project will increase pedestrian retail/office activity and create synergy with other tenants in the Town Center area to increase revenues.

BAE's approach to this task will be to first review any quantitative assumptions and methodologies used in the Development Study for accuracy and appropriateness. Then, BAE will augment the findings from interviews with existing Town Center merchants conducted in Task 3 with interviews with approximately ten additional merchants located near other existing churches in Clayton and the surrounding area in order to learn of their experiences operating in close proximity to other churches, exploring such topics as the "spillover" effect of church patrons to patronize nearby commercial establishments, and the effect of church parking demands on overall retail area parking availability. For this task, BAE will attempt to identify merchants near churches with congregations that are similar in size to the Clayton Community Church.

6. Evaluation of "Opportunity Cost" to City from Allowing Proposed Project

For this task, BAE would provide further elaboration on the issue of whether the City would be making a significant sacrifice, in terms of its potential to maximize commercial development and associated revenues, by approving the proposed project. Based on findings from prior tasks, BAE will address the question of whether it is likely that the City would be able to generate increased revenues from commercial development over the long run, if it upholds the current Town Center land use regulations, or whether the proposed project would not likely displace potential revenue generating commercial uses due to lack of long-term demand for such uses at the location of the proposed project. As part of this task, BAE will also project increases in the Redevelopment agency tax increment that would accrue from development consistent with current Town Center land use regulations compared to that which would accrue as a result of the proposed project. Finally, BAE will also provide qualitative commentary on the potential for the location and design of the proposed project, at a gateway to the Town Center, to support or detract from the overall identity of the Town Center as a mixed-use commercial destination.

7. *Evaluation of Impact of Shared On-Street Parking On Marketability of Other Town Center Commercial Spaces*

BAE will review the EIR traffic analysis, as well as the findings from the interviews conducted in Tasks 3 and Task 5 in order to more fully consider the potential impacts of granting the applicant's request to accommodate a significant portion of the proposed project's peak parking needs through use of on-street parking and other arrangements such as agreements for shared off-street parking. BAE will summarize the findings and then draw conclusions on whether the proposed reduced on-site parking for the project is likely to have adverse impacts on the desirability and marketability of other nearby commercial spaces that may rely on a portion of the on-street parking within the Town Center area to satisfy employee and customer parking needs.

7. *Prepare Administrative Draft Report*

BAE will prepare an Administrative Draft report that documents the research, analysis, and findings from the preceding tasks. Tentatively, the report will be organized with the following sections:

- Executive Summary
- Introduction and Background Information
- Fiscal Impact Analysis
- Review of Development Study
- Opportunity Cost Analysis
- Analysis of Parking Impacts on Marketability of Other Town Center Commercial Space

This report will include tables showing the assumptions, base cost and revenue data, and projections of increased costs, revenues, and net fiscal impacts of the three EIR alternatives. Additional tables and figures will be provided as appropriate to summarize other information presented in the report.

BAE will provide the City with one electronic copy (MS Word) and one hard copy of the Administrative Draft Report. BAE staff will be available to discuss the Draft Report with the

City's project manager, via telephone or in-person. This discussion can include on-the fly sensitivity analysis by adjusting inputs in the fiscal model for one or more of the three alternatives analyzed. This testing may lead to some adjustment of modeling assumptions or simply augmented discussion of fiscal impact results in the Final Draft report.

Based on the review and discussion of the Administrative Draft Report, City staff will provide BAE will a single consolidated set of comments to finalize the report.

8. Prepare Final Draft Report

If necessary, BAE staff will review the City comments on the Administrative Draft report with the City's project manager and determine the course of action to address comments and prepare a Final Draft report. BAE will then make revisions as appropriate, and submit a Final Draft Report.

BAE will provide the City with one electronic copy (MS Word), one electronic copy (Adobe PDF), and one hard copy of the Final Report.

9. Public Meetings

BAE staff will be available to attend four public meetings to present the results of the study: two Planning Commission meetings and two City Council meetings. Meeting costs include the cost of preparation as well as meeting attendance. In the event that fewer meetings are required, the budget will be adjusted accordingly.

Schedule

BAE will schedule the preparation of the report for this project to coincide with the review of the Final EIR for the proposed project. With an anticipated project start-up in late December or early January 2011, BAE will conduct the bulk of the research and analysis for the project in January and February of 2011, and will submit the Administrative Draft Report (Task 8) by late February. This will allow for review and comment by City staff, and for BAE to prepare necessary revisions and submit a Final Draft by mid-March, to coincide with release of the FEIR for public review. Following is a preliminary listing of key project milestones and dates:

Project Start-Up:	late Dec./early Jan. 2011
Submit Administrative Draft Report:	February 18, 2011
Receive Staff Comments:	February 25, 2011
Submit Final Draft Report:	March 11, 2011

Cost Proposal

Project Budget

BAE will conduct the basic proposed scope of work on a fixed-fee basis, for a total budget of $35,760 including all consultant costs (personnel, overhead, travel, incidentals). A preliminary budget breakdown is provided in Exhibit 1. BAE reserves the right to re-allocate budget within the total authorized fixed-fee amount as deemed necessary to best meet project objectives.

Per Meeting Cost

For any additional meetings requested beyond the meetings described in the proposed scope of work, the additional cost will be a flat rate of $1,000 per meeting with staff, and $1,250 per public meeting.

Exhibit 1: Proposed Budget

Task	Matt Kowta *Principal*		Nina Meigs *Associate*		Alex Werth *Analyst*		PROJECT TOTAL	
	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
1. Start-Up and Review Background Materials	6	$1,500	6	$540	2	$150	14	$2,190
2. Analyze Current Budget	12	$3,000	8	$720	0	$0	20	$3,720
3. Conduct Local Research	6	$1,500	16	$1,440	16	$1,200	38	$4,140
4. Prepare Fiscal Impact Models	14	$3,500	12	$1,080	0	$0	26	$4,580
5. Review Applicant Development Study	4	$1,000	12	$1,080	12	$900	28	$2,980
6. Evaluate Opportunity Cost to City	8	$2,000	12	$1,080	0	$0	20	$3,080
7. Evaluate Impact of Shared On-Street Parking	8	$2,000	12	$1,080	0	$0	20	$3,080
8. Prepare Admin. Draft Report	8	$2,000	14	$1,260	8	$600	30	$3,860
9. Prepare Final Draft Report	8	$2,000	8	$720	0	$0	16	$2,720
10. Attend Public Meetings	16	$4,000	9	$810	0	$0	25	$4,810
Total Personnel and Overhead Costs	90	$22,500	109	$9,810	38	$2,850	237	$35,160
Travel and Incidentals								$600
PROJECT TOTAL COST								$35,760
Hourly Billing Rates	*$250*		*$90*		*$75*			

Additional Cost Per Meeting:

Meetings with Staff	$1,000
Public Meetings	$1,250

Agenda Date: 12-21-10

Agenda Item: 4a

JAMES VAN WYCK

EAGLE SCOUT PROJECT

TROOP 262, BOYS SCOUTS OF AMERICA

for

coordination and installation of a

horse shoe pit

at the

Lydia Lane Park

Agenda Date: 12-21-10

Agenda Item: 8a

Approved:

Gary A. Napper
City Manager/Executive Director

CITY OF CLAYTON
Founded 1857 Incorporated 1964

AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: CITY MANAGER

DATE: 21 DECEMBER 2010

SUBJECT: DETERMINATION OF COUNCIL COMMITTEE ASSIGNMENTS

RECOMMENDATION

It is recommended the City Council determine its Council sub-committee assignments for the ensuing year of 2011.

BACKGROUND

In addition to its primary role as elected officials of the City of Clayton, members of the City Council have a variety of sub-committee assignments that involve the direct participation of its members in a host of local and regional issues and intergovernmental organizations. Pursuant to the adopted *Council Guidelines and Procedures*, the Mayor makes the Council sub-committee appointments annually each December. It is also an opportunity to review the established sub-committees and determine their relevance, need to create new ones or abolish existing ones. In making the assignments, the Mayor is encouraged to seek input from members of the City Council regarding appointment preferences.

Attached is the current list of City Council sub-committees and associated assignments during 2010. The list has been updated (*in red font*) to reflect the elections made at the Council Reorganization Meeting held on December 7th relative to the chairs and vice chairs of the Clayton Redevelopment Agency (RDA) and the Oakhurst Geologic Hazard Abatement District (GHAD). The Clayton Financing Authority (CFA) chair and vice chair are automatically filled by the mayor and vice mayor of the City, respectively, per its By-Laws.

Also attached are the pertinent pages from the *Council Guidelines and Procedures* referencing Council sub-committee assignments.

Attachments: City Council Committee Assignments – 2010 [2 pp.]
Council Guidelines and Procedures [2 pp.]

CITY COUNCIL COMMITTEE ASSIGNMENTS

CITY OF CLAYTON

2010

Association of Bay Area Governments (ABAG)	Julie Pierce Alternate: David Shuey
Budget/Audit Committee	Hank Stratford, Howard Geller
Citizens Corps Council (CERT)	Hank Stratford
Clayton Financing Authority [CFA]* *[offices automatically go to Mayor & Vice Mayor, per Bylaws]	President – David Shuey Vice President – Howard Geller
Contra Costa Water District [CCWD]	Howard Geller
Central Contra Costa Transit Authority [CCCTA]	Gregg Manning Alternate: Howard Geller
Downtown Park Activities Committee	Julie Pierce, Howard Geller
East Bay Division - League of California Cities	Joe Medrano Alternate: David Shuey
East Contra Costa County Habitat Conservancy	Hank Stratford Alternate: David Shuey
Economic Development Sub-Committee	Julie Pierce David Shuey Alternate: Joe Medrano
Endeavor Hall Marketing Committee	Howard Geller, Joe Medrano
Garbage & Recycling Ad Hoc Committee	Joe Medrano, David Shuey

Interview Committees:	
a. Planning Commission applicants	City Council
b Trails and Landscaping Committee applicants	Vice Mayor Howard Geller
Library Foundation Liaison	Hank Stratford Alternate: Howard Geller
Mayors' Conference – Contra Costa County	Mayor & Council
Oakhurst Geologic Hazard Abatement District [GHAD]	Chair – Hank Stratford Vice Chair – Joe Medrano
Redevelopment Agency [of Clayton]	Chair – Julie Pierce Vice Chair – Howard Geller
Trails and Landscaping Committee (TLC) liaison	Vice Mayor Alternate: Howard Geller
TRANSPAC	Julie Pierce Alternate: Joe Medrano

* * * * *

Revised: *07 December 2010*
Adopted: 17 December 2004

4. ~~Council Members exhibit care and respect for each other as persons.~~

5. Council Members promote care and respect for each other's point of view. Each Member has a right to be heard.

6. Opinions are expressed honestly, openly, civilly and with integrity.

7. Humor is an important tool.

8. ~~Traditions are respected but not always binding.~~

C. COUNCIL INTERACTION AND COMMUNICATION

1. The Mayor makes Council sub-committee appointments annually in December; the Mayor is encouraged to seek input from Council regarding appointment preferences.

2. Members will take seriously the responsibility of reporting to Council on sub-committees and other regional, state and national board/agency/group activities in which they are involved.

3. Each Council Member has the responsibility to initiate resolution of problems as soon as possible.

4. Members shall recall and abide by the Brown Act when giving information to each other outside of public meetings.

5. Cheap shots at each other are not allowed by Members during public meetings, in the media, or at any other time.

6. Relationships are informal, but Council Members need to be aware of impact on and perception of the public.

7. Council Members will be flexible in covering Council responsibilities for each other.

8. Council Sub-Committees.

    a. Sub-committee areas belong to the Council as a whole; they are not seen as territorial.

    b. Sub-committees shall keep the rest of the Council fully informed. The rest of the Council is responsible for letting a sub-committee know if they want more information or to give input.

    c. Before sub-committees start moving in new directions, they will obtain direction from the rest of the Council.

d. Sub-committee reports will be made under "Council Reports" at Council meetings, when appropriate.

e. Sub-committee memos will be sent on an interim basis to update other Council Members on:

   1). Issues being discussed.

   2). Options being considered.

   3). Progress.

f. Appropriate reports will also be included in the City Manager's "Weekly Report".

g. Council may contact Department Heads or the City Manager to be briefed on any sub-committee work.

h. Council shall review the performance of citizen committees no less frequently than every six months.

i. Sub-committees are task oriented with scheduled dates of completion.

MINUTES
OF THE
REGULAR MEETING

Agenda Date: 12-21-10

CLAYTON REDEVELOPMENT AGENCY

Agenda Item: 3a RDA

December 7, 2010

1. **CALL TO ORDER & ROLL CALL** - the meeting was called to order at 8:45 p.m. by Chairman Medrano in Hoyer Hall of the Clayton Community Library, 6125 Clayton Road, Clayton, CA. Boardmembers present: Chairman Medrano, Vice Chairperson Pierce, Boardmembers Geller, Shuey and Stratford. Staff present: Executive Director Napper, Secretary Jackson, and General Counsel Adams

2. **PUBLIC COMMENTS** – None.

3. **CONSENT CALENDAR It was moved by Boardmember Shuey, seconded by Boardmember Stratford to approve the Consent Calendar as submitted (Passed; 5-0 vote).**

(a) Approve the minutes of the regular meetings of September 7, 2010 and November 2, 2010.

4. **ANNUAL REORGANIZATION OF THE BOARD OF DIRECTORS**

(a) Nominations and election of Chair

Chairman Medrano opened the nominations and nominated Boardmember Pierce for Chairperson. No other nominations were received. Chairman Medrano called for the vote to elect Julie Pierce as Chairperson (Passed; 5-0 vote).

(a) Nominations and election of Vice Chair

Chairperson Pierce opened the nominations for Vice Chair.

It was moved by Boardmember Shuey to nominate Howard Geller for the position of Vice Chair. Boardmember Geller nominated Hank Stratford for Vice Chair. Chairperson Pierce called for the vote to elect Howard Geller as Vice Chair (Passed; 5-0 vote).

5. **PUBLIC HEARINGS** - None

6. **ACTION ITEMS** – None.

7. ***BOARD ITEMS*** – None.

8. **ADJOURN** – on call by Chairperson Pierce the meeting adjourned at 8:47 p.m.

Respectfully submitted,

Laci J. Jackson, Secretary

Clayton Redevelopment Agency Board

Howard Geller, Chairman

CITY OF CLAYTON
Founded 1857 Incorporated 1964

Approved:

Gary A. Napper
City Manager/Executive Director

STAFF REPORT

Agenda Date: 12-21-10

Agenda Item: 3b RDA

TO: HONORABLE BOARD OF DIRECTORS

FROM: MERRY PELLETIER

DATE: DECEMBER 21, 2010

SUBJECT: AUDIT REPORT FOR FISCAL YEAR ENDING JUNE 30, 2010 (FY '09-'10)

RECOMMENDATION

Accept the unqualified Audit Report for the Redevelopment Agency of the City of Clayton prepared by Cropper Accountancy Corporation and the Agency's Basic Financial Statements prepared by Thales Consulting for fiscal year ending June 30, 2010.

BACKGROUND

The Agency's Audit report was completed in December 2010, to accompany the Annual Report of Financial Transactions to be sent to the State Controller's Office for the Redevelopment Agency. The audit went extremely well especially considering this was the first year with our new audit firm. This was our 4th year of preparing the financial reports in-house with the help of Thales Consulting. The decision to prepare the reports in-house was made to provide a better separation of duties between the audit team looking at the Agencies financial transactions and the actual report itself. The reporting format includes a management discussion and analysis for the Agency's financial statements that are intended to serve as an introduction to the Agency's basic financial statements. A statement of net assets and a statement of activities and changes in net assets are also included that presents information on all the Agency's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator or whether the financial position of the Agency is improving or deteriorating. The Agency's net assets increased by $2,053,269 leaving a balance of $3,221,228 compared to $1,167,959 in the prior fiscal year.

FISCAL IMPACT

Total revenues for the Agency during this fiscal year totaled $5,435,966 while expenditures were $3,321,705. An additional $2,627,702 was expended on principal and interest for debt service leaving an ending fund balance in the Project fund of $140,133; in the Low to Moderate Income Housing fund of $5,593,899; and a reserve in the Debt Service fund of $1,161,125.

CONCLUSION

Accept the unqualified Audit Report for the Redevelopment Agency of the City of Clayton-Basic Financial Statements and Independent Auditors' Reports for fiscal year ending June 30, 2010 prepared by Thales Consulting and Cropper Accountancy Corporation.

Respectively submitted,

Merry Pelletier

Merry Pelletier
Finance Manager
Attachments: Redevelopment Agency Basic Financial Statements and Independent Auditors' Report.

Clayton Redevelopment Agency
Clayton, California

Basic Financial Statements and
Independent Auditors' Report

For the fiscal year ended June 30, 2010

Clayton Redevelopment Agency
Table of Contents
June 30, 2010

Cropper Accountancy Corporation
Certified Public Accountants

2977 Ygnacio Valley Road, #460
Walnut Creek, California 94598
Tel: (925) 932-3860
Fax: (925) 932-3862

INDEPENDENT AUDITORS' REPORT

Members of the Governing Board
Clayton Redevelopment Agency
Clayton, California

We have audited the accompanying financial statements of the governmental activities and the major funds of the Clayton Redevelopment Agency (Agency), a component unit of the City of Clayton, California (City), as of and for the year ended June 30, 2010, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Agency. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major funds of the Agency as of June 30, 2010, and the respective changes in financial position, thereof, for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with the *Government Auditing Standards*, we have also issued our report dated December 20, 2010, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures in the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the Agency's basic financial statements. The budgetary comparison Schedules of the Capital Projects Funds and Debt Service Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The budgetary comparison Schedule of Capital Projects and Debt Service Fund have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Cropper Accountancy Corporation

CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, California
December 20, 2010

The discussion and analysis of the Clayton Redevelopment Agency's (Agency) financial performance provides an overall review of the Agency's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the Agency's financial performance as a whole. Readers should also review the basic financial statements to enhance their understanding of the Agency's financial performance.

FINANCIAL HIGHLIGHTS

- The assets of the Agency were greater than the liabilities at the close of the most recent fiscal year by $3,221,228 . The Agency typically issues debt to acquire or construct capital assets which it turns over to the City or other agencies. As a result, the Agency records the debt but has no corresponding assets. Debt payments are made by future revenues.
- As of the close of the current fiscal year, the Agency reported combined ending fund balances of $6,895,157, a decrease of $(229,918) from the prior year. Approximately 66.6% of the total fund balance (compared to 54.6% for the prior year) is reserved for low and moderate income housing developments and programs ($4,593,899). An additional 2.0% (compared to 15.2%) is reserved for approved capital projects ($140,133). Another 16.8% (compared to 16.2%) is reserved for debt service ($1,161,125).
- The Agency's long-term liabilities decreased by $2,045,000 to $9,115,000.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

The Agency is a component unit of the City of Clayton, which is the primary government and issues Basic Financial Statements that include the Agency's financial Statements.

Government-wide Financial Statements

The Government -wide financial statements consist of a Statement of Net Assets and a Statement of Activities. These statements are designed to provide readers with a broad overview of the Agency's finances. They provide information about the activities of the Agency as a whole and present a longer-term view of the Agency's finances.

The *statement of net assets* presents information on all of the Agency's assets and liabilities, with the difference between the two reported as *net assets.* Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Agency is improving or declining.

The *statement of activities* presents information showing how the Agency's net *assets* changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

All of the Agency's activities are considered to be governmental in nature and, as a result, no business-type activities are reported in these statements. Governmental activities are those that are principally supported by taxes and intergovernmental revenues. For the Agency, governmental activities consist of fostering vitality in the Clayton Downtown area and improving, preserving and supporting the development of quality affordable housing throughout the City.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements also report the Agency's operations in more detail than the Agency-wide statements by providing information about the Agency's most significant funds. All the Agency's funds are governmental funds. The Agency Board adopts an annual appropriated budget for each fund.

Notes to the Financial Statements

The *notes* provide additional information that is essential to a full understanding of the data provided in the Agency-wide and fund financial statements. The notes to the financial statements follow the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets can serve over time as a useful indicator of the Agency's financial position. At June 30, 2010, the Agency's assets were greater than the liabilities by $3,221,228. The following table displays a year-to-date summary.

Statement of Net Assets

	June 30, 2010	June 30, 2009
Current and other assets	$ 7,080,202	$ 6,973,233
Non-current assets	5,812,093	5,432,082
Restricted assets	151,000	158,000
Total Assets	13,043,295	12,563,315
Current liabilities	1,287,067	785,356
Long-term liabilities	8,535,000	10,610,000
Total Liabilities	9,822,067	11,395,356
Net Assets:		
Restricted	12,928,640	12,327,959
Unrestricted	(9,707,412)	(11,160,000)
Total Net Assets	$ 3,221,228	$ 1,167,959

Statement of Activities
For Fiscal Year Ended

	June 30, 2010	June 30, 2009	Percentage Change
Revenues:			
Program Revenues:			
Operating grants and contributions	$ -	$ -	0
General Revenue:			
Property taxes	5,232,312	5,626,307	(7)
Investment earnings	189,154	214,413	(12)
Miscellaneous	14,500	800	1,713
Total revenues	5,435,966	5,841,520	(7)
Expenses:			
Community service and facilities	37,860	29,852	27
Economic Development	200,744	0	100
Planning and development	2,994,996	1,229,565	144
Interest on long term debt and fiscal charges	432,620	588,253	(26)
Total expenses	3,666,220	1,847,670	98
Transfers to the City of Clayton	283,523	(1,641,404)	(117)
Changes in net assets	2,053,269	2,352,446	(13)
Net assets beginning of year, as restated	1,167,959	(1,184,487)	199
Net assets end of year	$ 3,221,228	$ 1,167,959	(176)

Property tax revenues *decreased* due to decreased property values. Investment income decreased due to a reduction in cash reserves caused by bond calls and general interest rate declines. Transfers to the City of Clayton increased due to an increase in the Capital Improvement budget expenditures.

FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Agency's funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements.

All of the Agency's funds were presented as major funds as follows:

Capital Projects Fund – This fund accounts for 80% of the redevelopment property tax increment revenue, $4,130,048, in project expenditures for the Agency's project area. This fund records the administrative expenditures required to support the Agency's capital projects and includes pass-through payments to other taxing entities and tax increment revenue shifted to the State Educational Revenue Augmentation Fund. This fund balance totaled $140,133 at June 30, 2010, compared to $1,080,673 a year earlier.

Projects begun during this fiscal year included a pavement overlay project on the 2-lane portion of Marsh Creek Road from Clayton Road to Diablo View Middle School projected to cost $430,300; construction on the Clayton Road Trail Connection and Downtown Signage project with costs totaling $264,879; design on the Community Park Lighting, Resurfacing and Parking project with a cost of $26,614; construction maintenance of 2" thick overlay on portions of Clayton Road (El Camino Dr. to Mitchell Canyon Road) and Oakhurst Drive (westerly City limits to Eagle Peak Avenue) was completed with costs totaling $469,374; and a reduction in future Downtown Economic Development Projects (-$1,430,964) due to a demand from the California Department of Finance for property tax revenues to K-12 schools via the Supplemental Educational Revenue Augmentation Funds (SERAF - $1,374,542) and consultant expense (-$56,422) for downtown economic development.

Affordable Housing Program Fund –This fund accounts for 20% of the redevelopment property tax increment revenue, $1,032,512, as a set aside for affordable housing developments. This fund balance totaled $5,593,899 at June 30, 2010, compared to $4,887,012 a year earlier.

Redevelopment low and moderate income housing funds supported the Diamond Terrace Senior Housing Project with $200,000.

Debt Service Fund – This fund accounts for the Agency's series 1996A, and 1999 Tax Allocation Bonds debt service payments. Revenues are transferred from the Capital Projects Fund. This fund balance totaled $1,161,125 at June 30, 2010, compared to $1,157,390 a year ago.

DEBT ADMINISTRATION

Debt Service: The Agency issued Redevelopment Tax Allocation Bonds in 1993, 1996, and 1999 in the amount of $19,590,000. The proceeds from these bond issues have been used to fund various projects throughout the City. Principal and interest payments totaled $2,596,828 during 2009-10. The Clayton Redevelopment Agency tax increment cap of $55 million is net of the housing set aside and revenue sharing agreements. Through solid assessed value growth, the Agency will have collected approximately $42.3 million in tax increment against the cap through fiscal year 2010. Although this leaves $13.1 million to be collected under the cap, with a 4% assumed annual growth rate in assessed value the Agency will reach the cap in 2014. Therefore, all of the outstanding bonds should be defeased on or prior to 2014. To this end, the Agency called $1,495,000 in bonds in February 2010, and has planned to call an additional $1,940,000 in August of 2010. By calling outstanding Agency bonds beginning in 2004, the Agency should stay in compliance with the increment cap test. A gradual bond retirement program is planned that will allow all of the outstanding bonds to be redeemed prior to the Agency reaching its $55 million tax increment cap. This plan will also allow the Agency to collect at least $600,000 of surplus revenues annually for administration and other uses over the next decade.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Agency's actual revenues exceeded staff estimates by $137,394 during this past year. The increase is primarily due to interest earnings. The Agency's annual gross tax increment revenue totaled $5,162,560 only $18,612 less than originally budgeted. This reduction is primarily due to the down turn in property values and fewer sales.

In fiscal year 2010-2011, it is estimated the Agency will receive gross tax increment revenues totaling $4,926,897. This budgeted amount is less than the actual amount received in the current fiscal year by $235,663 due to a conservative budget approach that did not include any supplemental or unitary revenue. This total revenue projection only illustrates on paper what our Agency is allocated before tax increment is siphoned out for our pre-negotiated "pass throughs" to other taxing public entities within our jurisdiction (e.g. school district, community college district, etc.). Our Agency's pre-negotiated "pass-through" formulas are accelerated in accord with the Redevelopment Agency's adopted plan. All other public agency taxing entities began receiving 100% of their normal tax allocation (in fiscal year 2007-08). This maturation provision means more monies were siphoned from the gross tax increment revenues of the Agency and cause fewer monies to be available for discretionary capital projects. For fiscal year 2010-2011 we estimated "pass through" revenue obligations would total $1,005,000. Actual figures will not be received from the county until the end of April 2011. An additional $404,570 will be taken from the Agency as the State Department of Finance was unable to close their state deficit. The seized monies will be deposited in a county "Supplemental Educational Revenue Augmentation Fund", which will then be distributed to public schools to meet the State's Prop 98 fiscal obligations to education. The total amount of "SERAF" funds seized to date total $2,371,524 approximately half of our anticipated tax increment in the next fiscal year.

The Agency's gross revenue stream, $4,185,850 (80%) flows to our Agency's discretionary-use fund while the balance $1,046,462 (20%) is deposited in our state-required Low-Moderate Housing fund. The Agency has carefully managed its fiscal resources, and does have adequate tax increment revenues available that will not disrupt pre-existing debt obligations or operations. The theft of $1.71 million from the Downtown Economic Development Fund seriously hinders the Agency's capacity to assist in programs or actions aimed at revitalizing the Clayton Town Center, including the potential acquisition of real properties or support of retail commercial and affordable housing construction. The Agency is expected to have sufficient resources to address its debt service obligation in Fiscal Year 2010-2011.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Manager, 6000 Heritage Trail, Clayton, CA 94517.

Basic Financial Statements

Government-Wide Financial Statements

Clayton Redevelopment Agency
Statement of Net Assets
June 30, 2010

		Governmental Activities
ASSETS		
Current Assets:		
Cash and investments	$	5,375,302
Cash with fiscal agent		1,109,988
Accounts receivable (net of allowances)		2,500
Interest receivable		592,412
Total Current Assets		7,080,202
Noncurrent Assets:		
Notes receivable		4,179,168
Land held for resale		1,632,925
Total Noncurrent Assets		5,812,093
Restricted Assets:		
Investment in bonds		151,000
TOTAL ASSETS		13,043,295
LIABILITIES		
Current Liabilities:		
Accounts payable		5,249
Deposits payable		(584)
Interest payable		109,990
Note payable		592,412
Long-term debt due within one year		580,000
Total Current Liabilities		1,287,067
Noncurrent Liabilities:		
Long-term debt due in more than one year		8,535,000
Total Noncurrent Liabilities		8,535,000
TOTAL LIABILITIES		9,822,067
NET ASSETS		
Restricted for:		
Capital projects		1,028,263
Debt service		1,051,135
Low and moderate income housing		10,849,242
Unrestricted		
Unrestricted		(9,707,412)
TOTAL NET ASSETS	$	3,221,228

See accompanying Notes to Basic Financial Statements.

Clayton Redevelopment Agency
Statement of Activities and Changes in Net Assets
For the fiscal year ended June 30, 2010

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental activities					
Community services and facilities	$ 37,860	$ -	$ -	$ -	$ (37,860)
Economic development	200,744	-	-	-	(200,744)
Planning and development	2,994,996	-	-	-	(2,994,996)
Interest and fiscal charges	432,620	-	-	-	(432,620)
Total governmental activities	$ 3,666,220	$ -	$ -	$ -	(3,666,220)

General revenues and transfers:	
Taxes:	
Property taxes	5,232,312
Total Taxes	5,232,312
Investment income (loss)	189,154
Miscellaneous	14,500
Transfers to the City of Clayton	283,523
Total general revenues and transfers	5,719,489
Change in Net Assets	2,053,269
Net assets - beginning of fiscal year	1,167,959
Net assets - end of fiscal year	$ 3,221,228

See accompanying Notes to Basic Financial Statements.

Governmental Funds Financial Statements

The Clayton Redevelopment Agency has determined all of its funds to be major funds.

The ***Capital Projects Fund*** accounts for project expenditures in the Agency's project area.

The ***Low/Moderate Capital Projects Fund*** accounts for redevelopment property tax increments, which must be set aside for low and moderate income housing.

The ***Debt Service Fund*** accounts for the Agency's Series 1996A, and 1999 Tax Allocation Bonds debt service payments.

Clayton Redevelopment Agency
Balance Sheet
Governmental Funds
June 30, 2010

	Major Funds			
	RDA Capital Projects Fund	RDA Low/Moderate Capital Projects Fund	RDA Debt Service Fund	Total
ASSETS				
Cash and investments	$ 583,636	$ 4,740,529	$ 51,137	$ 5,375,302
Cash with fiscal agent	-	-	1,109,988	1,109,988
Accounts receivable	2,500	-	-	2,500
Interest receivable	-	592,412	-	592,412
Notes receivable	295,718	3,883,450	-	4,179,168
Investment in bonds	151,000	-	-	151,000
Investment in low and moderate housing	-	1,632,925	-	1,632,925
TOTAL ASSETS	$ 1,032,854	$ 10,849,316	$ 1,161,125	$ 13,043,295
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	$ 5,175	$ 74	$ -	$ 5,249
Deposits payable	(584)	-	-	(584)
Deferred revenue	295,718	5,255,343	-	5,551,061
Notes Payable	592,412	-	-	592,412
TOTAL LIABILITIES	892,721	5,255,417	-	6,148,138
FUND BALANCE				
Reserved for:				
Capital projects	140,133	-	-	140,133
Debt service	-	-	1,161,125	1,161,125
Contingencies	-	1,000,000	-	1,000,000
Low and moderate income housing	-	4,593,899	-	4,593,899
TOTAL FUND BALANCE	140,133	5,593,899	1,161,125	6,895,157
TOTAL LIABILITIES AND FUND BALANCE	$ 1,032,854	$ 10,849,316	$ 1,161,125	$ 13,043,295

See accompanying Notes to Basic Financial Statements.

Clayton Redevelopment Agency
Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Assets
June 30, 2010

Total Fund Balances - Total Governmental Funds	$	6,895,157
Amounts reported for governmental activities in the Statement of Net Assets were different because:		
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet.		(109,990)
Revenues which are deferred on the Governmental Funds Balance Sheet because they are not available currently are recorded revenue in the Statement of Activities and accordingly increase the net assets on the Statement of Net Assets.		5,551,061
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet.		
Advance from City of Clayton		(475,000)
Long-term debt - current portion		(580,000)
Long-term debt -noncurrent portion		(8,060,000)
Net Assets of Governmental Activities	$	3,221,228

See accompanying Notes to Basic Financial Statements.

Clayton Redevelopment Agency
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2010

	Major Funds			
	RDA Capital Projects Fund	RDA Low/Moderate Capital Projects Fund	RDA Debt Service Fund	Total
REVENUES				
Property taxes	$ 4,130,048	$ 1,032,512	$ -	$ 5,162,560
Program income	-	69,752	-	69,752
Use of money and property	15,412	169,058	4,684	189,154
Other revenue	14,500	-	-	14,500
TOTAL REVENUES	4,159,960	1,271,322	4,684	5,435,966
EXPENDITURES				
General Government				
Community services and facilities	29,596	-	8,265	37,861
Planning and development	2,844,409	439,435	-	3,283,844
Principal	-	-	2,045,000	2,045,000
Interest and fiscal charges	30,875	-	551,827	582,702
TOTAL EXPENDITURES	2,904,880	439,435	2,605,092	5,949,407
REVENUES OVER (UNDER) EXPENDITURES	1,255,080	831,887	(2,600,408)	(513,441)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,386,396	-	2,604,143	3,990,539
Transfers out	(3,865,539)	(125,000)	-	(3,990,539)
Transfers from the City of Clayton	283,523	-	-	283,523
TOTAL OTHER FINANCING SOURCES (USES)	(2,195,620)	(125,000)	2,604,143	283,523
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(940,540)	706,887	3,735	(229,918)
FUND BALANCES:				
Beginning of fiscal year	1,080,673	4,887,012	1,157,390	7,125,075
End of fiscal year	$ 140,133	$ 5,593,899	$ 1,161,125	$ 6,895,157

See accompanying Notes to Basic Financial Statements.

Clayton Redevelopment Agency
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-wide Statement of Activities
For the fiscal year ended June 30, 2010

Net Change in Fund Balances - Total Governmental Funds	$	(229,918)
Amounts reported for governmental activities in the Statement of Activities and Changes in Net Assets were different because:		
Certain notes receivable are reported as expenditures in the Governmental Funds and then offset by a deferred revenue as they are not available to pay current expenditures. Likewise, when the note is collected it is reflected in revenue. This is the net change between notes receivable collected and issued.		118,979
Repayment of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Government-wide Statement of Net Assets. This amount represents long-term debt repayments.		2,045,000
Interest expense on long-term debt is reported in the Government-wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, interest expense is not reported as expenditures in Governmental Funds. This amount represents the change in interest payable.		119,208
Change in Net Assets of Governmental Activities	$	2,053,269

See accompanying Notes to Basic Financial Statements.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Clayton Redevelopment Agency of the City of Clayton, California, (Agency) have been prepared in conformity with accounting principles generally accepted in the U.S.A. (USGAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Agency's accounting policies are described below.

A. Description of Reporting Entity

The Agency is a blended component unit of the City of Clayton (City). The City Manager acts as the Agency's Executive Director and the City Council acts as the governing commission, which exerts significant influence over its operations. Accordingly, the financial operations of the Agency have also been included in the financial statements issued by the City.

The Agency was established in June 1987. The Agency Board members are the elected officials of the City Council. Redevelopment Plans were adopted in June 1987 for the Redevelopment Project Area. The Agency was established pursuant to the Community Development Law of the State of California as codified in Part I of Division 24 of the State of California Health and Safety Code. As such, the Agency acts as a legal entity, separate and distinct from the City, even though the City Council serves as the Agency's Board of Directors.

The actions of the Agency are binding and its representatives routinely transact business, including the incurrence of long-term debt, in the Agency's name. The Agency is broadly empowered to engage in the general economic revitalization and redevelopment of the City through acquisition and development of property in those areas of the City determined to be in a declining condition and within the Project Area.

B. Basis of Accounting/Measurement Focus

The accounts of the Agency are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government - wide Financial Statements - The Agency's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of governmental activities for the Agency.

These financial statements are presented on an *"economic resources"* measurement focus and the accrual basis of accounting. Accordingly, all of the Agency's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The Agency did not have any significant program revenues at June 30, 2010. The majority of the Agency's revenues were considered to be general revenues.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. The following interfund activities have been eliminated:

- Transfers in/out

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. Basis of Accounting/Measurement Focus, Continued

Governmental Funds Financial Statements - Governmental funds financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all governmental funds. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the government-wide financial statements. The Agency has presented all major funds.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue source, which has been treated as susceptible to accrual by the Agency, is property taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Deferred revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferred revenue is removed from the balance sheet and revenue is recognized.

The Reconciliation of the Fund Financial Statements to the Government-wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The Agency has the following major funds:

- *Capital Project Fund* - This fund accounts for project expenditures in the Agency's project area.
- *Low/moderate Capital Projects Fund* - This fund accounts for redevelopment property tax increments, which must be set aside for low and moderate income housing.
- *Debt Service Fund* - This fund accounts for the Agency's Series 1993, 1996A, and 1999 Tax Allocation Bonds debt service payments.

C. Use of Restricted and Unrestricted Net Assets

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Agency's policy is to apply restricted net assets first.

D. Cash and Investments

The Agency pools its available cash with the City for investment purposes. The City considers pooled cash and investment amounts with original maturities of three months or less to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

D. Cash and Investments, continued

which market quotations are readily available.

The Agency participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested a portion of the pooled funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to change in interest rates.

In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB No. 3)*, certain disclosure requirements, if applicable, for Deposits and Investment Risks are specified in the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentrations of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

E. Land Held for Resale

The Agency has acquired two parcels of land on Center Street and Stranahan circle as part of its primary purpose to develop or redevelop City properties. The property is being carried at the lower of cost or net realizable value.

F. Long-Term Liabilities

Government-wide Financial Statements

Long-term debt and other financial obligations are reported as liabilities in the appropriate activities.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are reported as deferred charges.

Fund Financial Statements

The Governmental Fund Financial Statements do not present long-term debt, which are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Assets.

Governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

G. *Fund Balances*

In the Governmental Fund Financial Statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation. Designations of fund balances represent tentative management plans that are subject to change.

H. *Net Assets*

In the government-wide financial statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets. The Agency had no net assets that were invested in capital assets net of related debt.

Restricted Net Assets – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Assets – This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets."

I. *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. *Implementation of New GASB Pronouncements*

The Agency has implemented the following accounting standards during the fiscal year ended June 30, 2010:

- GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans (OPEB) other than Pension Plans* - This Statement establishes uniform financial reporting standards for OPEB plans. The standards in this Statement apply for OPEB Trust Funds included in the financial reports of Plan sponsors or employers, as well as for the stand-alone financial reports of OPEB plans or the public employee retirement systems, or other third parties, that administer them.

- GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension Plans* - This Statement establishes standards for the measurement, recognition, and display of OPEB expense/ expenditures and related liabilities (assets), note disclosures, and if applicable, required supplementary information (RSI) in the financial reports of State and local governmental employers.

2. CASH AND INVESTMENTS

The Agency has pooled its cash and investments of $5,375,302 with the City in order to achieve a higher return on investment. The City maintains a cash and investment pool, which includes cash balances and authorized investments of all the Agency's funds, which the City invests to enhance interest earnings. The pooled interest earned is allocated to the Agency's funds quarterly, based on average daily cash and investment balances in these funds. Certain restricted funds, which are held and invested by independent outside custodians through contractual agreements, are not pooled. These restricted funds include cash with fiscal agents. The investments made by the City are limited to those allowable under State statutes and include the following types of investments:

U.S. Government Securities
Certificates of Deposit
Mutual Funds
Guaranteed Investment Contracts
Commercial Paper
Repurchase Agreements
Deposits with Banks
State of California Local Agency Investment Fund

All cash and investments are stated at fair value. Pooled investment earnings are allocated monthly based on the average cash and investment balances of the various funds and related entities of the City. Cash and investments in the accompanying Statement of Net Assets include investment earnings accrued through June 30, 2010.

The Agency also had Cash with Fiscal Agents in the amount of $1,109,988 which was designated for debt service payments. These funds were all invested in Securities of U.S. Government Treasury Agencies with U.S. Instrumentality. They all mature within 12 months and have a Aaa rating.

See the City's Basic Financial Statements for disclosures related to cash and investments and the related to credit risk, concentration of credit risk, and interest rate risk.

3. NOTES RECEIVABLE

At June 30, 2010, notes receivable consisted of the following:

Description	Beginning Balance July 1, 2009	Additions	Deletions	Ending Balance June 30, 2010
Professional Apartment Management, Inc.	$ 2,990,400	$ 200,000	$ 61,400	$ 3,129,000
Eden Housing, Inc. (formerly Peace Grove)	567,000			567,000
Second Mortgage Program	187,450			187,450
Assessment District Loans	315,339		19,621	295,718
Total	$ 4,060,189	$ 200,000	$ 81,021	$ 4,179,168

Professional Apartment Management, Inc.

On September 21, 1999, the Agency made a loan to the Professional Apartment Management, Inc. ("PAM") in the amount of $750,000, at non-interest bearing rate, to construct and develop an affordable senior assisted living center on the site to be known as "Diamond Terrace." The note is secured by the Deed of Trust. On October 1, 2001, the Agency entered into an agreement to loan PAM up to $4,036,000 including the $750,000 note previously advanced. The additional loan is at a non-interest bearing rate. Repayment of the loan is commenced on October 1, 2005, with annual payments through

3. NOTES RECEIVABLE, CONTINUED

October 1, 2023. As of June 30, 2010, the outstanding balance of the loan was $3,129,000.

Eden Housing, Inc.

On October 13, 1992, the Agency made a loan to the Eden Housing Inc. (formerly Peace Grove, Inc.) in the amount of $567,000, at a non-interest bearing rate, for the purchase of land for redevelopment and housing project for low-income mental health system clients. The loan is secured by a Deed of Trust. The loan has been assumed by Eden Housing, Inc. The principal balance is payable on December 18, 2052. As of June 30, 2010, the outstanding balance of the loan was $567,000.

Second Mortgage Program

The Agency participates in a second mortgage assistance program, whereby qualified applicants are loaned money for a "silent second" down payment to purchase a home in the Stranahan development within the City. There are seven individual loans. As of June 30, 2010, the outstanding balance of the loans was $187,450.

Assessment District Loans

The Agency has provided assistance to special assessment districts within the City, to fund repairs and improvements. There are three districts which received loans. As of June 30, 2010, the outstanding balance of the loans were $295,718.

4. INTERFUND TRANSACTIONS

Interfund Transfers

During the fiscal year ended June 30, 2010, the Agency had the following transfers:

	Transfers in
Transfers out	Debt Service Fund
Capital Projects Fund	$ 3,990,539

The Agency transferred $3,990,539 from the capital projects fund to the debt service fund for the current debt service payments.

5. NOTES PAYABLE

On June 17, 1999, the Agency received a loan from the City in the amount of $475,000, at an interest rate of 6.5%. The interest is payable quarterly and the principal balance payable in full on or before January 1, 2023. As of June 30, 2010, the outstanding balance of the note was $475,000 and is included in the Agency's long-term debt.

On May 10, 2010, the Agency received a loan from the Low to Moderate Income Housing Fund in the amount of $592,412 to partially cover a demand from the California Department of Finance for property tax revenues to K-12 schools during the 2009-10 fiscal year via the Supplemental Educational Revenue Augmentation Funds (SERAF). The loan is to be repaid without interest by June 30, 2015.

6. LONG-TERM DEBT

The following is a summary of long-term debt transactions during the fiscal year ended June 30, 2010:

Description	Beginning Balance July 1, 2009	Additions	Reductions	Ending Balance June 30, 2010	Amounts Due Within One Year	Amounts Due in More Than One Year
Governmental activities:						
1996 A Refunding Tax Allocation Bonds	$ 5,010,000	$ -	$ *1,800,000	$ (2,146,826,27 3)	$ 325,000	$ 2,885,000
1999 Tax Allocation Bonds	5,675,000	-	245,000	5,430,000	255,000	5,175,000
Advance from City of Clayton	475,000	-	0	475,000	-	475,000
Total governmental activities	$ 11,160,000	$ -	$ 245,000	$ (2,140,921,27 3)	$ 580,000	$ 8,535,000

1996 Series A Refunding Tax Allocation Bonds

1996 Series A Refunding Tax Allocation Bonds in the principal amount of $7,225,000 were issued on November 16, 1996 by the Agency. Principal payments are payable on August 1 of each year. Interest payments are payable semi-annually on February 1 and August 1. Bonds maturing after August 1, 2009 are subject to call on any interest payment date at par, plus a premium 1 % to 2% of the principal amount. The bonds are special obligations of the Agency and are secured by the Agency's tax increment revenue. *In the current year early bond calls in the amount of $1,495,000 are included in the current year debt service.

The annual debt service requirements to amortize the 1996 Refunding Tax Allocation Bonds outstanding at June 30, 2010, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2011	$ 325,000	$ 164,733	$ 489,733
2012	340,000	147,025	487,025
2013	90,000	135,410	225,410
2014	100,000	130,090	230,090
2015	100,000	124,490	224,490
2016-2020	1,705,000	505,540	2,210,540
2021	550,000	14,781	564,781
Total	$ 3,210,000	$ 1,222,069	$ 4,432,069

1999 Tax Allocation Bonds

1999 Issue Tax Allocation Bonds in the principal amount of $7,460,000 were issued on June 15, 1999 by the Agency. Principal payments are payable on August 1 of each year. Interest payments are payable semi-annually on February 1 and August 1. The bonds are special obligations of the Agency and are secured by the Agency's tax increment revenues.

6. LONG-TERM DEBT, CONTINUED

The annual debt service requirements to amortize the 1999 Tax Allocation Bonds outstanding at June 30, 2010, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2011	255,000	260,878	515,878
2012	270,000	248,930	518,930
2013	280,000	236,140	516,140
2014	295,000	222,553	517,553
2015-2018	1,690,000	877,869	2,567,869
2019-2023	2,145,000	401,875	2,546,875
2024-2025	495,000	12,375	507,375
Total	$ 5,430,000	$ 2,260,620	$ 7,690,620

7. RISK MANAGEMENT

As a component unit of the City, the Agency participates in joint power agreements through the Municipal Pooling Authority of Northern California (Authority) which provides insurance coverage for liability and workers' compensation claims. Claims liabilities are accrued when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The Authority covers claims in an amount up to $15,000,000. The City has a deductible of $5,000 per claim for liability cases and no deductible for workers' compensation claims. Once the City's deductible is met, the Authority becomes responsible for payment of all claims. The Authority is self-insured up to $1,000,000 per claim and has excess coverage to a maximum of $25,000,000.

The Authority is governed by a board consisting of representatives from member municipalities. The board controls the operations of the Authority including selection of management, approval of operating budgets and is independent of any influence by member municipalities beyond their representation on the Board. The Executive Director of the Agency (i.e. City Manager) is a Board member of the Authority.

The City's general liability premium payments to the Authority in the amount of $133,430 for fiscal year 2009-2010 are in accordance with formulas established by the Authority. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

Detailed financial information may be obtained from the Authority at the following address:

Municipal Pooling Authority of California
1911 San Miguel Drive Suite #200
Walnut Creek, CA 94596

8. OTHER FUND DISCLOSURES

A. *Expenditures over Appropriations*

The following funds had an excess of expenditures over appropriations in the current fiscal year:

	Amount
	$
RDA Capital Projects	1,945,557
RDA Low/Moderate	9,212

Other Supplementary Information

BUDGETARY PRINCIPLES

The Agency follows these procedures in establishing the budgetary data reflected in the financial statements:

- By June 30, the City Manager submits to the City Council a proposed operating budget for the year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. Continuing appropriations are rebudgeted by the City Council as part of the adoption of subsequent year's budgets. The City and Agency routinely conduct a public Mid-Year Budget Review each year in late January or early February.
- Public hearings are conducted to obtain taxpayer comments.
- The budget is legally enacted through passage of a resolution during a City Council meeting in the month of June.
- The City Manager is authorized to transfer budgeted amounts within an activity, within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
- Formal budgeting is employed as a management control device during the year for the general, certain special revenue and debt service funds.
- Budgets for the debt service and capital project funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Budgeted amounts are as originally adopted or as amended by the City Council. Budget amendments were not material in relation to the original appropriations.

Under encumbrance accounting, purchase orders, contracts and other commitments for expenditures are recorded to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary accounting. Since encumbrances do not yet constitute expenditures or liabilities, encumbrances outstanding at year-end are reported as reservations of fund balances.

Clayton Redevelopment Agency
Budgetary Comparison Schedule
For the fiscal year ended June 30, 2010
RDA Capital Projects Fund

	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
Property taxes	$ 4,144,938	$ 4,130,048	$ (14,890)
Use of money and property	5,000	15,412	10,412
Other revenue	-	14,500	14,500
TOTAL REVENUES	4,149,938	4,159,960	10,022
EXPENDITURES			
Community services and facilities	-	29,596	(29,596)
Planning and development	918,426	2,844,409	(1,925,983)
Interest and fiscal charges	30,875	30,875	-
TOTAL EXPENDITURES	949,301	2,904,880	(1,955,579)
REVENUES OVER (UNDER) EXPENDITURES	3,200,637	1,255,080	(1,945,557)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,386,396	1,386,396
Transfers out	(3,694,830)	(3,865,539)	(170,709)
Transfers from the City of Clayton	-	283,523	283,523
TOTAL OTHER FINANCING SOURCES (USES)	(3,694,830)	(2,195,620)	1,499,210
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ (494,193)	(940,540)	$ (446,347)
FUND BALANCES:			
Beginning of fiscal year		1,080,673	
End of fiscal year		$ 140,133	

Clayton Redevelopment Agency
Budgetary Comparison Schedule
For the fiscal year ended June 30, 2010
RDA Low/Moderate Capital Projects Fund

	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
Property taxes	$ 1,036,234	$ 1,032,512	$ (3,722)
Program income	61,400	69,752	8,352
Use of money and property	50,000	169,058	119,058
TOTAL REVENUES	1,147,634	1,271,322	123,688
EXPENDITURES			
Planning and development	430,223	439,435	(9,212)
TOTAL EXPENDITURES	430,223	439,435	(9,212)
REVENUES OVER (UNDER) EXPENDITURES	717,411	831,887	114,476
OTHER FINANCING SOURCES (USES)			
Transfers out	(125,000)	(125,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(125,000)	(125,000)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ 592,411	706,887	$ 114,476
FUND BALANCES:			
Beginning of fiscal year		4,887,012	
End of fiscal year		$ 5,593,899	

Clayton Redevelopment Agency
Budgetary Comparison Schedule
For the fiscal year ended June 30, 2010
RDA Debt Service Fund

	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
Use of money and property	$ 1,000	$ 4,684	$ 3,684
TOTAL REVENUES	1,000	4,684	3,684
EXPENDITURES			
Community services and facilities	8,265	8,265	-
Principal	2,060,000	2,045,000	15,000
Interest and fiscal charges	536,878	551,827	(14,949)
TOTAL EXPENDITURES	2,605,143	2,605,092	51
REVENUES OVER (UNDER) EXPENDITURES	(2,604,143)	(2,600,408)	3,735
OTHER FINANCING SOURCES (USES)			
Transfers in	2,604,143	2,604,143	-
TOTAL OTHER FINANCING SOURCES (USES)	2,604,143	2,604,143	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ -	3,735	$ 3,735
FUND BALANCES:			
Beginning of fiscal year		1,157,390	
End of fiscal year		$ 1,161,125	

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the Governing Board
Clayton Redevelopment Agency
Clayton, California

We have audited the financial statements of the governmental activities and the major funds of the Clayton Redevelopment Agency (Agency) as of and for the fiscal year ended June 30, 2010, which collectively comprise the Agency basic financial statements and have issued our report thereon dated December 20, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, Agency Board of Directors, others within the entity, and the California State Controller's Office Division of Accounting and Reporting, and is not intended to be and should not be used by anyone other than these specified parties.

Cropper Accountancy Corporation

CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, California
December 20, 2010