THE CITY OF PLEASANTON

CITY COUNCIL AGENDA REPORT

February 20, 2018
Community Development
Finance

TITLE: ADOPT A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A JOHNSON DRIVE ECONOMIC DEVELOPMENT ZONE TRANSPORTATION IMPROVEMENT AND COST ALLOCATION AGREEMENT WITH COSTCO WHOLESALE CORPORATION

SUMMARY

Staff is recommending that the City Council adopt the attached Resolution authorizing the City Manager to execute a Johnson Drive Economic Development Zone Transportation Improvement and Cost Allocation Agreement with Costco Wholesale Corporation.

RECOMMENDATION

Adopt the attached Resolution authorizing the City Manager to execute a Johnson Drive Economic Development Zone Transportation Improvement and Cost Allocation Agreement with Costco Wholesale Corporation.

FINANCIAL STATEMENT

The Transportation Improvement and Cost Allocation Agreement commits the City to allocate 40% of the sales tax generated by the Pleasanton Costco store to Costco Wholesale Corporation ("Costco") to repay the $6.8 million advance at 1.5% interest that Costco will make to help fund the transportation improvements required for the Johnson Drive Economic Development Zone ("JDEDZ") as well as repay Costco for 50% of the costs at no interest to acquire the right-of-way required for the transportation improvements. City staff estimate that 40% of the sales tax generated in the Costco store to be approximately $370,000 in year one. The proposed JDEDZ Transportation Fee that the City intends to charge future developers in the JDEDZ will also help repay the Costco advance. City staff estimates that without the proposed JDEDZ Transportation Fee, it could take between 14 to 20 years to repay Costco through sharing 40% of the sales tax generated by the Pleasanton Costco store.

The $6.4 million in Traffic Impact Fees collected by the City from prior development that the Agreement commits the City to provide to help fund the Stoneridge Drive and I-680 Onramp project is included in the FY 2018/19 Capital Improvement Plan (CIP) budget that was approved by City Council in June of 2017.

BACKGROUND

To implement the City's goals for the JDEDZ and as a necessary first step in encouraging new businesses to locate in the JDEDZ, various public roadway improvements need to be completed along Johnson Drive, Commerce Drive and Stoneridge Drive, including new traffic signals, construction of new lanes and onramp improvements ("JDEDZ Street Improvements").

On September 18, 2017, the City Council authorized the City Manager to execute a term sheet for the design and construction of the JDEDZ Street Improvements between the City and Costco ("Term Sheet" a copy of which is attached).

Based on the Term Sheet, staff and Costco representatives have developed a proposed JDEDZ Transportation Improvement and Cost Allocation Agreement ("Agreement"). The Agreement is consistent with the policy objectives of the Term Sheet.

DISCUSSION

Under the proposed Agreement, Costco is responsible for the design and construction of the JDEDZ Street Improvements. The details of the construction of the JDEDZ Street Improvements will be outlined in a future improvement agreement between Costco and the City. No certificate of occupancy will be issued by the City for the Costco Store prior to the substantial completion of the JDEDZ Street Improvements.

Costco will dedicate the right-of-way needed for the JDEDZ Street Improvements that is on the Costco site at no cost to the City. The cost of acquiring all other necessary right-of-way will be split equally between Costco and the City. Any cost overruns in the design and construction of the JDEDZ Street Improvements will also be split equally between Costco and the City.

Upon the acceptance of the JDEDZ Street Improvements by the City, Costco will receive a fee credit in the maximum amount of $3,700,000 against Costco's obligation to pay the City's Traffic Development Fee. The City will also pay Costco approximately $6,400,000 to reimburse Costco for those costs of the JDEDZ Street Improvements which would otherwise be constructed by the City using Traffic Impact Fee (Development) funds.

Finally, the City will share with Costco 40% of the sales tax generated by the Costco store to be constructed in Pleasanton up to approximately $6.8 million at 1.5% interest, plus Costco's share of acquiring right-of-way (as discussed above) at no interest. The City is not liable for repaying any outstanding balances to Costco in the event Costco ceases to operate within the City.

A summary of the proposed Agreement is attached.

Jointly Submitted by:

Gerry Beaudin
Director of Community

Tina Olson
Director of Finance

Approved by:

Nelson Fialho
City Manager

Attachments:

1. Term Sheet
2. Summary of the JDEDZ Transportation and Cost Allocation Agreement
3. Resolution
4. Proposed Agreement

TERM SHEET FOR JOHNSON DRIVE ECONOMIC DEVELOPMENT ZONE (JDEDZ) TRANSPORTATION IMPROVEMENTS (FINANCING AND CONSTRUCTION) BETWEEN THE CITY OF PLEASANTON AND COSTCO, INC.

INTRODUCTION

This Term Sheet summarizes negotiations that have taken place between the City of Pleasanton (City) and Costco Inc. (Costco) regarding the financing and construction of the transportation mitigation projects required for the JDEDZ (Project). This Term Sheet has been informed by the public review process for the Project, and is intended to form the basis for continued good faith negotiations between the parties.

Costco and the City will continue to negotiate in good faith to amplify the terms (including all defined terms) in this Term Sheet and endeavor to incorporate them into appropriate documents (Transaction Documents) for consideration by the City Council.

The execution of this Term Sheet does not constitute the grant of any required land use entitlement or permit, and all land use entitlements and permits contemplated by this Term Sheet and required from the City, shall be granted, denied, or conditionally granted in accordance with the City's established procedures and in compliance with all applicable laws, rules, regulations and requirements including but not limited to the requirements of CEQA and the CEQA Guidelines. Notwithstanding any language in this Term Sheet that may be construed to the contrary, the City retains its full discretion to grant, deny or conditionally grant any and all entitlements or permits sought by Costco for the Property, and such discretion includes but is not limited to the discretion to exercise its independent judgment and impose on such approvals all mitigation measures and conditions that City determines are required or appropriate under CEQA and the CEQA Guidelines. No action by Costco or the City with reference to this Term Sheet shall be deemed a representation or warranty to Costco, or to any other person or entity, that the City will issue or approve any entitlements or permits, nor constitute a waiver of any state or City requirements that are applicable to the Project.

OVERVIEW

A. **The JDEDZ Site and the City's Objectives/Goals for Development**

The JDEDZ area consists of 12 parcels located at 7106-7315 Johnson Drive and 7035 and 7080 Commerce Circle, comprising approximately 40 acres and currently containing a mixture of land uses, including some office, retail, and institutional uses. However, the predominant uses for the past several decades have been for light industrial purposes, and in many instances, the unfortunate bi-product has been an overall lack of investment in the area, the creation of several underutilized properties, aging infrastructure, and a general lack of economic production and aesthetic degradation.

The objectives of the proposed JDEDZ and associated General Plan amendment and PUD rezoning are to:

1. Provide a consistent framework for the City's review and approval of new uses and projects in the JDEDZ project area, encouraging investment in and adding value to these properties;

2. Maximize the benefits of the location of the JDEDZ project area as an infill site located along transportation corridors and near transit by encouraging the development of both locally and regionally accessible uses in the JDEDZ project area; and

3. Encourage the development of a diverse mix of uses in the City that would promote long-term economic growth by generating substantial new revenues for the City.

The goals of the proposed JDEDZ and associated General Plan amendment and PUD rezoning are to:

1. Transforming the area into a thriving commercial corridor that capitalizes on its location at the intersection of the I-580 and I-680 freeways;

2. Creating opportunities for new land uses and services in the community to broaden the City's economic base, thereby generating new tax revenue to support City services and programs; and

3. Streamlining the development review process for new land uses through completed California Environmental Quality Act (CEQA) documentation and in most cases staff-level review processes.

B. Description of Development

The JDEDZ entails the implementation of rules, regulations/review processes, and design guidelines to allow for and facilitate future development and redevelopment within the JDEDZ project area. As part of the proposed JDEDZ, the City would also: specify fees and fee credits for prospective uses; specify off-site improvements; and potentially execute one or more Development Agreements with identified property owners.

The mix of uses expected to occur within the JDEDZ project area with full buildout includes club retail (also known as warehouse club), hotel, recreational facilities, and general retail establishments. Existing uses within the JDEDZ project area would be "grandfathered" and operate and/or expand until redevelopment activities are proposed for a specific parcel within the project area.

With development of the JDEDZ, the project area could contain up to 535,490 square feet of occupied building space, a net increase of 310,802 square feet over the existing occupied buildings within the JDEDZ project area. It is assumed that development of the JDEDZ project area would occur in two or

more phases, including an initial phase (Phase I) during which Parcels 6, 9 and 10 would be developed with hotel (132,000 square feet), club retail (148,000 square feet), and general retail (43,903 square feet) uses; and one or more future development phases. All new development would be subject to a separate and subsequent development review process (e.g. Design Review, Conditional Use Permit, Planned Unit Development, etc.)

The JDEDZ will generate increased traffic, affecting the levels of service and vehicle queue length spillback in and around the project area. It should be noted that proposed mitigations in the FSEIR would result in acceptable levels of service (i.e., duration of delay in traveling through an intersection), acceptable vehicle queue spillback (i.e., backed-up traffic potentially affecting operation of an upstream intersection), and acceptable freeway ramp operations. For more detailed information related to project impacts and proposed mitigations, please refer to Chapter 4.D of the DSEIR.

C. Project Cost Estimate

The following cost estimate for the Project was developed in early 2017:

PLANNING LEVEL COST ESTIMATE

Commerce Dr at Johnson Dr, Mitigation 4.D-1a

Roadway Items:	Quantity	Unit	Unit Cost	Item Total	Total
New Pavement Section[1]	2,250	SF	$ 10	$ 22,500	
Cold Plane and Overlay (0.2')[2]	24,250	SF	$ 2	$ 48,500	
Conc Sidewalk & Driveway[3]	3,810	SF	$ 10	$ 38,100	
Conc C&G	850	LF	$ 30	$ 19,500	
Driveway	4	EA	$ 5,000	$ 20,000	
Curb Ramp	2	EA	$ 3,500	$ 7,000	
Retaining Wall	-	SF	$ 100	$ -	
Maintenance Path	-	LS	$ 20,000	$ -	
Monument Sign	-	LS	$ 25,000	$ -	
Imported Borrow	-	CY	$ 75	$ -	
Roadway Excavation[9]	760	CY	$ 75	$ 57,000	
Clearing and Grubbing	2,450	SF	$ 0.5	$ 1,300	
Remove Conc Sidewalk, C&G.	3,850	SF	$ 6	$ 21,900	
Remove Trees	1	EA	$ 1,000	$ 1,000	
Landscape/Irrigation & Bio-Retention	2,200	SF	$ 15	$ 33,000	
Fence (New & Remove)	-	LF	$ 30	$ -	
Pavement Striping	2,200	LF	$ 2	$ 4,400	
Pavement Markings	590	SF	$ 10	$ 5,900	
Relocate Overhead sign and post[4]	-	EA	$ 5,000	$ -	
Signs	2	EA	$ 600	$ 1,200	
Signalized Intersection (Johnson Dr & Commerce Dr)	1	LS	$ 350,000	$ 350,000	
Intersection Traffic Signal Modification	-	LS	$ 750,000	$ -	
Ramp Traffic Signal Modification	-	LS	$ 25,000	$ -	
Street Lights[5]	3	EA	$ 10,000	$ 30,000	
Traffic Control Allowance (5%)	1	LS	$ 34,000	$ 34,000	
Storm Drain System Allowance (10%)	1	LS	$ 67,000	$ 67,000	
WPCP Treatment Allowance (5%)	1	LS	$ 34,000	$ 34,000	
Minor & Misc. Items (10%)	1	LS	$ 60,000	$ 60,000	
Mobilization (10%)	1	LS	$ 88,000	$ 88,000	
Contingency (25%)	1	LS	$ 242,000	$ 242,000	
Roadway Subtotal					$ 1,210,000
Structure Items:	**Quantity**	**Unit**	**Unit Cost**	**Item Total**	**Total**
Widen Existing Structure[6]	-	SF	$ 350	$ -	
Structure Subtotal					$ -
Right of Way Items:	**Quantity**	**Unit**	**Unit Cost**	**Item Total**	**Total**
Utility Relocation[7]	1	LS	$ 38,000	$ 38,000	
DSRSD	-	LS	$ 250,000	$ -	
Acquisition costs	1	LS	$ 164,800	$ 164,800	
TCE	NIC				
Environmental Mitigation (Est)	NIC				
Right of Way Subtotal					$ 210,000
Subtotal "Hard Costs"					$ 1,420,000
Soft Costs[8]	**Quantity**	**Unit**	**Unit Cost**	**Item Total**	**Total**
Final Design (12.5%)	1	LS	$ 152,000	$ 152,000	
Construction Administration (12.5%)	1	LS	$ 152,000	$ 152,000	
Construction Staking (2%)	1	LS	$ 25,000	$ 25,000	
Subtotal "Soft Costs"					$ 330,000
Grand Total					$ 1,750,000

1 New Pavement Section assumed as 4.5" Asphalt, 9.5" Aggregate Base and 17" Aggregate Subbase

2 Cold plane at existing pavement within the project limits

3 Assume 6' wide sidewalk

4 Reuse existing post and most arm. Install new sign panels and post foundation

5 Assume existing street lights are to be salvaged by the Contractor. Place new street lights at approximately 200' spacing

6 No work in the creek for bridge structure

7 Utility costs assumes main underground lines remain, only assumes cost for adjusting vaults/boxes/fire hydrants to grade or relocating them

8 Soft cost is percentage of Roadway + Structure Items (2017 dollars) except R/W Engineering which is 10% of R/W items.

9 Roadway excavation assumes 2.6' cut into existing ground

PLANNING LEVEL COST ESTIMATE

Johnson Dr at Owens Dr (North) Intersection, Mitigation 4.D-1b

Roadway Items:	Quantity	Unit	Unit Cost	Item Total	Total
New Pavement Section[1]	-	SF	$ 10	$ -	
Cold Plane and Overlay (0.2')[2]	-	SF	$ 2	$ -	
Conc Sidewalk & Driveway[3]	-	SF	$ 10	$ -	
Conc C&G	-	LF	$ 30	$ -	
Driveway	-	EA	$ 5,000	$ -	
Curb Ramp	-	EA	$ 3,500	$ -	
Retaining Wall	-	SF	$ 100	$ -	
Maintenance Path	-	LS	$ 20,000	$ -	
Monument Sign	-	LS	$ 25,000	$ -	
Imported Borrow	-	CY	$ 75	$ -	
Roadway Excavation[9]	-	CY	$ 75	$ -	
Clearing and Grubbing	-	SF	$ 0.5	$ -	
Remove Conc Sidewalk, C&G	-	SF	$ 6	$ -	
Remove Trees	-	EA	$ 1,000	$ -	
Landscape/Irrigation & Bio-Retention	-	SF	$ 15	$ -	
Fence (New & Remove)	-	LF	$ 30	$ -	
Pavement Striping	-	LF	$ 2	$ -	
Pavement Markings	-	SF	$ 10	$ -	
Relocate Overhead sign and post[4]	-	EA	$ 5,000	$ -	
Signs	-	EA	$ 800	$ -	
Signalized Intersection (Johnson Dr & Owens Dr)	1	LS	$ 350,000	$ 350,000	
Intersection Traffic Signal Modification	-	LS	$ 750,000	$ -	
Ramp Traffic Signal Modification	-	LS	$ 25,000	$ -	
Street Lights[5]	-	EA	$ 10,000	$ -	
Traffic Control Allowance (5%)	-	LS	$ 18,000	$ -	
Storm Drain System Allowance (10%)	-	LS	$ 35,000	$ -	
WPC / Treatment Allowance (5%)	-	LS	$ 18,000	$ -	
Minor & Misc. Items (10%)	-	LS	$ 35,000	$ -	
Mobilization (10%)	1	LS	$ 35,000	$ 35,000	
Contingency (25%)	1	LS	$ 97,000	$ 97,000	
Roadway Subtotal					$ 490,000
Structure Items:	**Quantity**	**Unit**	**Unit Cost**	**Item Total**	**Total**
Widen Existing Structure[6]	-	SF	$ 350	$ -	
Structure Subtotal					$ -
Right of Way Items:	**Quantity**	**Unit**	**Unit Cost**	**Item Total**	**Total**
Utility Relocation[7]	-	LS	$ -	$ -	
DSRSD	-	LS	$ 250,000	$ -	
Acquisition costs	-	LS			
TCE	NIC				
Environmental Mitigation (Est)	NIC				
Right of Way Subtotal					$ -
Subtotal "Hard Costs"					$ 490,000
Soft Costs[8]	**Quantity**	**Unit**	**Unit Cost**	**Item Total**	**Total**
Final Design (12.5%)	1	LS	$ 62,000	$ 62,000	
Construction Administration (12.5%)	1	LS	$ 62,000	$ 62,000	
Construction Staking (2%)	1	LS	$ 10,000	$ 10,000	
Subtotal "Soft Costs"					$ 140,000
Grand Total					$ 630,000

1 New Pavement Section assumed as 4.5' Asphalt, 9.5' Aggregate Base and 17' Aggregate Subbase

2 Cold plane all existing pavement within the project limits

3 Assume 6' wide sidewalk

4 Reuse existing post and mast arm. Install new sign panels and post foundation

5 Assume existing street lights are to be salvaged by the Contractor. Place new street lights at approximately 200' spacing

6 No work in the creek for bridge structure

7 Utility costs assumes main underground lines remain, only assumes cost for adjusting vaults/b-valve/fire hydrants to grade or relocating them

8. Soft cost is percentage of Roadway + Structure Items (2017 dollars) except R/W Engineering which is 10% of R/W Items

9. Roadway excavation assumes 2.5' cut into existing ground

PLANNING LEVEL COST ESTIMATE					
Johnson Dr at Stoneridge Dr Intersection, Mitigation 4.D-1c					
Roadway Items:	Quantity	Unit	Unit Cost	Item Total	Total
New Pavement Section[1]	42,900	SF	$ 10	$ 429,000	
Cold Plane and Overlay (0.2)[2]	65,800	SF	$ 2	$ 131,600	
Conc Sidewalk & Driveway[3]	5,180	SF	$ 10	$ 51,800	
Conc C&G	1,470	LF	$ 30	$ 44,100	
Driveway	1	EA	$ 5,000	$ 5,000	
Curb Ramp	3	EA	$ 3,500	$ 10,500	
Retaining Wall	-	SF	$ 100	$ -	
Maintenance Path	1	LS	$ 20,000	$ 20,000	
Monument Sign	1	LS	$ 25,000	$ 25,000	
Imported Borrow	2,720	CY	$ 75	$ 204,000	
Roadway Excavation[9]	4,400	CY	$ 75	$ 330,000	
Clearing and Grubbing	23,700	SF	$ 0.5	$ 11,900	
Remove Conc Sidewalk, C&G	4,900	SF	$ 6	$ 29,400	
Remove Trees	35	EA	$ 1,000	$ 35,000	
Landscape/Irrigation & Bio-Retention	9,900	SF	$ 15	$ 148,500	
Fence (New & Remove)	1,450	LF	$ 30	$ 43,500	
Pavement Striping	8,950	LF	$ 2	$ 18,000	
Pavement Markings	1,550	SF	$ 10	$ 15,500	
Relocate Overhead sign and post[4]	-	EA	$ 5,000	$ -	
Signs	7	EA	$ 600	$ 4,200	
Signalized Intersection	-	LS	$ 350,000	$ -	
Intersection Traffic Signal Modification (Stoneridge Dr & Johnson Dr)	1	LS	$ 750,000	$ 750,000	
Ramp Traffic Signal Modification	-	LS	$ 25,000	$ -	
Street Lights[5]	7	EA	$ 10,000	$ 70,000	
Traffic Control Allowance (5%)	1	LS	$ 120,000	$ 120,000	
Storm Drain System Allowance (10%)	1	LS	$ 239,000	$ 239,000	
WPC / Treatment Allowance (5%)	1	LS	$ 120,000	$ 120,000	
Minor & Misc. Items (10%)	1	LS	$ 287,000	$ 287,000	
Mobilization (10%)	1	LS	$ 316,000	$ 316,000	
Contingency (25%)	1	LS	$ 868,000	$ 868,000	
Roadway Subtotal					$ 4,340,000
Structure Items:	Quantity	Unit	Unit Cost	Item Total	Total
Widen Existing Structure[6]	-	SF	$ 350	$ -	
Structure Subtotal					$ -
Right of Way Items:	Quantity	Unit	Unit Cost	Item Total	Total
Utility Relocation[7]	1	LS	$ 48,000	$ 48,000	
DSRSD	1	LS	$ 250,000	$ 250,000	
Acquisition costs	1	LS	$ 340,000	$ 340,000	
TCE	NIC				
Environmental Mitigation (Est)	NIC				
Right of Way Subtotal					$ 640,000
Subtotal "Hard Costs"					$ 4,980,000
Soft Costs[8]	Quantity	Unit	Unit Cost	Item Total	Total
Final Design (12.5%)	1	LS	$ 543,000	$ 543,000	
Construction Administration (12.5%)	1	LS	$ 543,000	$ 543,000	
Construction Staking (2%)	1	LS	$ 87,000	$ 87,000	
Subtotal "Soft Costs"					$ 1,180,000
Grand Total					$ 6,160,000

1 New Pavement Section assumed as 4.5" Asphalt, 9.5" Aggregate Base and 17" Aggregate Subbase

2 Cold plane existing pavement within the project limits

3 Assume 6' wide sidewalk on Johnson Dr & 12' wide sidewalk on Stoneridge Dr

4 Reuse existing post and mast arm. Install new sign panels and post foundation

5 Assume existing street lights are to be salvaged by the Contractor. Place new street lights at approximately 200' spacing

6 No work in the creek for bridge structure

7 Utility costs assumes main underground lines remain, only assumes cost for adjusting vault covers, fire hydrants to grade or relocating them

8 Soft cost in percentage of Roadway + Structure Items (2017 dollars) except R/W Engineering which is 10% of R/W Items

9 Roadway excavation assumes 2.5' cut into existing ground

PLANNING LEVEL COST ESTIMATE					
Stoneridge Dr Queue Spillback, Mitigation 4.D-1d					
Roadway Items:	Quantity	Unit	Unit Cost	Item Total	Total
New Pavement Section[1]	21,550	SF	$ 10	$ 215,500	
Cold Plane and Overlay (0.2)[2]	80,450	SF	$ 2	$ 160,900	
Conc Sidewalk & Driveway[3]	22,340	SF	$ 10	$ 223,400	
Conc C&G	1,600	LF	$ 30	$ 48,000	
Driveway	-	EA	$ 5,000	$ -	
Curb Ramp	1	EA	$ 3,500	$ 3,500	
Retaining Wall	6,900	SF	$ 100	$ 690,000	
Maintenance Path	-	LS	$ 20,000	$ -	
Monument Sign	-	LS	$ 25,000	$ -	
Imported Borrow	3,120	CY	$ 75	$ 234,000	
Roadway Excavation[9]	4,550	CY	$ 75	$ 341,300	
Clearing and Grubbing	33,000	SF	$ 0.5	$ 16,500	
Remove Conc Sidewalk, C&G	12,200	SF	$ 6	$ 73,200	
Remove Trees	29	EA	$ 1,000	$ 29,000	
Landscape/Irrigation & Bio-Retention	5,800	SF	$ 15	$ 87,000	
Fence (New & Remove)	2,100	LF	$ 30	$ 63,000	
Pavement Striping	6,750	LF	$ 2	$ 13,500	
Pavement Markings	660	SF	$ 10	$ 6,600	
Relocate Overhead sign and post[4]	1	EA	$ 5,000	$ 5,000	
Signs	10	EA	$ 600	$ 6,000	
Signalized Intersection	-	LS	$ 350,000	$ -	
Intersection Traffic Signal Modification	-	LS	$ 750,000	$ -	
Ramp Traffic Signal Modification (NB 680 off-ramp to Stoneridge Dr)	1	LS	$ 25,000	$ 25,000	
Street Lights[5]	1	EA	$ 10,000	$ 10,000	
Traffic Control Allowance (5%)	1	LS	$ 113,000	$ 113,000	
Storm Drain System Allowance (10%)	1	LS	$ 226,000	$ 226,000	
WPC / Treatment Allowance (5%)	1	LS	$ 113,000	$ 113,000	
Minor & Misc. Items (10%)	1	LS	$ 271,000	$ 271,000	
Mobilization (10%)	1	LS	$ 298,000	$ 298,000	
Contingency (25%)	1	LS	$ 819,000	$ 819,000	
Roadway Subtotal					$ 4,100,000
Structure Items:	Quantity	Unit	Unit Cost	Item Total	Total
Widen Existing Structure[6]	3,850	SF	$ 350	$ 1,348,000	
Structure Subtotal					$ 1,350,000
Right of Way Items:	Quantity	Unit	Unit Cost	Item Total	Total
Utility Relocation[7]	1	LS	$ 48,000	$ 48,000	
DSRSD	-	LS	$ 250,000	$ -	
Acquisition costs	1	LS	$ 124,400	$ 124,400	
TCE	NIC				
Environmental Mitigation (Est)	NIC				
Right of Way Subtotal					$ 180,000
Subtotal "Hard Costs"					$ 5,630,000
Soft Costs[8]	Quantity	Unit	Unit Cost	Item Total	Total
Final Design (12.5%)	1	LS	$ 682,000	$ 682,000	
Construction Administration (12.5%)	1	LS	$ 682,000	$ 682,000	
Construction Staking (2%)	1	LS	$ 109,000	$ 109,000	
Subtotal "Soft Costs"					$ 1,480,000
Grand Total					$ 7,110,000

1 New Pavement Section assumed as 4.5" Asphalt, 9.5" Aggregate Base and 17" Aggregate Subbase

2 Cold plane all existing pavement within the project limits

3 Assume Stoneridge Dr sidewalk width to be 6' wide (east of Johnson) & 10' wide (west of Johnson). Quantity includes elevated HMA bike lane

4 Relocate existing post and mast arm. Install new sign panels and post foundation

5 Assume existing street lights are to be salvaged by the Contractor. Place new street lights at approximately 200' spacing

6 No work in the creek for bridge structure

7 Utility costs assumes main underground lines remain, only assumes cost for adjusting vaults, cleanouts, hydrants to grade or relocating them

8 Soft cost is percentage of Roadway + Structure Items (2017 dollars) except R/W Engineering which is 10% of R/W items

9 Roadway excavation assumes 2.5' cut into existing ground

PLANNING LEVEL COST ESTIMATE

Johnson Drive Improvements, Mitigation 4.D-3

Roadway Items:	Quantity	Unit	Unit Cost	Item Total	Total
New Pavement Section[1]	45,860	SF	$ 10	$ 458,600	
Cold Plane and Overlay (0.2') [2]	97,650	SF	$ 2	$ 195,300	
Conc Sidewalk & Driveway [3]	14,650	SF	$ 10	$ 146,500	
Conc C&G	2,400	LF	$ 30	$ 72,000	
Driveway	3	EA	$ 5,000	$ 15,000	
Curb Ramp	12	EA	$ 3,500	$ 42,000	
Retaining Wall	-	SF	$ 100	$ -	
Maintenance Path	-	LS	$ 20,000	$ -	
Monument Sign	-	LS	$ 25,000	$ -	
Imported Borrow	-	CY	$ 75	$ -	
Roadway Excavation [3]	6,540	CY	$ 75	$ 490,500	
Clearing and Grubbing	58,530	SF	$ 0.5	$ 29,300	
Remove Conc Sidewalk, C&G	9,250	SF	$ 6	$ 55,500	
Remove Trees	20	EA	$ 1,000	$ 20,000	
Landscape/Irrigation & Bio-Retention	9,700	SF	$ 15	$ 145,500	
Fence (New & Remove)	1,650	LF	$ 30	$ 49,500	
Pavement Striping	16,170	LF	$ 2	$ 32,400	
Pavement Markings	1,900	SF	$ 10	$ 19,000	
Relocate Overhead sign and post [4]	-	EA	$ 5,000	$ -	
Signs	8	EA	$ 600	$ 4,800	
Signalized Intersection (Johnson Dr & Entry to Parcel 6)	1	LS	$ 350,000	$ 350,000	
Intersection Traffic Signal Modification	-	LS	$ 750,000	$ -	
Ramp Traffic Signal Modification	-	LS	$ 25,000	$ -	
Street Lights [5]	11	EA	$ 10,000	$ 110,000	
Traffic Control Allowance (5%)	1	LS	$ 112,000	$ 112,000	
Storm Drain System Allowance (10%)	1	LS	$ 224,000	$ 224,000	
WPC / Treatment Allowance (5%)	1	LS	$ 112,000	$ 112,000	
Minor & Misc. Items (10%)	1	LS	$ 269,000	$ 269,000	
Mobilization (10%)	1	LS	$ 298,000	$ 298,000	
Contingency (25%)	1	LS	$ 813,000	$ 813,000	
Roadway Subtotal					$ 4,070,000
Structure Items:	Quantity	Unit	Unit Cost	Item Total	Total
Widen Existing Structure [6]	-	SF	$ 350	$ -	
Structure Subtotal					$ -
Right of Way Items:	Quantity	Unit	Unit Cost	Item Total	Total
Utility Relocation[7]	1	LS	$ 190,000	$ 190,000	
DSRSD	-	LS	$ 250,000	$ -	
Acquisition costs[10]	1	LS	$ 458,200	$ 458,200	
TCE	NIC				
Environmental Mitigation (Est)	NIC				
Right of Way Subtotal					$ 650,000
Subtotal "Hard Costs"					$ 4,720,000
Soft Costs[8]	Quantity	Unit	Unit Cost	Item Total	Total
Final Design (12.5%)	1	LS	$ 509,000	$ 509,000	
Construction Administration (12.5%)	1	LS	$ 509,000	$ 509,000	
Construction Staking (2%)	1	LS	$ 82,000	$ 82,000	
Subtotal "Soft Costs"					$ 1,100,000
Grand Total					$ 5,820,000

1 New Pavement Section assumed as 4.5" Asphalt, 9.5" Aggregate Base and 17" Aggregate Subbase

2 Cold plane all existing pavement within the project limits

3. Assume 6' wide sidewalk

4 Reuse existing post and mast arm. Install new sign panels and post foundation

5 Assume existing street lights are to be salvaged by the Contractor. Place new street lights at approximately 200' spacing

6. No work in this creek for bridge structure

7 Utility costs assumes main underground lines remain, only assumes cost for adjusting vaults/boxes/fire hydrants to grade or relocating them

8 Soft cost in percentage of Roadway + Structure items (2017 dollars) except R/W Engineering which is 10% of R/W items

9 Roadway excavation assumes 2.5' cut into existing ground

10 Right of way take within parcels 6,9 & 10 are to be dedicated for this improvements

D. **Financial Structure**

The Funding Plan will include the following funding sources:

E.1. City Transportation Development Impact Fee (TIF) – The Stoneridge Drive and I-680 Onramp project has been included in the City's TIF since 1998. At this time, the City can allocate up to $6.4 million in TIF funds to this project.

E.2. Costco Cash Contribution – Funds that Costco will contribute to the Project without subsequent reimbursements from the City for Costco's fair share of the remaining costs of the Project, including the $3.7 million in TIF funds that Costco would owe the City that will be applied as a direct cash contribution to the Project.

E.3. Right of Way (ROW) – Costco will dedicate to the Project any ROW that Costco owns that is required by the project. The City will seek other ROW required by the Project be dedicated by those owners that are also going to develop their property in the JDEDZ in the near term. For those parcels that are not dedicated to the Project, the City and Costco will equally advance the cost of acquisition.

E.4. Sales Tax Sharing Agreement – The City will apply 40% of the sales tax generated by the Costco store in the JDEDZ up to $6.8 million at 1.5% interest plus Costco's share of the right of way acquisition cost that is not dedicated at no interest. The sales tax sharing between the City and Costco shall not exceed 25 years regardless of any outstanding monetary obligations from the City to Costco at that time. The City is also not liable for repaying any outstanding balances to Costco in the event Costco ceases to operate within the City. The City is not obligated to pay more than 40% of the sales tax generated by the Costco store in the JDEDZ regardless of the amount of sales tax generated by the Costco store in the JDEDZ.

E.5. Project Cost Overruns – The City and Costco will fund Project cost overruns as follows:

- The Stoneridge Drive and I-680 Onramp project cost overruns will be funded by the City's TIF.
- Cost overruns for the remaining Project scope to be shared equally between Costco and the City.

E.6. JDEDZ Transportation Fee - To ensure all of the future developments in the JDEDZ contribute towards the Project costs, the City will develop a JDEDZ Transportation Fee (JDEDZ Fee) that would be charged to future JDEDZ developments at the time they pull permits with the City to develop their property within the JDEDZ. The City will use the proceeds from the JDEDZ Fee to reduce the amount owed to Costco through the proposed Sales Tax sharing

agreement which, in turn, will reduce the years it will take the City to reimburse Costco for the funds Costco has advanced for the Project.

Based on current cost estimates and the funding sources identified above, the following is a summary of the Project funding:

Proposal to Fund JDEDZ Transportation Improvements

Design & Construction Cost (Excluding ROW costs not Required for Stoneridge Dr & I-680 Onramp Project)	$19,970,000
Right of Way (ROW) Estimate (Includes Costco ROW)	1,500,000
Total Project Cost	$21,470,000

Cost Sharing Design and Construction	Amount	Percent of Total
Transportation Impact Fee (TIF) (Stoneridge Drive & I-680 Onramp Project only)	$6,400,000	30%
City Contribution through Sales Tax Share - 60% to City and 40% to Costco @ 1.5% interest	6,785,000	34%
Costco Cash Contribution*	6,785,000	34%
Total Funding Sources	$19,970,000	

Right of Way (ROW) Cost Sharing Proposal	
Costco Owned ROW	Contributed to project at no charge
Remaining required ROW that is not donated to the project	Shared 50/50 with the City but Costco's portion will be added to the $6,785,000 sales tax sharing agreement at no interest.

*Includes Costco $3.7M required TIF contribution that would be converted to a direct cash contribution to the JDEDZ transportation improvements

Other:
1. Costco will issue and manage the construction contract for the transportation improvements.
2. Costco is estimated to be responsible for 44% of total daily trips at full build out and 78% of the trips in Phase 1. The City proposes to establish a JDEDZ Transportation fee to charge subsequent JDEDZ development to reimburse the City for fronting their portion of the costs to implement transportation improvements.

E. Issuing and Managing Construction Contracts

Costco will act as the Developer on this project issuing and managing design and construction contracts for the public roadway infrastructure improvements that are necessary as identified in the JDEDZ DSEIR/FSEIR. The City of Pleasanton will review and approve design plans as they are developed for conformance with the JDEDZ DSEIR/FSEIR and City standards. The City of Pleasanton will inspect infrastructure construction for conformance with design plans. City will accept all public improvements for maintenance when complete. Contracts for this Public Works Project will include prevailing wages as required by law.

The construction improvements consist of several public roadway improvements outlined in DSEIR/FSEIR and include the following:

1. Commerce Drive at Johnson Drive Signal (Mitigation 4.D-1a)
2. Johnson Drive at Owens Drive (North) Signal (Mitigation 4.D-1b)

3. Johnson Drive at Stoneridge Drive Intersection - left turn (Mitigation 4.D-1c)
4. Stoneridge Drive and 680 Ramp widening - Caltrans ROW (Mitigation 4.D-1d)
5. Johnson Drive widening (Mitigation 4.D-3)

Improvement Nos. 3 and 4 above are partially within Caltrans ROW and will require Caltrans approval. The City has prepared exhibits, preliminary design and cost estimates to support development of a request letter for Caltrans to approve improvements within State right of way through the streamlined Permit Engineering Evaluation Report (PEER) process. This work did not include preparation of final design plans which will be completed by Costco.

F. **Timing Schedule**

Time is of the essence. Therefore, the City shall endeavor to process the JDEDZ and all associated development review application and completion of off-site improvements as efficiently as possible within a robust public review process.

COSTCO:
By: _____
Authorized Representative
for Costco
Date: 10·18·17

CITY OF PLEASANTON:
By: _____
Nelson Fialho
City Manager
Date: 9/18/17
Approved by City Council on September 18, 2017

SUMMARY OF THE JDEDZ TRANSPORTATION IMPROVEMENT AND COST ALLOCATION AGREEMENT WITH COSTCO WHOLESALE CORPORATION

PARTIES: City of Pleasanton and Costco Wholesale Corporation, 999 Lake Drive, Issaquah, Washington.

TERM OF AGREEMENT: The Agreement takes effect the later of: (a) the date the Agreement is signed by both Parties; (b) the date when all of the JDEDZ Approvals are effective and (c) the date of the enactment of JDEDZ Transportation Fee (the "Effective Date").

The term of the Agreement begins on the Effective Date and ends the soonest of: (a) the date that the City reimburses Costco for constructing the required JDEDZ street improvements pursuant to the provisions of the Agreement; (b) the first November 1st, following the end of the twenty-fifth (25th) Fiscal Year following the Opening of the Costco Store, subject to a year-for-year tolling in the event of a Force Majeure Event; and (c) termination pursuant to the provisions of the Agreement.

COST ALLOCATION STRUCTURE: The Agreement commits the City to allocate 40% of the sales tax generated by the Pleasanton Costco store to Costco to repay the $6.8 million advance at 1.5% interest that Costco will make to help fund the required JDEDZ street improvements as well as repay Costco for 50% of the costs at no interest to acquire the right of way required for the JDEDZ street improvements. City staff estimate that 40% of the sales tax generated in the Costco store to be approximately $370,000 in year one. The proposed JDEDZ Transportation Fee that the City intends to charge future developers in the JDEDZ will also help repay the Costco advance. City staff estimates that without the proposed JDEDZ Transportation Fee, it could take between 14 to 20 years to repay Costco through sharing 40% of the sales tax generated by the Pleasanton Costco store.

The $6.4 million in Traffic Development Fee revenues that the Agreement commits the City to provide to help fund the Stoneridge Drive and I-680 Onramp project is included in the FY 2018/19 Capital Improvement Plan (CIP) budget that was approved by City Council in June of 2017.

PUBLIC PURPOSE: The purpose of the JDEDZ and the Agreement is to:

- transform the Johnson Drive area into a thriving commercial corridor that capitalizes on its location at the intersection of the I-580 and I-680 freeways; and

- create opportunities for new uses and services in the community, generating new tax revenue to support City services and programs without increasing anyone's taxes by broadening the City's economic activities.

The JDEDZ and the Agreement also furthers a number of policies contained in the City's General Plan, including the following:

Land Use Element
Program 2.2: Encourage the reuse of vacant and underutilized parcels and buildings within existing urban areas.

Policy 13: Ensure that neighborhood, community, and regional commercial centers provide goods and services needed by residents and businesses of Pleasanton and its market area.

Economic and Fiscal Element
Goal 2: Sustain the community's quality of life with a vigorous and diverse economy.

Policy 1: Enhance Pleasanton's diversified economic base through an aggressive business retention and expansion program.

Policy 3: Strengthen the retail sector.

Goal 4: Maintain a diverse and stable revenue system.

Policy 8: Undertake programs which will diversify and help to keep the City's revenue system stable from short-term fluctuations in any one revenue source.

Program 8.2: Continue to investigate and utilize potential new revenue sources, particularly those which will not add to the tax burden of residents and local businesses.

Program 18.1: Promote a diverse economic base by implementing the Economic Development Strategic Plan.

PROJECTED TAX REVENUE TO THE CITY: The JDEDZ would result in positive fiscal benefits for the City, including a projected $1.4 to $1.7 million annual tax revenue to the City's General Fund (after tax allocation payment to Costco) at the completion of the first phase (which includes club retail and hotel uses). Of this amount, approximately $1 to $1.3 million is attributed to the Costco store.

ESTIMATED NUMBER OF JOBS CREATED:

Full Time:	125
Part-time:	125
Temporary:	50 annually

ATTACHMENT 3

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLEASANTON AUTHORIZING THE CITY MANAGER TO EXCECUTE A JOHNSON DRIVE ECONOMIC DEVELOPMENT ZONE TRANSPORTATION IMPROVEMENT AND COST ALLOCATION AGREEMENT WITH COSTCO WHOLESALE CORPORATION

WHEREAS, to implement the City's goals for the Johnson Drive Economic Development Zone ("JDEDZ") and as a necessary first step in encouraging new businesses to locate in the JDEDZ, various public roadway improvements need to be completed along Johnson Drive, Commerce Drive and Stoneridge Drive, including new traffic signals, construction of new lanes and onramp improvements ("JDEDZ Street Improvements"); and

WHEREAS, on September 18, 2017, the City Council authorized the City Manager to execute a term sheet for the design and construction of the JDEDZ Street Improvements between the City and Costco Wholesale Corporation ("Costco") ("Term Sheet" a copy of which is attached); and

WHEREAS, based on the Term Sheet, staff and Costco representatives have negotiated a proposed JDEDZ Transportation Improvement and Cost Allocation Agreement.

NOW, THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF PLEASANTON DOES RESOLVE, DECLARE, DETERMINE AND ORDER THE FOLLOWING:

SECTION 1. The City Manager is authorized to execute the JDEDZ Transportation Improvement and Cost Allocation Agreement with Costco Wholesale Corporation.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Pleasanton at a regular meeting held on

I, Karen Diaz, City Clerk of the City of Pleasanton, California, certify that the foregoing resolution was adopted by the City Council at a regular meeting held on the , by the following vote:

Ayes:
Noes:
Absent:
Abstain:

_____
Karen Diaz, City Clerk

APPROVED AS TO FORM:

_____
Daniel G. Sodergren, City Attorney

JOHNSON DRIVE ECONOMIC DEVELOPMENT ZONE TRANSPORTATION IMPROVEMENT AND COST ALLOCATION AGREEMENT

This Johnson Drive Economic Development Zone Transportation Improvement and Cost Allocation Agreement (this "**Agreement**") is entered into this ___ day of _____, 2018 by and between the City of Pleasanton, a California municipal corporation (the "**City**"), and Costco Wholesale Corporation, a Washington corporation ("**Costco**"). The City and Costco are collectively referred to herein as the "Parties" and individually as a Party.

RECITALS

A. The City has identified the approximately forty acres comprised of the twelve parcels located at 7106-7315 Johnson Drive and 7035 and 7080 Commerce Circle in Pleasanton, California as the Johnson Drive Economic Development Zone (the "**JDEDZ**"). A map outlining the boundaries of the JDEDZ is attached as Attachment 1 to this Agreement. The JDEDZ contains a mixture of land uses, with the predominant land use being light industrial. Over the years, the JDEDZ has suffered from a lack of investment, underutilized properties and aging infrastructure.

B. The City through a variety of techniques intends to transform the JDEDZ into a thriving commercial corridor with new land-uses and services to generate new tax revenues to help support City services and programs.

C. To implement the JDEDZ, the City intends to consider for approval: (1) a Supplemental Environmental Impact Report ("SEIR"); (2) a General Plan Amendment to change the land use designation of the JDEDZ site from Business Park (Industrial/Commercial and Office) and General and Limited Industrial to Retail/Highway/ Service Commercial; Business and Professional Offices; and (3) a Planned Unit Development Rezoning to rezone the JDEDZ site from Planned Unit Development-General and Light Industrial (PUD-G&LI) District, Planned Unit Development Industrial/Commercial-Office (PUD I/C O) District, and General Industrial (I-G-40,000) District to PUD-C District (collectively referred to as the "JDEDZ Approvals").

D. To implement the City's goals for the JDEDZ and as a necessary first step in encouraging new businesses to locate in the JDEDZ, various public roadway improvements need to be completed along Johnson Drive and Commerce Drive and Stoneridge Drive. The proposed street improvements are described in more detail in the SEIR for the JDEDZ and are more generally described in Attachment 2 to this Agreement (the "JDEDZ Street Improvements").

E. The SEIR identifies the need to make certain improvements to Stoneridge Drive and Johnson Drive to mitigate potential queue spillback by constructing new lanes, modifying the Stoneridge Drive at the I-680 northbound off-ramp and constructing a second on-ramp lane to northbound I-680, as more particularly described in in Mitigation 4D.1(d) of the SEIR and the Mitigation Monitoring Plan (the "Stoneridge Drive and I-680 Project"). The Stoneridge Drive and I-680 Project is more generally described in Attachment 3 to this Agreement. (The JDEDZ Street Improvements and the Stoneridge Drive and I-680 Project are sometimes collectively referred to as the "Project Improvements".)

F. Costco has expressed an interest in locating one of its stores in the JDEDZ and has indicated a willingness to assist the City in designing and constructing the Project Improvements, subject to the terms and conditions of this Agreement. The City and Costco intend to enter into a separate Improvement Agreement to govern the process and timing of Costco's construction of the Project Improvements.

G. The City estimates that the cost for the acquisition of the Required Right of Way and for the design and construction of the Project Improvements is $21,470,000 ("Preliminary Cost Estimate"). This cost estimate includes an estimated amount to design and construct the JDEDZ Street Improvements of $12,860,000; an estimated amount to design, construct and acquire the right of way for the Stoneridge Drive and I-680 Project of $7,110,000 and an estimated amount to acquire the Required Right of Way of $1,500,000. Attachment 4 provides a breakdown of the Preliminary Cost Estimate for the Project Improvements.

H. Costco intends to advance the costs for the development of the Project Improvements and the City intends to reimburse Costco a portion of Costco's expenditures incurred in designing and constructing the Project Improvements so that, after such reimbursement, Costco shall have borne only its fair share of impact mitigation costs in the amount to $6,785,000, based on its proportionate impacts on JDEDZ traffic, (the "Costco Fair Share"). Costco shall pay the Costco Fair Share as follows: (1) $3,700,000 will be used for Project Improvement costs in lieu of paying the City's Traffic Development Fee, and (2) $3,085,000 will be incurred and contributed by Costco towards the design and construction costs of the Project Improvements.

I. Furthermore, Costco shall advance all additional costs for the design and construction of the Project Improvements, subject to reimbursement by the City, as provided for in Section 4.1.

J. The Required Right of Way will be determined during the design phase of Project Improvements. Costco will dedicate the Costco Right of Way to the City at no cost to the City. Costco shall be responsible for fifty percent (50%) of the cost of acquiring the remaining Required Right of Way, and the City shall be responsible for the other fifty percent (50%). Costco will be reimbursed the Costco Acquisition Costs as provided in Section 4.2.

K. The costs for right of way for Stoneridge Drive and I-680 Project Right of Way is included in the $7,110,000 Stoneridge Drive and I-680 Project estimate and will not be considered part of Costco Acquisition Costs. Reimbursement of Costco expenditures made for the Stoneridge Drive and I-680 Project will be made in accordance with Article 4.

L. The amount the City intends to reimburse Costco pursuant to this Agreement will not exceed the Costco Construction Costs (plus any accrued interest) and the Costco Acquisition Costs. The City will maintain no proprietary interest in the proposed Costco Store.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE 1.
DEFINITIONS

Section 1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, the following capitalized words shall have the following meanings:

(a) "Agreement" means this Johnson Drive Economic Development Zone Transportation Improvement and Cost Allocation Agreement.

(b) "Auditor" is defined in Section 3.10.

(c) "City" is defined in the preamble.

(d) "City Engineer" means the City Engineer or his or her designee.

(e) "Cost Certification" is defined in Section 3.10.

(f) "Costco" is defined in the preamble.

(g) "Costco Acquisition Costs" is defined in Section 3.9.

(h) "Costco Construction Costs" means (i) the actual out of pocket costs paid by Costco to third parties related to the design and construction of the JDEDZ Street Improvements, excepting costs to pay Cost Overruns as further specified in this Agreement and (ii) the actual out of pocket unreimbursed costs, up to Seven Hundred Ten Thousand Dollars ($710,000), paid by Costco for Stoneridge Drive and I-680 Project costs that do not constitute Stoneridge Drive Cost Overruns.

(i) "Costco Contribution Amount" is defined in Section 4.2.

(j) "Costco Reimbursement Amount is defined in Section 4.2.

(k) "Costco Right of Way" means the portion of the Costco Site to be dedicated to the City to allow for the JDEDZ Street Improvements adjoining the Costco Site shown on Attachment 5.

(l) "Costco Sales Tax Share" means forty percent (40%) of the Sales Tax generated by Costco at the Costco Site during the Term of this Agreement.

(m) "Costco Site" means the real property at 7200 Johnson Drive.

(n) "Costco Store" means that wholesale and general merchandise store owned by Costco and located on the Costco Site.

(o) "Cost Overruns" means the amount of the final costs of the JDEDZ Street Improvements that exceed the Preliminary Cost Estimate but exclude any Stoneridge Drive Cost Overruns.

(p) "Effective Date" is defined in Section 2.1.

(q) "Final Cost Estimate" is defined in Section 3.2.

(r) "Fiscal Year" means the fiscal year of City beginning on July 1 and ending on June 30 of each year.

(s) "Force Majeure Event" is defined in Section 4.6.

(t) "Improvement Agreement" means the agreement between the City and Costco under which Costco commits to constructing the Project Improvements, and including, without limitation the provisions specified in Attachment 6.

(u) "Indemnitees" means City and its officers, officials, employees, volunteers, representatives, attorneys, and consultants.

(v) "JDEDZ Approvals" is defined in Recital C.

(w) "JDEDZ Street Improvements" is defined in Recital D.

(x) "JDEDZ Transportation Fee" is defined in Section 3.8(c).

(y) "Law(s)" means any and all applicable laws, ordinances, statutes, codes, rules, regulations, orders and decrees, of the United States, the State of California, the County of Alameda, City, or any other political subdivision in which the Site is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over City, Costco or this Agreement, including the California Environmental Quality Act, California Public Resources Code sections 21000 et. seq. ("**CEQA**"), CEQA guidelines, and implementing regulations (all as amended from time to time); labor laws and standards (including Prevailing Wage Laws); Public Contracts Code requirements; City's Municipal Code (including zoning and development standards; the Uniform Building Code (with City modifications) and other building, plumbing, mechanical and electrical codes; disabled and handicapped access requirements (including the Americans With Disabilities Act, 42 U.S.C. section 12101, et seq., Government Code section 4450, et seq., Government Code section 11135, et seq., and the Unruh Civil Rights Act, Civil Code section 51, et seq.); and all provisions consolidating, amending, replacing, succeeding or supplementing any of the foregoing.

(z) "Stoneridge Drive Cost Overruns" means design, construction and right of way costs attributable to the Stoneridge Drive and I-680 Project that are in excess of $7,110,000.

(aa) "Opening" means the date that the Costco Store opens for business for sales and services to Costco customers during normal business hours.

(bb) "Party" means either the City or Costco.

(cc) "Parties" means collectively the City and Costco.

(dd) "Preliminary Cost Estimate" is defined in Recital G.

(ee) "Prevailing Wages" means wages paid in accordance with as provided in the statutes applicable to the City public work contracts, including without limitation Sections 1770-1780 of the California Labor Code.

(ff) "Project Improvements" means collectively the JDEDZ Street Improvements and the Stoneridge Drive and I-680 Project.

(gg) "Project Right of Way" means collectively the Required Right of Way and the Stoneridge Drive and I-680 Project Right of Way

(hh) "Required Right of Way" means the land or other interests needed to be acquired to allow for the construction of the right of way for the JDEDZ Street Improvements.

(ii) "Sales Tax Law" means the Bradley-Burns Uniform Local Sales and Use Tax Law (California Revenue and Taxation Code section 7200, et seq.). If the Bradley-Burns Uniform Local Sales and Use Tax Law is further amended, terminated or rescinded, and Sales Taxes are calculated in an alternate manner or are replaced by an alternate revenue stream (i) arising from the retail sale, use or other consumption of tangible personal property from or on the Site, or (ii) designated as being a replacement for Sales Taxes previously generated by the retail sale, use or other consumption of tangible personal property on or from the Site, then "Sales Taxes" shall also mean those revenues attributable to sales, services or consumption of tangible personal property on or from the Site, collected for City in the alternate manner of calculation, so long as City receives its portion of such revenues and has the legal right under California and/or federal Law to retain and control the disposition of all of its portion thereof.

(jj) "Sales Taxes" means for each Fiscal Year during the Term, that portion of taxes actually received by City from the imposition of Sales Tax Law attributable to the sales, services or business activities of Costco at the Costco Store to the extent allocated and paid by the State Board of Equalization to City for its use, in a particular Fiscal Year. The defined term "Sales Taxes" shall not include any of the following: (i) any sales tax levied by, collected for or allocated to the State of California, the County, or any district or entity (including an allocation to a statewide or Countywide pool) other than City; (ii) any administrative fee charged by the State Board of Equalization or the County; (iii) any sales tax subject to any sharing, rebate, offset or other charge imposed pursuant to any applicable Law; (iv) any sales tax (or other funds measured as sales tax) required by the State of California to be paid over to another public entity (including the State) or set aside and/or pledged to a specific use other than for deposit into City's general fund; (v) any other sales tax that is imposed within the boundaries of City and which is intended to fund a specific activity or project, rather than to be used by City as general fund revenues, or which has specific voter approved limitations on its uses. provided, however, if after the Effective Date, the City voluntarily enters into a tax sharing agreement with another entity, the sales taxes so re-distributed shall be not be excluded but shall be deemed to be "Sales Taxes" received by the City for purposes of this Agreement. No Sales Taxes shall be considered

to have been received by City until City is able to confirm the amount of City's actual receipt thereof from the State Board of Equalization.

(kk) "Stoneridge Drive and I-680 Project" is defined in Recital E.

(ll) "Stoneridge Drive and I-680 Project Right of Way" mean the land or other interests needed to be acquired to allow for the construction of the right of way for the Stoneridge Drive and I-680 Project Right of Way.

(mm) "Term" is defined in Section 2.2.

(nn) "Traffic Development Fee" means that fee imposed on new development pursuant to Chapter 3.26 of the Pleasanton Municipal Code.

ARTICLE 2.
EFFECTIVE DATE AND TERM

Section 2.1 Effective Date. This Agreement shall take effect the later of: (a) the date this Agreement is signed by both Parties; (b) the date when all of the JDEDZ Approvals are effective and (c) the date of the enactment of JDEDZ Transportation Fee (the "Effective Date").

Section 2.2 Term. The term of this Agreement begins on the Effective Date and ends the soonest of: (a) the date that the City reimburses Costco the Costco Reimbursement Amount; (b) the first November 1st, following the end of the twenty-fifth (25th) Fiscal Year following the Opening of the Costco Store, subject to a year-for-year tolling in the event of a Force Majeure Event; and (c) termination pursuant to the provisions of this Agreement (the "Term").

ARTICLE 3.
DESIGN AND CONSTRUCTION OF THE PROJECT IMPROVEMENTS

Section 3.1 Design of Project Improvements. Costco shall be responsible for the final design of the Project Improvements. Costco shall retain a licensed, qualified engineering firm or other qualified professional firm specializing in the relevant field to complete improvement plans and specifications for the Project Improvements. Such improvement plans and specifications shall be periodically submitted to the City Engineer for review and approval and must meet the City standards for the design and specifications of street improvements within the City of Pleasanton. Each of Costco's contracts for the design of the Project Improvements shall contain a provision allowing Costco to assign the contract and work product to the City. If Costco proposes to make any material design changes to the approved improvement plans and specifications following commencement of construction on the Project Improvements, Costco shall obtain the City Engineer's prior written approval prior to implementing the proposed design changes.

Section 3.2 Final Cost Estimate. Upon the approval of the improvement plans and specifications for the Project Improvements by the City Engineer, Costco shall submit to the City Engineer for the City Engineer's review and approval a Final Cost Estimate for each of the JDEDZ Street Improvements and Stoneridge Drive and I-680 Project ("Final Cost Estimate"). The Final Cost Estimate shall be in sufficient detail to enable the City Engineer to analyze the

costs of the various design and construction components each of the each of the JDEDZ Street Improvements and Stoneridge Drive and I-680 Project. The City Engineer shall approve or disapprove the Final Cost Estimate within thirty (30) days of receipt. If the Final Cost Estimate exceeds the original cost estimate for the Project Improvements and either Party determines that the amount that the Final Cost Estimate exceeds the original cost estimate is too great, the Parties shall meet and confer to seek a resolution to the excessive cost estimate. If the parties cannot find a solution to the excessive cost estimate, either Party may terminate this Agreement in accordance with Section 5.2. If the City Engineer disapproves an item or aspect of the Final Cost Estimate other than the estimated cost, the Parties shall meet and confer to resolve any contested or questioned line items or aspects. If the Parties cannot resolve a dispute over an item or aspect of the Final Cost Estimate other than the cost, either party may cause the dispute to be presented to the Auditor for resolution.

Section 3.3 Improvement Agreement and Construction of the Project Improvements. After approval of the improvement plans and specifications for the Project Improvements by the City Engineer as provided in Section 3.1, Costco and the City will enter into the Improvement Agreement. Costco shall use diligent and good faith efforts to obtain approval of all required permits and entitlements necessary to construct each of the Project Improvements and to construct such improvements in a timely fashion and in accordance with the Improvement Agreement. Provided, however, if the other public agencies involved in the approval and construction of the Project Improvements request or require that the City take the lead in the permitting process, the City will do so and will continue to work diligently and cooperatively with Costco to facilitate the approval of required permits and entitlements, as well the construction of the improvements. All Project Improvements will be dedicated to the City or State, as applicable, upon acceptance of the work by the City or the State.

Section 3.4 Payment for Design and Construction Costs. All payments for the actual third-party costs related to the final design and construction of the Project Improvements will be advanced by Costco. Costco shall be reimbursed for Costco Construction Costs in accordance with Article 4.

Section 3.5 Payment of JDEDZ Street Improvement Cost Overruns. The City and Costco will each be responsible to pay fifty percent (50%) of the Cost Overruns. Costco will not receive any reimbursement for the payment of its portion of Cost Overruns.

Section 3.6 Cost Overruns for Stoneridge Drive and I-680 Project. The City shall reimburse Costco for any approved costs related to the Stoneridge Drive and I-680 Project that are in excess of Seven Million One Hundred Ten Thousand Dollars ($7,110,000) upon acceptance of the completed Stoneridge Drive and I-680 Project by the City or the State, as applicable.

Section 3.7 Costco to Dedicate Costco Site Right of Way. The Costco Right of Way is currently a portion of the Costco Site. Costco will dedicate the Costco Right of Way to the City at no cost to the City.

Section 3.8 Acquisition of Required Right of Way.

(a) Following the approval of the design of the Project Improvements by the City Engineer, the City will specify the Project Right of Way and shall initiate and diligently pursue acquisition of the Project Right of Way. To the extent that the City is unable to acquire any of the Project Right of Way through a voluntary acquisition, the City agrees to make a good faith effort to schedule a hearing for the purpose of considering a resolution of necessity authorizing the use of the City's eminent domain authority, pursuant to the Eminent Domain Law, in order to acquire one or more portions of the Project Right of Way through the exercise of the City's power of eminent domain. Following such public hearing, the City will determine, in its sole and absolute discretion, whether or not to adopt the resolution(s) of necessity and to proceed with eminent domain.

If the City adopts a resolution of necessity for any of the Project Right of Way, then the City shall proceed diligently to: (1) file condemnation actions for those portions of the Project Right of Way subject to the resolutions and exercise due diligence and best efforts in its prosecution to final judgment of such condemnation actions; (2) apply for and use its best efforts to obtain orders for possession to take possession of the applicable portions of the Project Right of Way pursuant to the Eminent Domain Law; and (3) following procurement of orders of possession for any portion of the Project Right of Way for which a resolution of necessity was adopted, diligently pursue the eminent domain actions until the final judgment is rendered.

(b) Costco acknowledges that the City has absolute discretion in determining whether or not it should adopt a resolution of necessity with regard to any portion of the Project Right of Way, and, therefore agrees that nothing in this Agreement shall obligate the City to adopt a resolution of necessity with respect to all or any portion of the Project Right of Way or subject the City to liability for the failure of the City to adopt such resolution.

(c) The City has adopted a Resolution of intent to adopt a transportation mitigation fee on proposed development in the JDEDZ ("JDEDZ Transportation Fee"). If the JDEDZ Transportation Fee is adopted, the City may also acquire portions of the Project Right of Way from other property owners in the JDEDZ in exchange for a fee credit against their obligations to pay the JDEDZ Transportation Fee. In such an event, Costco shall not be obligated to reimburse the City for any portion of the JDEDZ Transportation Fee credit granted by the City. For the avoidance of doubt, Costco shall not be obligated to reimburse the City for any portion of the value of Project Right of Way that is dedicated to the City and for which the City did not make a payment (and fee credits shall not be deemed a "payment" for which the City is to be reimbursed) to the owner for such acquisition.

Section 3.9 Payment of Required Right of Way Costs. Within six (6) months following the City's acceptance of the Project Improvements, the City shall submit to Costco a cost certification of all Required Right of Way acquisition costs expended by the City, including any costs incurred in exercising its powers of eminent domain. Costco shall pay the City fifty percent (50%) of the amount expended by the City for Required Right of Way acquisition cost within thirty (30) days following Costco's receipt of the City's cost certification ("Costco Acquisition Costs"). If the City is required to incur additional City acquisition costs related to

the Required Right of Way following its submittal of costs to Costco, Costco shall pay the City fifty percent (50%) of such expenditures.

Section 3.10 Cost Certifications. Within six (6) months following the City's acceptance of the Project Improvements, Costco shall submit to the City, in a form reasonably acceptable to the City, for the City's review and approval, three (3) cost certifications (each a "Cost Certification"): (1) a Cost Certification for the Stoneridge Drive and I-680 Project, including a statement of any unreimbursed costs paid by Costco in connection with that project, and (2) a Cost Certification of for JDEDZ Street Improvements. The City shall review the Cost Certifications and shall approve or disapprove the Cost Certifications within forty-five (45) days of receipt. If the City disapproves any item of the Cost Certifications, the City shall allow the undisputed costs, and the City and Costco shall negotiate in good faith to resolve the disapproved items. In the event the City and Costco cannot agree on any item of the Cost Certifications, the City and Costco shall submit the item for final determination by a mutually agreed upon independent third-party auditor (the "Auditor"). The costs of the audit shall be shared equally by the City and Costco and shall not constitute a reimbursable expense for Costco. In the event the Auditor's determination of the disputed item changes a Cost Certification, then the City and Costco shall meet, in good faith, to reconcile the pertinent Cost Certification. The approved Cost Certifications shall constitute the basis for the determination of Costco Construction Costs and Cost Overruns, respectively.

Section 3.11 Completion of Project Improvements. No certificate of occupancy will be issued by the City for the Costco Store prior to the substantial completion of the Project Improvements as determined by the City Engineer.

ARTICLE 4.
COSTCO REIMBURSEMENT

Section 4.1 Payment of Stoneridge Drive and I-680 Project Costs. Costco shall be responsible for advancing all design and construction costs for the development of the Project Improvements. Reimbursement of JDEDZ Street Improvement costs and up to Seven Hundred Ten Thousand Dollars ($710,000) for costs related to the Stoneridge Drive and I-680 Project shall be reimbursed to Costco pursuant to Section 4.2. The City shall make the following payments to Costco in the amounts and times specified, up to a maximum amount Six Million Four Hundred Thousand Dollars ($6,400,000), for costs related to the Stoneridge Drive and I-680 Project:

(a) Nine Hundred Sixty Thousand Dollars ($960,000) upon the City Engineer's acceptance of the completed improvement plans and specifications for the Stoneridge Drive and I-680 Project;

(b) One Million Nine Hundred Twenty Thousand Dollars ($1,920,000) upon Costco's certification, and the City Engineer's verification, that the Stoneridge Drive and I-680 Project is thirty-five percent (35%) complete;

(c) One Million Nine Hundred Twenty Thousand Dollars ($1,920,000) upon Costco's certification and the City Engineer's verification, that the Stoneridge Drive and I-680 Project is seventy-five percent (75%) complete;

(d) One Million Six Hundred Thousand Dollars ($1,600,000) upon completion of the Stoneridge Drive and I-680 Project and the acceptance of the work by the City or State, as applicable.

Should the approved Stoneridge Drive and I-680 Project Cost Certification submitted pursuant to Section 3.10 evidence that Costco expended less than $6,400,000, Costco shall refund to the City within thirty (30) days following approval of the Cost Certification any funds paid to Costco by the City that were in excess of the actual out of pocket expenditures made by Costco. Notwithstanding the Six Million Four Hundred Thousand Dollars ($6,400,000) limitation contained in this Section 4.1, to the extent the Stoneridge Drive and I-680 Project Cost Certification evidences that Costco paid Stoneridge Drive Cost Overruns the City shall reimburse Costco for the Stoneridge Drive Cost Overruns within sixty (60) days following approval of the Cost Certification.

Section 4.2 Costco Reimbursement Amount.

(a) Upon acceptance of the JDEDZ Street Improvements by the City and approval of the Cost Certifications set forth in Section 3.10, the outstanding balance of the Costco Construction Costs shall be reduced by (a) Three Million Seven Hundred Thousand Dollars ($3,700,000) to reflect a fee credit granted to Costco against Costco's obligation to pay the Traffic Development Fee and (b) up to Three Million Eighty Five Thousand Dollars ($3,085,000) (the "Costco Contribution Amount") to reflect Costco's contribution to the development of the Project Improvements. The remaining outstanding balance, if any, of the Costco Construction Costs shall be paid to Costco up to a maximum Six Million Seven Hundred Eighty Five Thousand Dollars ($6,785,000) in accordance with Section 4.3 hereof. The outstanding balance of the Costco Construction Costs shall accrue simple interest at the rate of one and one-half percent (1.5%) annually. Payments on the interest on the outstanding balance of the Costco Construction Costs shall be in addition to the Six Million Seven Hundred Eighty Five Thousand Dollars ($6,785,000) maximum.

(b) The Costco Acquisition Costs shall be paid in accordance with Section 4.3 hereof. The Costco Acquisition Costs shall not bear interest. Collectively the Costco Construction Costs, plus any accrued interest on the Costco Construction Costs, and the Costco Acquisition Costs shall be referred to herein as the "Costco Reimbursement Amount"

(c) The City shall reimburse Costco for the City's portion of any Cost Overruns, pursuant to Section 3.5, paid by Costco on behalf of the City within sixty (60) days following approval of the Cost Certification.

Section 4.3 City Reimbursement of Costco. Commencing on the first October 1st following the end of the first Fiscal Year in which the Costco Store is opened and operating and on each October 1st thereafter continuing throughout the Term, the City shall pay to Costco forty percent (40%) of the Sales Tax received during the immediately previous Fiscal Year, along with

a certification by the City's Finance Director specifying the total amount of Sales Tax received from the operation of the Costco Store during the previous Fiscal Year. The City's payment shall first be applied to any outstanding Costco Acquisition Costs, then to the outstanding Costco Construction Costs and then to any accrued but unpaid interest and then to current interest. Nothing contained in this Agreement shall obligate or otherwise commit the City to pay any amount to Costco unless and until the City receives the Sales Taxes attributable to sales, services or business activities of Costco at the Costco Store.

Following receipt of the City's certification of the Sales Tax for the prior Fiscal Year, Costco shall review the amount of Sale's Tax determined by the City's Finance Director and shall either approve or disapprove the amount within thirty (30) days of receipt. Failure to notify the City of Costco's disapproval within thirty (30) days of receipt shall be deemed Costco's approval of the City Finance Director's calculations. Any disapproval shall state in writing the reasons for disapproval and the requested changes and shall provide any additional information or documentation available to Costco to support Costco's determination of the Sale's Tax. The City, upon receipt of a disapproval by Costco and the additional information, shall review all information provided by Costco and either re-determine the Sale's Tax for the previous Fiscal Year or provide Costco with a statement of disagreement with regards to the Sale's Tax received by the City. In the event the City and Costco cannot agree on any item of the certification, the City and Costco shall submit the item to the Auditor to make the final determination.

If the total design and construction costs for the Project Improvements are less than $19,790,000, the amount by which such costs are less than $19,790,000 shall be shared equally between Costco and the City by equal reductions in the Costco Contribution Amount and the Costco Reimbursement Amount.

Section 4.4 City's Right to Prepay. The City may prepay all or any portion of the outstanding Costco Reimbursement Amount at any time without charge, fee or penalty.

Section 4.5 Failure to Operate. If the Costco Store ceases to operate for a period of two hundred seventy (270) consecutive days absent a Force Majeure Event, this Agreement shall automatically terminate and the City shall have no obligation to make any reimbursement payments to Costco. Any expansion, renovation, repair or restoration of damage by Costco shall not be deemed a discontinuance of operations under this Section.

Section 4.6 Force Majeure. In addition to specific provisions of this Agreement, performance by any Party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; riots; floods; earthquakes; fires; or casualties (a "Force Majeure Event"). An extension of time for Force Majeure Event shall only be for the period of the enforced delay, which period shall commence to run from the time of the notification of the delay by the Party requesting the extension to the other Party. The Party requesting an extension of time under this Section 4.6 shall give notice promptly following knowledge of the delay to the other Party. If, however, notice by the Party claiming such extension is sent to the other Party more than thirty (30) days after knowledge of the commencement of the delay, the period shall commence to run upon the earliest of (i) thirty (30) days prior to the giving of such notice; (ii) the date that the other Party received knowledge of the events giving rise to the delay or (iii) if

the Force Majeure Event is one that results in the temporary closure of the Costco Store, the date of such closure.

Section 4.7 Limited City Obligation. The obligations arising from this Agreement are not a debt of the City, nor a legal or equitable pledge, charge, lien, or encumbrance upon any of its property or upon any of its monies, income, receipts, or revenues, except the revenues from the Sales Tax and JDEDZ Transportation Fees as provided herein. Neither the general nor the any other fund of the City shall be liable for the payment of any obligations arising from this Agreement. The credit or taxing power of the City is not pledged for the payment of any obligation arising from this Agreement. Nothing herein shall provide Costco any right to compel the forfeiture of any of the City's property to satisfy any obligations arising from this Agreement. The obligations created by this Agreement do not create an immediate indebtedness of the City, but rather create a liability only when a payment becomes due hereunder.

Section 4.8 JDEDZ Transportation Fee. If the JDEDZ Transportation Fee is adopted by the City, and imposed on new JDEDZ development, the City will use the proceeds of the fee received by the City to augment the annual reimbursement payment to Costco under Section 4.2 hereof to pay eligible reimbursable costs. The Parties acknowledge that the City may accept a portion of the Required Right of Way in lieu of an owner paying the applicable JDEDZ Transportation Fee.

ARTICLE 5.
DEFAULT AND REMEDIES

Section 5.1 Application of Remedies. The provisions of this Article shall govern the Parties' remedies for breach of this Agreement.

Section 5.2 No Fault of Parties.

(a) Basis for Termination. Each of the following events constitutes a basis for either Party to terminate this Agreement without any default arising:

(i) Either Party elects to terminate the Agreement pursuant to Section 3.2.

(ii) The Parties, despite good faith and diligent efforts commencing promptly after the Effective Date, have not entered into a mutually agreeable Improvement Agreement within six (6) months following the City Engineer's approval of the improvement plans and specifications for the Project Improvements.

(iii) The City fails to obtain an order of possession, if required, for a material portion of the Required Right of Way within eighteen (18) months from the City Engineer's approval of the improvement plans and specifications for the Project Improvements.

(iv) Costco, despite good faith, commercially reasonable efforts, is unable to obtain a necessary permit or approvals to develop the Costco Store within eighteen (18) months following the Effective Date.

(b) Termination Procedure. Upon the occurrence of any of the above-described events, and at the election of either Party, this Agreement may be terminated by thirty (30) days' written notice to the other Party. Upon the effective date of the notice of termination, neither Party shall have any rights against or liability to the other, except the City shall reimburse Costco for fifty percent (50%) of any design costs expended by Costco on the Project Improvements within sixty (60) days of such termination, and except further that the provisions of this Agreement that are specified to survive such termination shall remain in full force and effect.

Section 5.3 Fault of City.

(a) Event of Default. Following notice and opportunity to cure as set forth in subsection (b) below, each of the following events constitutes a "City Event of Default" and a basis for Costco to take action against the City:

(i) The City fails to make any payment to Costco when required under this Agreement.

(ii) The City breaches any other material provision of this Agreement.

(b) Notice and Cure Procedure. Upon the occurrence of any of the above-described events, Costco shall first notify the City in writing of its purported breach or failure, giving the City thirty (30) days from receipt of such notice to cure such breach or failure. In the event the City does not then cure the default within such thirty (30)-day period (or, if the default is not reasonably susceptible of cure within such thirty (30)-day period, the City fails to commence the cure within such period and thereafter to prosecute the cure diligently to completion), then Costco shall be entitled to pursue any or both of the following remedies: (1) terminating this Agreement by written notice to the City; and (2) exercising its remedies as provided in Section 5.5. If Costco elects to terminate this Agreement, the provisions of this Agreement that are specified to survive such termination shall remain in full force and effect.

Section 5.4 Fault of Costco.

(a) Event of Default. Following notice and opportunity to cure as set forth in subsection (b) below, each of the following events constitutes a "Costco Event of Default" and a basis for the City to take action against Costco:

(i) Costco fails to construct the Project Improvements in the time and substantially in the manner set forth in the Improvement Agreement.

(ii) Costco: (1) files for bankruptcy, dissolution, or reorganization, or fails to obtain a full dismissal of any such involuntary filing brought by another party before the earlier of final relief or ninety (90) days after the filing; (2) makes a general assignment for the benefit of creditors; (3) applies for the appointment of a receiver, trustee, custodian, or liquidator, or fails to obtain a full dismissal of any such involuntary application brought by another party before the earlier of final relief or ninety (90) days after the filing; (4) becomes insolvent; or (5) fails, is unable or admits in writing to its inability to pay its debts as they become due.

(iii) Costco breaches any other material provision of this Agreement.

(b) Notice and Cure Procedure. Upon the happening of any of the above-described events the City shall first notify Costco in writing of its purported breach or failure, giving Costco thirty (30) days from receipt of such notice to cure such breach or failure. If Costco does not cure the default within such thirty (30)-day period (or if the default is not reasonably susceptible of being cured within such thirty (30)-day period, Costco fails to commence the cure within such period and thereafter to prosecute the cure diligently to completion), then the City shall be entitled to pursue any or both of the following remedies: (1) terminating this Agreement by written notice to Costco; (2) exercising its remedies pursuant to Section 5.5. If the City elects to terminate this Agreement, the provisions of this Agreement that are specified to survive such termination shall remain in full force and effect.

Section 5.5 Remedies.

(a) Either Party may, in addition to any other rights or remedies that it may have available in law or equity (excluding punitive damages and consequential damages), institute legal action to cure, correct, or remedy any default by the other Party to this Agreement, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation hereunder or to seek specific performance. For purposes of instituting a legal action under this Agreement, any City Council determination under this Agreement as it relates to an alleged default hereunder shall be deemed a final agency action. Costco acknowledges that it may not accelerate the obligation to pay the Costco Reimbursement Amount or otherwise collect for future years based on a current or prior default, and that the City's obligation to pay with respect to any Fiscal Year is contingent upon receipt of Sales Taxes and the JDEDZ Transportation Fees for that Fiscal Year and dependent upon the amount of those Sales Taxes and fees for determination of the amount to be paid.

(b) The Parties hereby acknowledge and agree that it is a material part of Costco's consideration to City that Costco, on the one hand, and the City, on the other hand, for themselves, their successors and assignees, hereby release one another's officers, trustees, directors, agents and employees from any and all claims, demands, actions, or suits of any kind or nature arising out of any liability, known or unknown, present or future, including, but not limited to, any claim or liability, based or asserted, pursuant to Article I, Section 19 of the California Constitution, the Fifth and Fourteenth Amendments of the United States Constitution, or any other law or ordinance which seeks to impose any money damages, whatsoever because of the terms of this Agreement, or because of the manner of implementation or performance of this Agreement.

ARTICLE 6.
GENERAL PROVISIONS.

Section 6.1 General Indemnity. Costco shall indemnify, defend (with counsel approved by the City) and hold harmless the City, Councilmembers, officials, employees, agents, consultants, and contractors (collectively, the "Indemnitees") from and against any and all liabilities, losses, costs, expenses (including without limitation attorneys' fees and costs of litigation), claims, demands, actions, suits, causes of action, writs, judicial or administrative

proceedings, penalties, deficiencies, fines, orders, judgments and damages (all of the foregoing collectively "Claims") which in any manner, directly or indirectly, in whole or in part, are caused by, arise in connection with, result from, relate to, or are alleged to be caused by, arise in connection with, result from, or relate to negligent or wrongful performance of this Agreement by Costco or any contractor or subcontractor of Costco. This indemnity includes the fees and costs reasonably incurred by the City by its own in-house or special counsel retained to protect the City's interests. Each Party is entitled to legal counsel of its choice, at Costco's expense. The Parties and their respective counsel shall cooperate with each other in the defense of any such actions, including in any settlement negotiations. If a court in any such action awards any form of money damages to such third party, or any attorneys' fees and costs to such third party, Costco shall bear full and complete responsibility to comply with the requirements of such award, and hereby agrees to timely pay all fees and costs on behalf of City. This indemnity obligation shall not extend to any claim to the extent arising solely from the City's gross negligence or the City's failure to perform its obligations under this Agreement, and shall survive termination of this Agreement.

Section 6.2 Notices, Demands and Communications. Any approval, disapproval, demand, document or other notice to be provided under this Agreement shall be given in writing and shall be sent (i) for personal delivery by a delivery service that provides a record of the date of delivery, the individual to whom delivery was made, and the address where delivery was made; (ii) by first-class United States mail, postage prepaid, return receipt requested; or (iii) by a nationally recognized overnight courier service, marked for next day business delivery. All notices shall be addressed to the Party to whom such notice is to be given at the address stated in this Section 5 or to such other address as a Party may designate by written notice to the other; notices sent by a Party's attorney on behalf of such Party shall be deemed delivered by such Party.

City Notice Address:

City of Pleasanton
123 Main Street
P.O. Box 520
Pleasanton, CA 94566
Attn: City Manager

With copies to all of the following:

City of Pleasanton
123 Main Street
P.O. Box 520
Pleasanton, CA 94566
Attn: City Attorney

Costco Notice Address:

Costco Wholesale Corporation
9 Corporate Park, Suite 2300
Irvine, CA 92606
Attention: Jenifer Murillo

With a copy to:

Costco Wholesale Corporation
999 Lake Drive
Issaquah, Washington 98027
Attention: Property Management (Legal Dept.)

All notices shall be deemed effective on the earliest of (a) actual receipt; (b) rejection of delivery; (c) if sent by first class mail, the third day on which regular United States mail delivery service is provided after the day of mailing or; (d) if sent by overnight delivery service, on the next day on which such service makes next-business-day deliveries after the day of sending.

Section 6.3 No Assignment. Costco may not assign any of its rights or obligations under this Agreement without the prior written consent of the City, which may be withheld or granted in its sole discretion. Following the City's acceptance of the completed Project Improvements, Costco may assign the right to receive payments of the Costco Reimbursement Amount, without City approval, by notifying the City of the new payee information.

Section 6.4 No Joint Venture. It is expressly agreed that City is not, in any way or for any purpose, a partner of Costco or any of Costco's partners, officers, members, directors, shareholders, principals, agents, employees, contractors or subcontractors, or its or their successors or assigns (each, a "Costco Party") in the conduct of its or their business or a member of a joint enterprise with Costco or any Costco Party. Neither City nor Costco shall be deemed or construed for any purpose to be the agent of the other, and City does not assume any responsibility for Costco or any Costco Party's conduct or performance of this Agreement.

Section 6.5 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

Section 6.6 No Waiver. A waiver by either Party of a breach of any of the covenants, conditions or agreements under this Agreement to be performed by the other Party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Agreement.

Section 6.7 Modifications. Any alteration, change, amendment or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each Party.

Section 6.8 Severability. If any provision of this Agreement or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Agreement shall be valid and be enforceable to the full extent permitted by Law.

Section 6.9 Legal Advice. Each Party represents and warrants to the other the following: they have carefully read this Agreement, and in signing this Agreement, they do so

with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Agreement; and, they have freely signed this Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other Party, or its officers, officials, agents, employees, volunteers, representatives, attorneys, or consultants, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.

Section 6.10 Cooperation. Each Party agrees to cooperate with the other in this transaction and, in that regard, shall execute any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement.

Section 6.11 Conflicts of Interest. No member, official or employee of City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

Section 6.12 Applicable Law. The laws of the State of California, without regard to conflict of laws principles, shall govern the interpretation and enforcement of this Agreement.

Section 6.13 No Third-party Beneficiaries. There are no third-party beneficiaries to this Agreement.

Section 6.14 Interpretation. The captions preceding the sections of this Agreement have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Agreement. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the Party responsible for drafting any part of this Agreement. Provisions in this Agreement relating to number of days shall be calendar days. Use of the word "including" means "including, without limitation." As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The recitals to this Agreement and all exhibits attached hereto are incorporated by reference, as though fully restated herein.

Section 6.15 Time of Essence. Time is of the essence with respect to all obligations of Costco under this Agreement.

Section 6.16 City Approvals and Actions. Whenever a reference is made herein to an action or approval to be undertaken by City, the City Manager or his or her designee is authorized to act on behalf of City unless specifically provided otherwise or the context should require otherwise.

Section 6.17 Attorneys' Fees. In the event that either Party to this Agreement brings an action or proceeding for a declaration of the rights of the parties under this Agreement, for injunctive relief or for an alleged breach or default of this Agreement, or in any other action arising out of this Agreement or the transactions contemplated by this Agreement, the

predominantly prevailing party in any such action shall be entitled to an award of reasonable attorneys' fees and any court costs incurred in such action or proceeding, in addition to any other damages or relief awarded, regardless of whether such action proceeds to final judgment.

Section 6.18 Land Use Entitlements and Permits. The execution of this Agreement does not constitute the grant of any required land use entitlement or permit, and all land use entitlements and permits contemplated by this Agreement and required from the City, shall be granted, denied, or conditionally granted in accordance with the City's established procedures and in compliance with all applicable laws, rules, regulations and requirements including but not limited to the requirements of CEQA and the CEQA Guidelines. Notwithstanding any language in this Agreement that may be construed to the contrary, the City retains its full discretion to grant, deny or conditionally grant any and all entitlements or permits sought by Costco for the JDEDZ and the Costco Store, and such discretion includes but is not limited to the discretion to exercise its independent judgment and impose on such approvals all mitigation measures and conditions that City determines are required or appropriate under CEQA and the CEQA Guidelines. No action by Costco or the City with reference to this Agreement shall be deemed a representation or warranty to Costco, or to any other person or entity, that the City will issue or approve any entitlements or permits, nor constitute a waiver of any state or City requirements that are applicable to the JDEDZ or the Costco Store.

[SIGNATURES ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

CITY OF PLEASANTON, a municipal corporation

By: _____
Nelson Fialho, City Manager

ATTEST:

_____
Karen Diaz, City Clerk

APPROVED AS TO FORM:

_____
Daniel G. Sodergren, City Attorney

COSTCO CORPORATION, a Washington corporation

By: Gail E. Tsuboi
Gail E. Tsuboi
Print Name

Its: AVP/Asst. Secretary

~~By:~~ _____

_____
Print Name

~~Its:~~ _____

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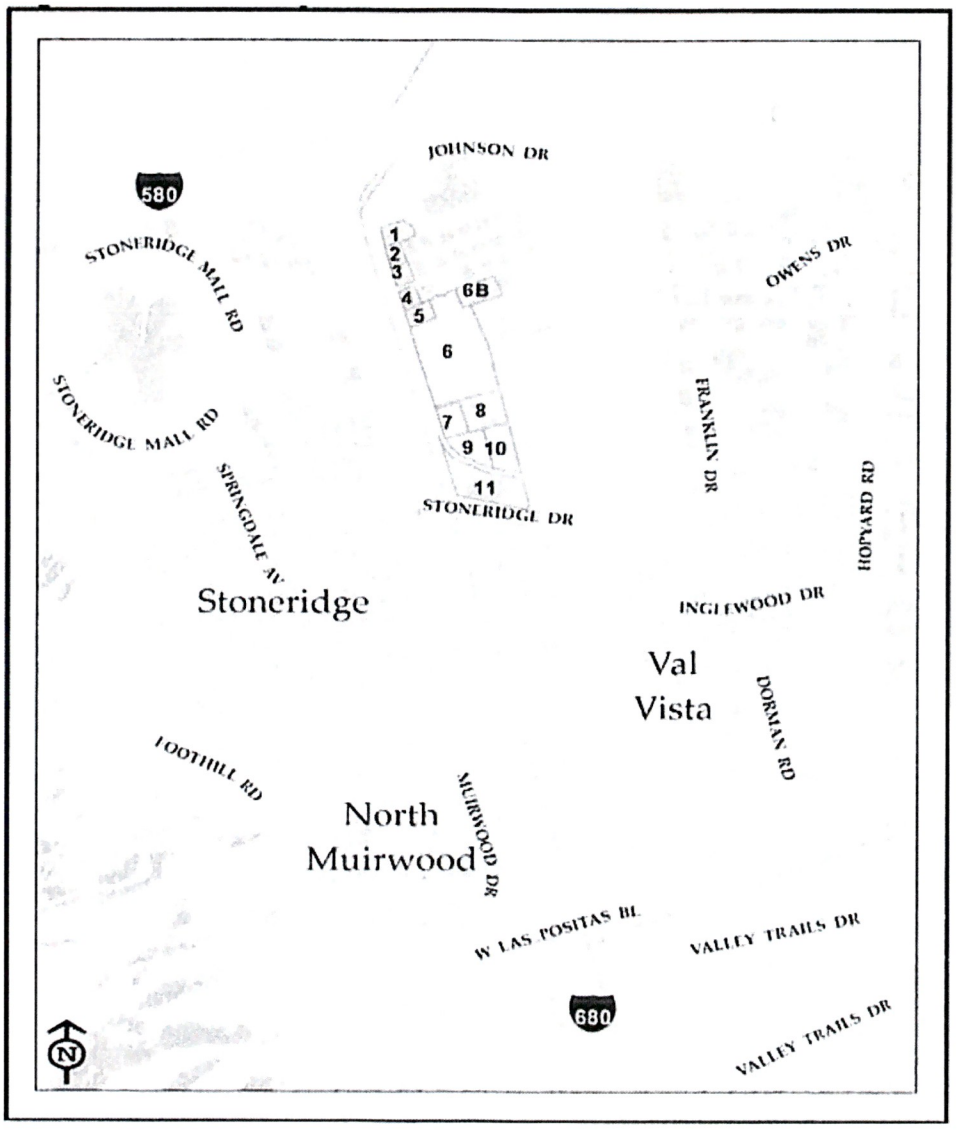
2/7/2018

ATTACHMENT 1

MAP OF JDEDZ



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ATTACHMENT 2

DESCRIPTION OF THE JDEDZ STREET IMPROVEMENTS

The construction improvements consist of several public roadway improvements outlined in DSEIR/FSEIR (see these documents for more detail) and include the following:

1. Commerce Drive at Johnson Drive Signal (Mitigation 4.D-1a)
2. Johnson Drive at Owens Drive (North) Signal (Mitigation 4.D-1b)
3. Johnson Drive at Stoneridge Drive Intersection - left turn (Mitigation 4.D-1c)
4. Stoneridge Drive and I-680 On-ramp widening - Caltrans ROW (Mitigation 4.D-1d)
5. Johnson Drive widening (Mitigation 4.D-3)

Improvement Nos. 3 and 4 above are partially within Caltrans ROW and will require Caltrans approval. The City has prepared exhibits, preliminary design and cost estimates to support development of a request letter for Caltrans to approve improvements within State right of way through the streamlined Permit Engineering Evaluation Report (PEER) process. This work did not include preparation of final design plans which will be completed by Costco.

ATTACHMENT 3

DESCRIPTION OF STONERIDGE DRIVE AND I-680 PROJECT

This construction improvement is outlined in DSEIR/FSEIR (see these documents for more detail) and includes the widening of the Stoneridge Drive and the I-680 On-ramp (Mitigation 4.D-1d). These improvements are partially within Caltrans ROW and will require Caltrans approval. The City has prepared exhibits, preliminary design and cost estimates to support development of a request letter for Caltrans to approve improvements within State right of way through the streamlined Permit Engineering Evaluation Report (PEER) process. This work did not include preparation of final design plans which will be completed by Costco.

ATTACHMENT 4

PUBLIC IMPROVEMENTS COST BREAKDOWN

Pleasanton Johnson Dr EDZ

4/17/2017

PLANNING LEVEL COST ESTIMATE					
Commerce Dr at Johnson Dr, Mitigation 4.D-1a					
Roadway Items:	Quantity	Unit	Unit Cost	Item Total	Total
New Pavement Section*	2,250	SF	$ 10	$ 22,500	
Cold Plane and Overlay (0.2')	24,250	SF	$ 2	$ 48,500	
Conc Sidewalk & Driveway	3,810	SF	$ 10	$ 38,100	
Conc C&G	650	LF	$ 30	$ 19,500	
Driveway	4	EA	$ 5,000	$ 20,000	
Curb Ramp	2	EA	$ 3,500	$ 7,000	
Retaining Wall	-	SF	$ 100	$ -	
Maintenance Path	-	LS	$ 20,000	$ -	
Monument Sign	-	LS	$ 25,000	$ -	
Imported Borrow	-	CY	$ 75	$ -	
Roadway Excavation*	760	CY	$ 75	$ 57,000	
Clearing and Grubbing	2,450	SF	$ 0.5	$ 1,300	
Remove Conc Sidewalk, C&G	3,650	SF	$ 6	$ 21,900	
Remove Trees	1	EA	$ 1,000	$ 1,000	
Landscape/Irrigation & Bio-Retention	2,200	SF	$ 15	$ 33,000	
Fence (New & Remove)	-	LF	$ 30	$ -	
Pavement Striping	2,200	LF	$ 2	$ 4,400	
Pavement Markings	590	SF	$ 10	$ 5,900	
Relocate Overhead sign and post*	-	EA	$ 5,000	$ -	
Signs	2	EA	$ 600	$ 1,200	
Signalized Intersection (Johnson Dr & Commerce Dr)	1	LS	$ 350,000	$ 350,000	
Intersection Traffic Signal Modification	-	LS	$ 750,000	$ -	
Ramp Traffic Signal Modification	-	LS	$ 25,000	$ -	
Street Lights*	3	EA	$ 10,000	$ 30,000	
Traffic Control Allowance (5%)	1	LS	$ 34,000	$ 34,000	
Storm Drain System Allowance (10%)	1	LS	$ 67,000	$ 67,000	
WPC / Treatment Allowance (5%)	1	LS	$ 34,000	$ 34,000	
Minor & Misc. Items (10%)	1	LS	$ 80,000	$ 80,000	
Mobilization (10%)	1	LS	$ 88,000	$ 88,000	
Contingency (25%)	1	LS	$ 242,000	$ 242,000	
Roadway Subtotal					$ 1,210,000
Structure Items:	Quantity	Unit	Unit Cost	Item Total	Total
Widen Existing Structure*	-	SF	$ 350	$ -	
Structure Subtotal					$ -
Right of Way Items	Quantity	Unit	Unit Cost	Item Total	Total
Utility Relocation	1	LS	$ 38,000	$ 38,000	
DSRSD	-	LS	$ 250,000	$ -	
Acquisition costs	1	LS	$ 164,800	$ 164,800	
TCE	N/C				
Environmental Mitigation (Est)	N/C				
Right of Way Subtotal					$ 210,000
Subtotal "Hard Costs"					$ 1,420,000
Soft Costs*	Quantity	Unit	Unit Cost	Item Total	Total
Final Design (12.5%)	1	LS	$ 152,000	$ 152,000	
Construction Administration (12.5%)	1	LS	$ 152,000	$ 152,000	
Construction Staking (2%)	1	LS	$ 25,000	$ 25,000	
Subtotal "Soft Costs"					$ 330,000
Grand Total					$ 1,750,000

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PLANNING LEVEL COST ESTIMATE					
Johnson Dr at Owens Dr (North) Intersection, Mitigation 4.D-1b					
Roadway Items:	Quantity	Unit	Unit Cost	Item Total	Total
New Pavement Section[1]	-	SF	$ 10	$ -	
Cold Plane and Overlay (0.2')	-	SF	$ 2	$ -	
Conc Sidewalk & Driveway[1]	-	SF	$ 10	$ -	
Conc C&G	-	LF	$ 30	$ -	
Driveway	-	EA	$ 5,000	$ -	
Curb Ramp	-	EA	$ 3,500	$ -	
Retaining Wall	-	SF	$ 100	$ -	
Maintenance Path	-	LS	$ 20,000	$ -	
Monument Sign	-	LS	$ 25,000	$ -	
Imported Borrow	-	CY	$ 75	$ -	
Roadway Excavation[1]	-	CY	$ 75	$ -	
Clearing and Grubbing	-	SF	$ 0.5	$ -	
Remove Conc Sidewalk, C&G	-	SF	$ 6	$ -	
Remove Trees	-	EA	$ 1,000	$ -	
Landscape/Irrigation & Bio-Retention	-	SF	$ 15	$ -	
Fence (New & Remove)	-	LF	$ 30	$ -	
Pavement Striping	-	LF	$ 2	$ -	
Pavement Markings	-	SF	$ 10	$ -	
Relocate Overhead sign and post[1]	-	EA	$ 5,000	$ -	
Signs	-	EA	$ 600	$ -	
Signalized Intersection (Johnson Dr & Owens Dr)	1	LS	$ 350,000	$ 350,000	
Intersection Traffic Signal Modification	-	LS	$ 750,000	$ -	
Ramp Traffic Signal Modification	-	LS	$ 25,000	$ -	
Street Lights[1]	-	EA	$ 10,000	$ -	
Traffic Control Allowance (5%)	-	LS	$ 18,000	$ -	
Storm Drain System Allowance (10%)	-	LS	$ 35,000	$ -	
WPC / Treatment Allowance (5%)	-	LS	$ 18,000	$ -	
Minor & Misc. Items (10%)	-	LS	$ 35,000	$ -	
Mobilization (10%)	1	LS	$ 35,000	$ 35,000	
Contingency (25%)	1	LS	$ 97,000	$ 97,000	
Roadway Subtotal					$ 490,000
Structure Items:	Quantity	Unit	Unit Cost	Item Total	Total
Widen Existing Structure[1]	-	SF	$ 350	$ -	
Structure Subtotal					$ -
Right of Way Items	Quantity	Unit	Unit Cost	Item Total	Total
Utility Relocation	-	LS	$ -	$ -	
DSRSD	-	LS	$ 250,000	$ -	
Acquisition costs	-	LS			
TCE	NIC				
Environmental Mitigation (Est)	NIC				
Right of Way Subtotal					$ -
Subtotal "Hard Costs"					$ 490,000
Soft Costs[2]	Quantity	Unit	Unit Cost	Item Total	Total
Final Design (12.5%)	1	LS	$ 62,000	$ 62,000	
Construction Administration (12.5%)	1	LS	$ 62,000	$ 62,000	
Construction Staking (2%)	1	LS	$ 10,000	$ 10,000	
Subtotal "Soft Costs"					$ 140,000
Grand Total					$ 630,000

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Attachment 4-2

PLANNING LEVEL COST ESTIMATE					
Johnson Dr at Stoneridge Dr Intersection, Mitigation 4.D-1c					
Roadway Items	Quantity	Unit	Unit Cost	Item Total	Total
New Pavement Section[1]	42,900	SF	$ 10	$ 429,000	
Cold Plane and Overlay (0.2')	65,800	SF	$ 2	$ 131,600	
Conc Sidewalk & Driveway	6,160	SF	$ 10	$ 61,600	
Conc C&G	1,470	LF	$ 30	$ 44,100	
Driveway	1	EA	$ 5,000	$ 5,000	
Curb Ramp	3	EA	$ 3,500	$ 10,500	
Retaining Wall	-	SF	$ 100	$ -	
Maintenance Path	1	LS	$ 20,000	$ 20,000	
Monument Sign	1	LS	$ 25,000	$ 25,000	
Imported Borrow	2,720	CY	$ 75	$ 204,000	
Roadway Excavation[1]	4,400	CY	$ 75	$ 330,000	
Clearing and Grubbing	23,700	SF	$ 0.5	$ 11,900	
Remove Conc Sidewalk, C&G	4,900	SF	$ 6	$ 29,400	
Remove Trees	35	EA	$ 1,000	$ 35,000	
Landscape/Irrigation & Bio-Retention	9,900	SF	$ 15	$ 148,500	
Fence (New & Remove)	1,450	LF	$ 30	$ 43,500	
Pavement Striping	8,980	LF	$ 2	$ 18,000	
Pavement Markings	1,550	SF	$ 10	$ 15,500	
Relocate Overhead sign and post[4]	-	EA	$ 5,000	$ -	
Signs	7	EA	$ 600	$ 4,200	
Signalized Intersection	-	LS	$ 350,000	$ -	
Intersection Traffic Signal Modification (Stoneridge Dr & Johnson Dr)	1	LS	$ 750,000	$ 750,000	
Ramp Traffic Signal Modification	-	LS	$ 25,000	$ -	
Street Lights[5]	7	EA	$ 10,000	$ 70,000	
Traffic Control Allowance (5%)	1	LS	$ 120,000	$ 120,000	
Storm Drain System Allowance (10%)	1	LS	$ 239,000	$ 239,000	
WPC / Treatment Allowance (5%)	1	LS	$ 120,000	$ 120,000	
Minor & Misc. Items (10%)	1	LS	$ 287,000	$ 287,000	
Mobilization (10%)	1	LS	$ 316,000	$ 316,000	
Contingency (25%)	1	LS	$ 868,000	$ 868,000	
Roadway Subtotal					$ 4,340,000
Structure Items:	Quantity	Unit	Unit Cost	Item Total	Total
Widen Existing Structure[6]	-	SF	$ 350	$ -	
Structure Subtotal					$ -
Right of Way Items	Quantity	Unit	Unit Cost	Item Total	Total
Utility Relocation	1	LS	$ 46,000	$ 46,000	
DSRSD	1	LS	$ 250,000	$ 250,000	
Acquisition costs	1	LS	$ 340,000	$ 340,000	
TCE	NIC				
Environmental Mitigation (Est)	NIC				
Right of Way Subtotal					$ 640,000
Subtotal "Hard Costs"					$ 4,980,000
Soft Costs[7]	Quantity	Unit	Unit Cost	Item Total	Total
Final Design (12.5%)	1	LS	$ 543,000	$ 543,000	
Construction Administration (12.5%)	1	LS	$ 543,000	$ 543,000	
Construction Staking (2%)	1	LS	$ 87,000	$ 87,000	
Subtotal "Soft Costs"					$ 1,180,000
Grand Total					$ 6,160,000

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Attachment 4-3

PLANNING LEVEL COST ESTIMATE					
Stoneridge Dr Queue Spillback, Mitigation 4.D-1d					
Roadway Items:	Quantity	Unit	Unit Cost	Item Total	Total
New Pavement Section*	21,550	SF	$ 10	$ 215,500	
Cold Plane and Overlay (0.2')	80,450	SF	$ 2	$ 160,900	
Conc Sidewalk & Driveway	22,340	SF	$ 10	$ 223,400	
Conc C&G	1,600	LF	$ 30	$ 48,000	
Driveway	-	EA	$ 5,000	$ -	
Curb Ramp	1	EA	$ 3,500	$ 3,500	
Retaining Wall	6,900	SF	$ 100	$ 690,000	
Maintenance Path	-	LS	$ 20,000	$ -	
Monument Sign	-	LS	$ 25,000	$ -	
Imported Borrow	3,120	CY	$ 75	$ 234,000	
Roadway Excavation	4,550	CY	$ 75	$ 341,300	
Clearing and Grubbing	33,000	SF	$ 0.5	$ 16,500	
Remove Conc Sidewalk, C&G	12,200	SF	$ 6	$ 73,200	
Remove Trees	29	EA	$ 1,000	$ 29,000	
Landscape/Irrigation & Bio-Retention	5,800	SF	$ 15	$ 87,000	
Fence (New & Remove)	2,100	LF	$ 30	$ 63,000	
Pavement Striping	6,750	LF	$ 2	$ 13,500	
Pavement Markings	660	SF	$ 10	$ 6,600	
Relocate Overhead sign and post	1	EA	$ 5,000	$ 5,000	
Signs	10	EA	$ 600	$ 6,000	
Signalized Intersection	-	LS	$ 350,000	$ -	
Intersection Traffic Signal Modification	-	LS	$ 750,000	$ -	
Ramp Traffic Signal Modification (NB 680 off ramp to Stoneridge Dr)	1	LS	$ 25,000	$ 25,000	
Street Lights	1	EA	$ 10,000	$ 10,000	
Traffic Control Allowance (5%)	1	LS	$ 113,000	$ 113,000	
Storm Drain System Allowance (10%)	1	LS	$ 226,000	$ 226,000	
WPC / Treatment Allowance (5%)	1	LS	$ 113,000	$ 113,000	
Minor & Misc. Items (10%)	1	LS	$ 271,000	$ 271,000	
Mobilization (10%)	1	LS	$ 298,000	$ 298,000	
Contingency (25%)	1	LS	$ 819,000	$ 819,000	
Roadway Subtotal					$ 4,100,000
Structure Items:	Quantity	Unit	Unit Cost	Item Total	Total
Widen Existing Structure	3,850	SF	$ 350	$ 1,348,000	
Structure Subtotal					$ 1,350,000
Right of Way Items:	Quantity	Unit	Unit Cost	Item Total	Total
Utility Relocation	1	LS	$ 48,000	$ 48,000	
DSRSD	-	LS	$ 250,000	$ -	
Acquisition costs	1	LS	$ 124,400	$ 124,400	
TCE	NIC				
Environmental Mitigation (Eit)	NIC				
Right of Way Subtotal					$ 180,000
Subtotal "Hard Costs"					$ 5,630,000
Soft Costs*	Quantity	Unit	Unit Cost	Item Total	Total
Final Design (12.5%)	1	LS	$ 682,000	$ 682,000	
Construction Administration (12.5%)	1	LS	$ 682,000	$ 682,000	
Construction Staking (2%)	1	LS	$ 109,000	$ 109,000	
Subtotal "Soft Costs"					$ 1,480,000
Grand Total					$ 7,110,000

Attachment 4-4

PLANNING LEVEL COST ESTIMATE					
Johnson Drive Improvements, Mitigation 4.D 3					
Roadway Items:	Quantity	Unit	Unit Cost	Item Total	Total
New Pavement Section[1]	45,860	SF	$ 10	$ 458,600	
Cold Plane and Overlay (0.7)[1]	97,650	SF	$ 2	$ 195,300	
Conc Sidewalk & Driveway	14,650	SF	$ 10	$ 146,500	
Conc C&G	2,400	LF	$ 30	$ 72,000	
Driveway	3	EA	$ 5,000	$ 15,000	
Curb Ramp	12	EA	$ 3,500	$ 42,000	
Retaining Wall	-	SF	$ 100	$ -	
Maintenance Path	-	LS	$ 20,000	$ -	
Monument Sign	-	LS	$ 25,000	$ -	
Imported Borrow	-	CY	$ 75	$ -	
Roadway Excavation[1]	6,540	CY	$ 75	$ 490,500	
Clearing and Grubbing	58,530	SF	$ 0.5	$ 29,300	
Remove Conc Sidewalk, C&G	9,250	SF	$ 6	$ 55,500	
Remove Trees	20	EA	$ 1,000	$ 20,000	
Landscape/Irrigation & Bio-Retention	9,700	SF	$ 15	$ 145,500	
Fence (New & Remove)	1,650	LF	$ 30	$ 49,500	
Pavement Striping	16,170	LF	$ 2	$ 32,400	
Pavement Markings	1,900	SF	$ 10	$ 19,000	
Relocate Overhead sign and post[1]	-	EA	$ 5,000	$ -	
Signs	8	EA	$ 600	$ 4,800	
Signalized Intersection (Johnson Dr & Entry to Parcel 8)	1	LS	$ 350,000	$ 350,000	
Intersection Traffic Signal Modification	-	LS	$ 750,000	$ -	
Ramp Traffic Signal Modification	-	LS	$ 25,000	$ -	
Street Lights[1]	11	EA	$ 10,000	$ 110,000	
Traffic Control Allowance (5%)	1	LS	$ 112,000	$ 112,000	
Storm Drain System Allowance (10%)	1	LS	$ 224,000	$ 224,000	
WPC / Treatment Allowance (5%)	1	LS	$ 112,000	$ 112,000	
Minor & Misc. Items (10%)	1	LS	$ 269,000	$ 269,000	
Mobilization (10%)	1	LS	$ 296,000	$ 296,000	
Contingency (25%)	1	LS	$ 813,000	$ 813,000	
Roadway Subtotal					$ 4,070,000
Structure Items:	Quantity	Unit	Unit Cost	Item Total	Total
Widen Existing Structure[1]	-	SF	$ 350	$ -	
Structure Subtotal					$ -
Right of Way Items:	Quantity	Unit	Unit Cost	Item Total	Total
Utility Relocation[1]	1	LS	$ 190,000	$ 190,000	
DSRSD	-	LS	$ 250,000	$ -	
Acquisition costs[1]	1	LS	$ 458,200	$ 458,200	
TCE	NIC				
Environmental Mitigation (EIR)	NIC				
Right of Way Subtotal					$ 650,000
Subtotal "Hard Costs"					$ 4,720,000
Soft Costs[6]	Quantity	Unit	Unit Cost	Item Total	Total
Final Design (12.5%)	1	LS	$ 509,000	$ 509,000	
Construction Administration (12.5%)	1	LS	$ 509,000	$ 509,000	
Construction Staking (2%)	1	LS	$ 82,000	$ 82,000	
Subtotal "Soft Costs"					$ 1,100,000
Grand Total					$ 5,820,000

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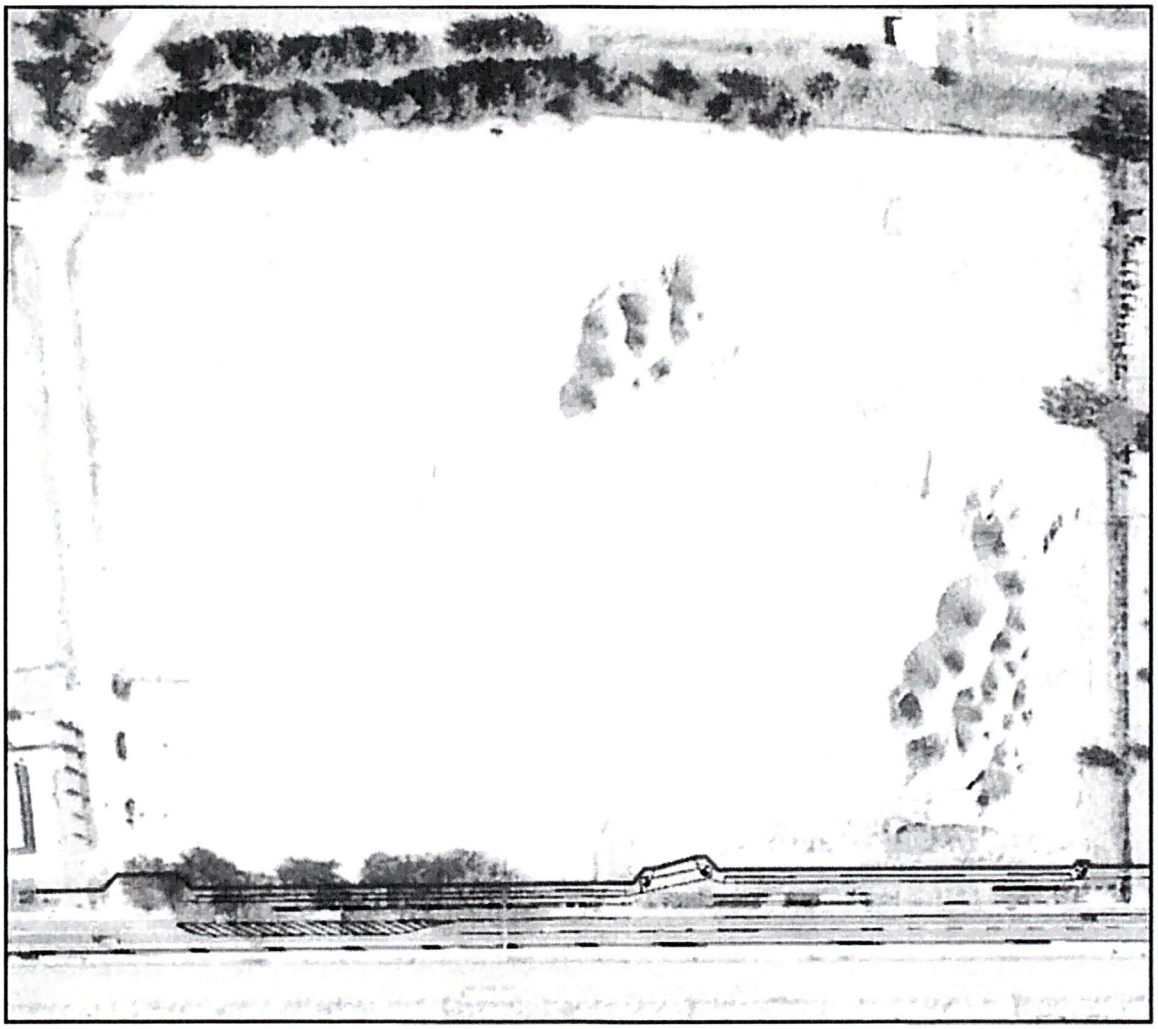
Attachment 4-5

ATTACHMENT 5

DESCRIPTION OF COSTCO RIGHT OF WAY

The right of way take from Costco is generally between 10 and 45 feet to accommodate the required Johnson Drive widening.



ATTACHMENT 6

IMPROVEMENT AGREEMENT PROVISIONS

The Improvement Agreement will require Costco to: (1) to construct the JDEDZ Street Improvements in accordance with the approved plans and specifications; (2) manage the construction of the JDEDZ Street Improvements; (3) pay Prevailing Wages for the JDEDZ Street Improvements; (3) post security acceptable to the City Attorney; and (4) provide insurance acceptable to the to the City Attorney.